

Lincoln Fillmore proposes the following substitute bill:

Housing and Community Development Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin Roberts

Senate Sponsor: Lincoln Fillmore

LONG TITLE

General Description:

This bill creates the Division of Housing and Community Development within the Governor's Office of Economic Opportunity.

Highlighted Provisions:

This bill:

- ▶ creates the Division of Housing and Community Development (HCD) within the Governor's Office of Economic Opportunity by enacting, renumbering, and amending certain provisions from the Housing and Community Development Division within the Department of Workforce Services and the Governor's Office of Planning and Budget to HCD;
- ▶ defines terms;
- ▶ provides for personnel transfer from the Housing and Community Development Division within the Department of Workforce Services to HCD;
- ▶ creates the state housing coordinator (housing coordinator) position within HCD, who is appointed by the governor with the advice and consent of the Senate;
- ▶ renames the Housing and Community Development Division within the Department of Workforce Services to the Division of Community Services within the Department of Workforce Services;
- ▶ repeals certain obsolete sections of code;
- ▶ repeals certain sections of code to consolidate with other code sections;
- ▶ repeals the Commission on Housing Affordability;
- ▶ requires coordination between the housing coordinator of HCD and the Utah Housing Corporation (UHC) under certain circumstances;
- ▶ amends the required fields of expertise of public trustees appointed to the UHC board of trustees;

- 29 ▸ moves the Homeless Housing and Services Grant Program from the Office of Homeless
30 Services into HCD;
- 31 ▸ requires recipients of certain state or state-administered funds to report certain data to
32 HCD; and
- 33 ▸ makes technical and conforming changes.

34 **Money Appropriated in this Bill:**

35 This bill transfers funds from the Governor's Office - Governor's Office Operations to the
36 Governor's Office of Economic Opportunity, Division of Housing and Community
37 Development in the amount of \$345,000 for fiscal year 2027.

38 **Other Special Clauses:**

39 This bill provides a special effective date.

40 **Utah Code Sections Affected:**

41 AMENDS:

42 **9-9-104.5 (Effective 07/01/26)**, as last amended by Laws of Utah 2020, Chapter 233

43 **10-21-101 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
44 First Special Session, Chapter 15

45 **10-21-201 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, First Special Session,
46 Chapter 15

47 **10-21-202 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
48 First Special Session, Chapter 15

49 **10-21-203 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
50 First Special Session, Chapter 15

51 **11-13-103 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 187

52 **17-80-101 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
53 First Special Session, Chapter 14

54 **17-80-201 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, First Special Session,
55 Chapter 14

56 **17-80-202 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
57 First Special Session, Chapter 14

58 **17B-1-612 (Effective 07/01/26)**, as last amended by Laws of Utah 2023, Chapter 15

59 **17C-1-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
60 Session, Chapter 16

61 **17C-1-412 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 459

62 **26B-3-209 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2023,

63 Chapter 306
64 **35A-1-202 (Effective 07/01/26) (Partially Repealed 07/01/26)**, as last amended by Laws
65 of Utah 2025, Chapter 441
66 **35A-3-103 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 441
67 **35A-3-309 (Effective 07/01/26)**, as last amended by Laws of Utah 2015, Chapter 221
68 **35A-8-101 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 406
69 **35A-8-201 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,
70 Chapter 212
71 **35A-8-202 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
72 Session, Chapter 15
73 **35A-8-1003 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,
74 Chapter 212
75 **35A-8-1009 (Effective 07/01/26)**, as last amended by Laws of Utah 2017, Chapter 223
76 **35A-16-203 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 530
77 **53C-3-203 (Effective 07/01/26) (Partially Repealed 07/01/30)**, as last amended by Laws
78 of Utah 2020, Chapter 234
79 **59-2-1101 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
80 Session, Chapter 15
81 **59-5-116 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 401
82 **59-5-119 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 401
83 **59-12-2220 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
84 Session, Chapter 15
85 **59-21-1 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 339
86 **59-21-2 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 113
87 **63A-3-205 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 105
88 **63B-1b-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 105
89 **63B-1b-202 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapters 362,
90 451
91 **63C-25-101 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah
92 2025, Chapter 105
93 **63H-8-201 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 391
94 **63H-8-203 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2015,
95 Chapter 226
96 **63L-11-402 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah

97 2025, Chapter 140
98 **72-1-215 (Effective 07/01/26)**, as enacted by Laws of Utah 2020, Chapter 268
99 **72-1-304 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
100 Session, Chapter 15
101 **72-2-124 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
102 Session, Chapter 15
103 **73-10c-3 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 335

ENACTS:

105 **63A-17-308 (Effective 07/01/26)**, Utah Code Annotated 1953
106 **63N-22-101 (Effective 07/01/26)**, Utah Code Annotated 1953
107 **63N-22-102 (Effective 07/01/26)**, Utah Code Annotated 1953
108 **63N-22-103 (Effective 07/01/26)**, Utah Code Annotated 1953
109 **63N-22-901 (Effective 07/01/26)**, Utah Code Annotated 1953

RENUMBERS AND AMENDS:

111 **63N-22-104 (Effective 07/01/26)**, (Renumbered from 63J-4-402, as last amended by
112 Laws of Utah 2025, First Special Session, Chapter 15)
113 **63N-22-201 (Effective 07/01/26)**, (Renumbered from 35A-8-803, as last amended by
114 Laws of Utah 2025, First Special Session, Chapter 15)
115 **63N-22-202 (Effective 07/01/26)**, (Renumbered from 35A-8-804, as last amended by
116 Laws of Utah 2025, First Special Session, Chapters 15, 16)
117 **63N-22-203 (Effective 07/01/26)**, (Renumbered from 35A-8-805, as last amended by
118 Laws of Utah 2024, Chapter 438)
119 **63N-22-301 (Effective 07/01/26)**, (Renumbered from 35A-8-501, as last amended by
120 Laws of Utah 2017, Chapter 279)
121 **63N-22-302 (Effective 07/01/26)**, (Renumbered from 35A-8-502, as renumbered and
122 amended by Laws of Utah 2012, Chapter 212)
123 **63N-22-303 (Effective 07/01/26)**, (Renumbered from 35A-8-503, as last amended by
124 Laws of Utah 2024, Chapter 431)
125 **63N-22-304 (Effective 07/01/26)**, (Renumbered from 35A-8-504, as last amended by
126 Laws of Utah 2024, Chapter 413)
127 **63N-22-305 (Effective 07/01/26)**, (Renumbered from 35A-8-505, as last amended by
128 Laws of Utah 2025, Chapter 464)
129 **63N-22-306 (Effective 07/01/26)**, (Renumbered from 35A-8-506, as last amended by
130 Laws of Utah 2017, Chapter 279)

131 **63N-22-307 (Effective 07/01/26)**, (Renumbered from 35A-8-507, as last amended by
132 Laws of Utah 2016, Chapter 131)

133 **63N-22-308 (Effective 07/01/26)**, (Renumbered from 35A-8-507.5, as last amended
134 by Laws of Utah 2022, Chapter 406)

135 **63N-22-309 (Effective 07/01/26)**, (Renumbered from 35A-8-508, as last amended by
136 Laws of Utah 2022, Chapter 406)

137 **63N-22-310 (Effective 07/01/26)**, (Renumbered from 35A-8-509, as last amended by
138 Laws of Utah 2024, Chapter 381)

139 **63N-22-311 (Effective 07/01/26)**, (Renumbered from 35A-8-509.5, as enacted by
140 Laws of Utah 2022, Chapter 406)

141 **63N-22-312 (Effective 07/01/26)**, (Renumbered from 35A-8-510, as last amended by
142 Laws of Utah 2022, Chapter 406)

143 **63N-22-313 (Effective 07/01/26)**, (Renumbered from 35A-8-511, as last amended by
144 Laws of Utah 2022, Chapter 406)

145 **63N-22-314 (Effective 07/01/26)**, (Renumbered from 35A-8-512, as last amended by
146 Laws of Utah 2022, Chapter 406)

147 **63N-22-315 (Effective 07/01/26)**, (Renumbered from 35A-8-513, as last amended by
148 Laws of Utah 2022, Chapter 406)

149 **63N-22-316 (Effective 07/01/26)**, (Renumbered from 35A-8-2401, as last amended
150 by Laws of Utah 2024, Chapter 413)

151 **63N-22-401 (Effective 07/01/26)**, (Renumbered from 35A-8-2102, as renumbered
152 and amended by Laws of Utah 2018, Chapter 182)

153 **63N-22-402 (Effective 07/01/26)**, (Renumbered from 35A-8-2103, as last amended
154 by Laws of Utah 2024, Chapter 529)

155 **63N-22-403 (Effective 07/01/26)**, (Renumbered from 35A-8-2104, as renumbered
156 and amended by Laws of Utah 2018, Chapter 182)

157 **63N-22-404 (Effective 07/01/26)**, (Renumbered from 35A-8-2105, as last amended
158 by Laws of Utah 2022, Chapters 68, 406)

159 **63N-22-405 (Effective 07/01/26)**, (Renumbered from 35A-8-2106, as last amended
160 by Laws of Utah 2022, Chapter 406)

161 **63N-22-406 (Effective 07/01/26)**, (Renumbered from 35A-8-2107, as renumbered
162 and amended by Laws of Utah 2018, Chapter 182)

163 **63N-22-407 (Effective 07/01/26)**, (Renumbered from 35A-8-2108, as renumbered
164 and amended by Laws of Utah 2018, Chapter 182)

165 **63N-22-408 (Effective 07/01/26)**, (Renumbered from 35A-8-2109, as renumbered
166 and amended by Laws of Utah 2018, Chapter 182)
167 **63N-22-409 (Effective 07/01/26)**, (Renumbered from 35A-8-2110, as renumbered
168 and amended by Laws of Utah 2018, Chapter 182)
169 **63N-22-501 (Effective 07/01/26)**, (Renumbered from 35A-8-301, as last amended by
170 Laws of Utah 2025, Chapter 261)
171 **63N-22-502 (Effective 07/01/26)**, (Renumbered from 35A-8-302, as last amended by
172 Laws of Utah 2025, Chapter 277)
173 **63N-22-503 (Effective 07/01/26)**, (Renumbered from 35A-8-303, as renumbered and
174 amended by Laws of Utah 2012, Chapter 212)
175 **63N-22-504 (Effective 07/01/26)**, (Renumbered from 35A-8-304, as last amended by
176 Laws of Utah 2024, Chapter 529)
177 **63N-22-505 (Effective 07/01/26)**, (Renumbered from 35A-8-305, as last amended by
178 Laws of Utah 2021, Chapter 339)
179 **63N-22-506 (Effective 07/01/26)**, (Renumbered from 35A-8-307, as last amended by
180 Laws of Utah 2021, Chapter 339)
181 **63N-22-507 (Effective 07/01/26)**, (Renumbered from 35A-8-308, as last amended by
182 Laws of Utah 2025, Chapter 451)
183 **63N-22-508 (Effective 07/01/26)**, (Renumbered from 35A-8-309, as last amended by
184 Laws of Utah 2025, Chapter 451)
185 **63N-22-509 (Effective 07/01/26)**, (Renumbered from 35A-8-310, as last amended by
186 Laws of Utah 2025, Chapter 261)
187 **63N-22-601 (Effective 07/01/26)**, (Renumbered from 35A-8-1601, as last amended
188 by Laws of Utah 2019, Chapter 136)
189 **63N-22-602 (Effective 07/01/26)**, (Renumbered from 35A-8-1602, as last amended
190 by Laws of Utah 2025, Chapter 261)
191 **63N-22-603 (Effective 07/01/26)**, (Renumbered from 35A-8-1603, as renumbered
192 and amended by Laws of Utah 2012, Chapter 212)
193 **63N-22-604 (Effective 07/01/26)**, (Renumbered from 35A-8-1604, as last amended
194 by Laws of Utah 2019, Chapter 136)
195 **63N-22-605 (Effective 07/01/26)**, (Renumbered from 35A-8-1606, as renumbered
196 and amended by Laws of Utah 2012, Chapter 212)
197 **63N-22-606 (Effective 07/01/26)**, (Renumbered from 35A-8-1607, as last amended
198 by Laws of Utah 2014, Chapter 371)

- 199 **63N-22-701 (Effective 07/01/26)**, (Renumbered from 35A-8-1702, as last amended
200 by Laws of Utah 2019, Chapter 136)
- 201 **63N-22-702 (Effective 07/01/26)**, (Renumbered from 35A-8-1703, as last amended
202 by Laws of Utah 2025, Chapter 261)
- 203 **63N-22-703 (Effective 07/01/26)**, (Renumbered from 35A-8-1704, as last amended
204 by Laws of Utah 2025, Chapter 261)
- 205 **63N-22-704 (Effective 07/01/26)**, (Renumbered from 35A-8-1705, as last amended
206 by Laws of Utah 2016, Chapter 348)
- 207 **63N-22-705 (Effective 07/01/26)**, (Renumbered from 35A-8-1706, as renumbered
208 and amended by Laws of Utah 2012, Chapter 212)
- 209 **63N-22-706 (Effective 07/01/26)**, (Renumbered from 35A-8-1707, as last amended
210 by Laws of Utah 2019, Chapter 136)
- 211 **63N-22-801 (Effective 07/01/26)**, (Renumbered from 35A-16-601, as enacted by
212 Laws of Utah 2022, Chapter 467)
- 213 **63N-22-802 (Effective 07/01/26)**, (Renumbered from 35A-16-602, as last amended
214 by Laws of Utah 2025, Chapter 530)
- 215 REPEALS:
- 216 **35A-8-306 (Effective 07/01/26)**, as last amended by Laws of Utah 2019, Chapter 89
- 217 **35A-8-504.5 (Effective 07/01/26)**, as enacted by Laws of Utah 2021, Chapter 102
- 218 **35A-8-504.6 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, Chapter 464
- 219 **35A-8-801 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,
220 Chapter 212
- 221 **35A-8-802 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,
222 Chapter 212
- 223 **35A-8-901 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 335
- 224 **35A-8-1605 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,
225 Chapter 212
- 226 **35A-8-1608 (Effective 07/01/26)**, as last amended by Laws of Utah 2014, Chapter 241
- 227 **35A-8-1708 (Effective 07/01/26)**, as last amended by Laws of Utah 2014, Chapter 371
- 228 **35A-8-2101 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2018,
229 Chapter 182
- 230 **35A-8-2201 (Effective 07/01/26)**, as last amended by Laws of Utah 2020, Chapter 268
- 231 **35A-8-2202 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 118
- 232 **35A-8-2203 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 512

233 **35A-8-2204 (Effective 07/01/26)**, as last amended by Laws of Utah 2020, Chapter 268

234

235 *Be it enacted by the Legislature of the state of Utah:*

236 Section 1. Section **9-9-104.5** is amended to read:

237 **9-9-104.5 (Effective 07/01/26). Meetings with Tribal Leaders and Native**
238 **American Indian organizations.**

239 (1) The division shall meet regularly with:

240 (a) elected officials of Indian Tribal Nations located in whole or in part in the state; or

241 (b) individuals designated by elected officials of the Indian Tribal Nations described in
242 Subsection (1)(a).

243 (2)(a) Subject to Section 9-9-104.6, at least six times each year, the division shall
244 coordinate and attend a joint meeting of the representatives of tribal governments
245 listed in Subsection (2)(b) for the purpose of coordinating the efforts of state and
246 tribal governments in meeting the needs of the Native American Indians residing in
247 Utah.

248 (b)(i) The representatives to be included in the meeting described in Subsection (2)(a)
249 shall be elected officials, serve as representatives for ~~[their]~~ the entire elected term,
250 and be selected as follows:

251 (A) an elected Navajo Nation council delegate who resides in Utah or Arizona and
252 represents at least one Utah Navajo Chapter, as defined in Section ~~[35A-8-1702]~~
253 63N-22-701, selected by the ~~[President]~~ president of the Navajo Nation;

254 (B) an elected official of the Ute Indian Tribe of the Uintah and Ouray
255 Reservation selected by the Uintah and Ouray Tribal Business Committee;

256 (C) an elected official of the Paiute Indian Tribe of Utah selected by the Paiute
257 Indian Tribe of Utah Tribal Council;

258 (D) an elected official of the Northwestern Band of the Shoshone Nation that
259 resides in Utah or Idaho selected by the Northwestern Band of the Shoshone
260 Nation Tribal Council;

261 (E) an elected official of the Confederated Tribes of the Goshute selected by the
262 Confederated Tribes of the Goshute Reservation Tribal Council;

263 (F) an elected official of the Skull Valley Band of Goshute Indians selected by the
264 Skull Valley Band of Goshute Indian Tribal Executive Committee;

265 (G) an elected official of the Ute Mountain Ute Tribe that resides in Utah or
266 Colorado selected by the Ute Mountain Ute Tribal Council; and

- 267 (H) an elected official of the San Juan Southern Paiute Tribe, residing in Utah or
268 Arizona, selected by the San Juan Southern Paiute Tribal Council.
- 269 (ii) Notwithstanding Subsection (2)(b)(i), if an elected official of an Indian Tribal
270 Nation provides notice to the division, the Indian Tribal Nation may designate an
271 individual other than the elected official selected under Subsection (2)(b)(i) to
272 represent the Indian Tribal Nation at an individual meeting held under Subsection
273 (2)(a).
- 274 (iii) A majority of members listed in Subsection (2)(b)(i) constitutes a quorum for
275 purposes of a meeting held under Subsection (2)(a). An action of a majority of
276 members present when a quorum is present constitutes action of the
277 representatives for purposes of a meeting described in Subsection (2)(a).
- 278 (c)(i) A meeting held in accordance with Subsection (2)(a) is subject to Title 52,
279 Chapter 4, Open and Public Meetings Act.
- 280 (ii) A meeting of representatives listed in Subsection (2)(b) is not subject to the
281 requirements of Title 52, Chapter 4, Open and Public Meetings Act[;
282 ~~notwithstanding whether it]~~ , whether the meeting is held on the same day as a
283 meeting held in accordance with Subsection (2)(a) if:
- 284 (A) the division does not coordinate the meeting described in this Subsection
285 (2)(c)(ii);
- 286 (B) no state agency participates in the meeting described in this Subsection
287 (2)(c)(ii);
- 288 (C) a representative receives no per diem or expenses under this section for
289 attending the meeting described in this Subsection (2)(c)(ii) that is in addition
290 to any per diem or expenses the representative receives under Subsection (2)(d)
291 for attending a meeting described in Subsection (2)(a); and
- 292 (D) the meeting described in this Subsection (2)(c)(ii) is not held:
- 293 (I) after a meeting described in Subsection (2)(a) begins; and
294 (II) before the meeting described in Subsection (2)(c)(ii)(D)(I) adjourns.
- 295 (d) A representative of a tribal government that attends a meeting held in accordance
296 with Subsection (2)(a) may not receive compensation or benefits for the
297 representative's service, but may receive per diem and travel expenses in accordance
298 with:
- 299 (i) Section 63A-3-106;
- 300 (ii) Section 63A-3-107; and

301 (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
302 63A-3-107.

303 (e) For a meeting described in Subsection (2)(a), only the individuals described in
304 Subsection (2)(b) may receive per diem and expenses, as provided in Subsection
305 (2)(d).

306 (3) The division may meet as necessary with Native American Indian groups other than
307 tribal governments representing the interests of Native American Indians who are
308 citizens of the state residing on or off reservation land.

309 Section 2. Section **10-21-101** is amended to read:

310 **10-21-101 (Effective 07/01/26). Definitions.**

311 As used in this part:

- 312 (1) "Affordable housing" means housing offered for sale at 80% or less of the median
313 county home price for housing of that type.
- 314 (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- 315 (3) "Applicable metropolitan planning organization" means the metropolitan planning
316 organization that has jurisdiction over the area in which a fixed guideway public transit
317 station is located.
- 318 (4) "Applicable public transit district" means the public transit district, as defined in Section
319 17B-2a-802, of which a fixed guideway public transit station is included.
- 320 (5) "Base taxable value" means a property's taxable value as shown upon the assessment
321 roll last equalized during the base year.
- 322 (6) "Base year" means, for a proposed home ownership promotion zone area, a year
323 beginning the first day of the calendar quarter determined by the last equalized tax roll
324 before the adoption of the home ownership promotion zone.
- 325 (7) "Division" means the [~~Housing and Community Development Division within the~~
326 ~~Department of Workforce Services~~] Division of Housing and Community Development
327 within the Governor's Office of Economic Opportunity.
- 328 (8) "Existing fixed guideway public transit station" means a fixed guideway public transit
329 station for which construction begins before June 1, 2022.
- 330 (9) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- 331 (10) "Home ownership promotion zone" means a home ownership promotion zone created
332 in accordance with this part.
- 333 (11) "Implementation plan" means the implementation plan adopted as part of the moderate
334 income housing element of a specified municipality's general plan as provided in

- 335 Subsection 10-21-201(4).
- 336 (12) "Initial report" or "initial moderate income housing report" means the one-time report
337 described in Subsection 10-21-202(1).
- 338 (13) "Internal accessory dwelling unit" means an accessory dwelling unit created:
- 339 (a) within a primary dwelling;
- 340 (b) within the footprint of the primary dwelling described in Subsection (13)(a) at the
341 time the internal accessory dwelling unit is created; and
- 342 (c) for the purpose of offering a long-term rental of 30 consecutive days or longer.
- 343 (14) "Moderate income housing strategy" means a strategy described in Subsection
344 10-21-201(3)(a)(iii).
- 345 (15) "New fixed guideway public transit station" means a fixed guideway public transit
346 station for which construction begins on or after June 1, 2022.
- 347 (16) "Participant" means the same as that term is defined in Section 17C-1-102.
- 348 (17) "Participation agreement" means the same as that term is defined in Section 17C-1-102.
- 349 (18)(a) "Primary dwelling" means a single-family dwelling that:
- 350 (i) is detached; and
- 351 (ii) is occupied as the primary residence of the owner of record.
- 352 (b) "Primary dwelling" includes a garage if the garage:
- 353 (i) is a habitable space; and
- 354 (ii) is connected to the primary dwelling by a common wall.
- 355 (19) "Project improvements" means the same as that term is defined in Section 11-36a-102.
- 356 (20) "Qualifying land use petition" means a petition:
- 357 (a) that involves land located within a station area for an existing public transit station
358 that provides rail services;
- 359 (b) that involves land located within a station area for which the municipality has not yet
360 satisfied the requirements of Subsection 10-21-203(1)(a);
- 361 (c) that proposes the development of an area greater than five contiguous acres, with no
362 less than 51% of the acreage within the station area;
- 363 (d) that would require the municipality to amend the municipality's general plan or
364 change a zoning designation for the land use application to be approved;
- 365 (e) that would require a higher density than the density currently allowed by the
366 municipality;
- 367 (f) that proposes the construction of new residential units, at least 10% of which are
368 dedicated to moderate income housing; and

369 (g) for which the land use applicant requests the municipality to initiate the process of
370 satisfying the requirements of Subsection 10-21-203(1)(a) for the station area in
371 which the development is proposed, subject to Subsection 10-21-203(2)(d).

372 (21) "Report" means an initial report or a subsequent progress report.

373 (22) "Specified municipality" means:

374 (a) a city of the first, second, third, or fourth class; or

375 (b) a city of the fifth class with a population of 5,000 or more, if the city is located
376 within a county of the first, second, or third class.

377 (23)(a) "Station area" means:

378 (i) for a fixed guideway public transit station that provides rail services, the area
379 within a one-half mile radius of the center of the fixed guideway public transit
380 station platform; or

381 (ii) for a fixed guideway public transit station that provides bus services only, the
382 area within a one-fourth mile radius of the center of the fixed guideway public
383 transit station platform.

384 (b) "Station area" includes any parcel bisected by the radius limitation described in [
385 ~~Subsection (a)(i) or (ii)] Subsection (23)(a)(i) or (ii).~~

386 (24) "Station area plan" means a plan that:

387 (a) establishes a vision, and the actions needed to implement that vision, for the
388 development of land within a station area; and

389 (b) is developed and adopted in accordance with this section.

390 (25) "Subsequent progress report" means the annual report described in Subsection
391 10-21-202(2).

392 (26) "System improvements" means the same as that term is defined in Section 11-36a-102.

393 (27) "Tax commission" means the State Tax Commission created in Section 59-1-201.

394 (28)(a) "Tax increment" means the difference between:

395 (i) the amount of property tax revenue generated each tax year by a taxing entity from
396 the area within a home ownership promotion zone, using the current assessed
397 value and each taxing entity's current certified tax rate as defined in Section
398 59-2-924; and

399 (ii) the amount of property tax revenue that would be generated from that same area
400 using the base taxable value and each taxing entity's current certified tax rate as
401 defined in Section 59-2-924.

402 (b) "Tax increment" does not include property revenue from:

403 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
 404 or

405 (ii) a county additional property tax described in Subsection 59-2-1602(4).

406 (29) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

407 Section 3. Section **10-21-201** is amended to read:

408 **10-21-201 (Effective 07/01/26). Moderate income housing plan required.**

409 (1) A moderate income housing element of a general plan shall include a moderate income
 410 housing plan that meets the requirements of this section.

411 (2) A moderate income housing plan:

412 (a) shall provide a realistic opportunity to meet the need for additional moderate income
 413 housing within the municipality during the next five years;

414 (b) for a municipality that is not a specified municipality, may include a
 415 recommendation to implement three or more of the moderate income housing
 416 strategies described in Subsection (3)(a)(iii);

417 (c) for a specified municipality that does not have a fixed guideway public transit
 418 station, shall include a recommendation to implement three or more of the moderate
 419 income housing strategies described in Subsection (3)(a)(iii) or at least one of the
 420 moderate income housing strategies described in Subsections (3)(a)(iii)(X) through
 421 (CC);

422 (d) for a specified municipality that has a fixed guideway public transit station, shall
 423 include:

424 (i) a recommendation to implement five or more of the moderate income housing
 425 strategies described in Subsection (3)(a)(iii), of which one shall be the moderate
 426 income housing strategy described in Subsection (3)(a)(iii)(U) and one shall be a
 427 moderate income housing strategy described in Subsection (3)(a)(iii)(G) or (H); or

428 (ii) a recommendation to implement the moderate income housing strategy described
 429 in Subsection (3)(a)(iii)(U), one of the moderate income housing strategies
 430 described in Subsections (3)(a)(iii)(X) through (CC), and one moderate income
 431 housing strategy described in Subsection (3)(a)(iii); and

432 (e) for a specified municipality shall include an implementation plan as provided in
 433 Subsection (4).

434 (3)(a) In drafting the moderate income housing element, the planning commission:

435 (i) shall consider the Legislature's determination that municipalities shall facilitate a
 436 reasonable opportunity for a variety of housing, including moderate income

- 437 housing:
- 438 (A) to meet the needs of people of various income levels living, working, or
- 439 desiring to live or work in the community; and
- 440 (B) to allow people with various incomes to benefit from and fully participate in
- 441 all aspects of neighborhood and community life;
- 442 (ii) for a municipality that is not a specified municipality, may include, and for a
- 443 specified municipality shall include, an analysis of how the municipality will
- 444 provide a realistic opportunity for the development of moderate income housing
- 445 within the next five years; and
- 446 (iii) for a municipality that is not a specified municipality, may include, and for a
- 447 specified municipality shall include, a recommendation to implement the required
- 448 number of any of the following moderate income housing strategies as specified in
- 449 Subsection (2):
- 450 (A) rezone for densities necessary to facilitate the production of moderate income
- 451 housing;
- 452 (B) demonstrate investment in the rehabilitation or expansion of infrastructure that
- 453 facilitates the construction of moderate income housing;
- 454 (C) demonstrate investment in the rehabilitation of existing uninhabitable housing
- 455 stock into moderate income housing;
- 456 (D) identify and utilize general fund subsidies or other sources of revenue to
- 457 waive construction related fees that are otherwise generally imposed by the
- 458 municipality for the construction or rehabilitation of moderate income housing;
- 459 (E) create or allow for, and reduce regulations related to, internal or detached
- 460 accessory dwelling units in residential zones;
- 461 (F) zone or rezone for higher density or moderate income residential development
- 462 in commercial or mixed-use zones near major transit investment corridors,
- 463 commercial centers, or employment centers;
- 464 (G) amend land use regulations to allow for higher density or new moderate
- 465 income residential development in commercial or mixed-use zones near major
- 466 transit investment corridors;
- 467 (H) amend land use regulations to eliminate or reduce parking requirements for
- 468 residential development where a resident is less likely to rely on the resident's
- 469 own vehicle, such as residential development near major transit investment
- 470 corridors or senior living facilities;

- 471 (I) amend land use regulations to allow for single room occupancy developments;
- 472 (J) implement zoning incentives for moderate income units in new developments;
- 473 (K) preserve existing and new moderate income housing and subsidized units by
474 utilizing a landlord incentive program, providing for deed restricted units
475 through a grant program[~~, or, notwithstanding Section 10-21-301,~~] or
476 establishing a housing loss mitigation fund;
- 477 (L) reduce, waive, or eliminate impact fees related to moderate income housing;
- 478 (M) demonstrate creation of, or participation in, a community land trust program
479 for moderate income housing;
- 480 (N) implement a mortgage assistance program for employees of the municipality,
481 an employer that provides contracted services to the municipality, or any other
482 public employer that operates within the municipality;
- 483 (O) apply for or partner with an entity that applies for state or federal funds or tax
484 incentives to promote the construction of moderate income housing, an entity
485 that applies for programs offered by the Utah Housing Corporation within the
486 Utah Housing Corporation's funding capacity, an entity that applies for
487 affordable housing programs administered by[~~the Department of Workforce~~
488 ~~Services~~] the Division of Housing and Community Development within the
489 Governor's Office of Economic Opportunity, an entity that applies for
490 affordable housing programs administered by an association of governments
491 established by an interlocal agreement under Title 11, Chapter 13, Interlocal
492 Cooperation Act, an entity that applies for services provided by a public
493 housing authority to preserve and create moderate income housing, or any
494 other entity that applies for programs or services that promote the construction
495 or preservation of moderate income housing;
- 496 (P) demonstrate utilization of a moderate income housing set aside from a
497 community reinvestment agency, redevelopment agency, or community
498 development and renewal agency to create or subsidize moderate income
499 housing;
- 500 (Q) eliminate impact fees for any accessory dwelling unit that is not an internal
501 accessory dwelling unit as defined in Section 10-21-101;
- 502 (R) create a program to transfer development rights for moderate income housing;
- 503 (S) ratify a joint acquisition agreement with another local political subdivision for
504 the purpose of combining resources to acquire property for moderate income

- 505 housing;
- 506 (T) develop a moderate income housing project for residents who are disabled or
507 55 years old or older;
- 508 (U) develop and adopt a station area plan in accordance with Section 10-21-203;
- 509 (V) create or allow for, and reduce regulations related to, multifamily residential
510 dwellings compatible in scale and form with detached single-family residential
511 dwellings and located in walkable communities within residential or mixed-use
512 zones;
- 513 (W) demonstrate implementation of any other program or strategy to address the
514 housing needs of residents of the municipality who earn less than 80% of the
515 area median income, including the dedication of a local funding source to
516 moderate income housing or the adoption of a land use ordinance that requires
517 10% or more of new residential development in a residential zone be dedicated
518 to moderate income housing;
- 519 (X) create a housing and transit reinvestment zone in accordance with Title 63N,
520 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
- 521 (Y) create a home ownership promotion zone in accordance with Part 5, Home
522 Ownership Promotion Zone for Municipalities;
- 523 (Z) create a first home investment zone in accordance with Title 63N, Chapter 3,
524 Part 16, First Home Investment Zone Act;
- 525 (AA) approve a project that receives funding from, or qualifies to receive funding
526 from, the Utah Homes Investment Program created in Title 51, Chapter 12,
527 Utah Homes Investment Program;
- 528 (BB) adopt or approve a qualifying affordable home ownership density bonus for
529 single-family residential units, as described in Section 10-21-401; and
- 530 (CC) adopt or approve a qualifying affordable home ownership density bonus for
531 multi-family residential units, as described in Section 10-21-402; and
- 532 (b) the planning commission shall identify each moderate income housing strategy
533 recommended to the legislative body for implementation by restating the exact
534 language used to describe the strategy in Subsection (3)(a)(iii).
- 535 (4)(a) In drafting the implementation plan portion of the moderate income housing
536 element as described in Subsection (2)(c), the planning commission shall recommend
537 to the legislative body the establishment of a five-year timeline for implementing
538 each of the moderate income housing strategies selected by the municipality for

539 implementation.

540 (b) The timeline described in Subsection (4)(a) shall:

541 (i) identify specific measures and benchmarks for implementing each moderate
542 income housing strategy selected by the municipality, whether one-time or
543 ongoing; and

544 (ii) provide flexibility for the municipality to make adjustments as needed.

545 Section 4. Section **10-21-202** is amended to read:

546 **10-21-202 (Effective 07/01/26). Moderate income housing report -- Contents --**

547 **Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil**
548 **actions.**

549 (1)(a) The legislative body of a specified municipality shall submit an initial moderate
550 income housing report to the division.

551 (b)(i) This Subsection (1)(b) applies to a municipality that is not a specified
552 municipality as of January 1, 2023.

553 (ii) As of January 1, if a municipality changes from one class to another or grows in
554 population to qualify as a specified municipality, the municipality shall submit an
555 initial plan to the division on or before August 1 of the first calendar year
556 beginning on January 1 in which the municipality qualifies as a specified
557 municipality.

558 (c) The initial report shall:

559 (i) identify each moderate income housing strategy selected by the specified
560 municipality for continued, ongoing, or one-time implementation, restating the
561 exact language used to describe the moderate income housing strategy; and

562 (ii) include an implementation plan.

563 (2)(a) After the division approves a specified municipality's initial report under this
564 section, the specified municipality shall, as an administrative act, annually submit to
565 the division a subsequent progress report on or before August 1 of each year after the
566 year in which the specified municipality is required to submit the initial report.

567 (b) The subsequent progress report shall include:

568 (i) subject to Subsection (2)(c), a description of each action, whether one-time or
569 ongoing, taken by the specified municipality during the previous 12-month period
570 to implement the moderate income housing strategies identified in the initial
571 report for implementation;

572 (ii) a description of each land use regulation or land use decision made by the

- 573 specified municipality during the previous 12-month period to implement the
574 moderate income housing strategies, including an explanation of how the land use
575 regulation or land use decision supports the specified municipality's efforts to
576 implement the moderate income housing strategies;
- 577 (iii) a description of any barriers encountered by the specified municipality in the
578 previous 12-month period in implementing the moderate income housing
579 strategies;
- 580 (iv) information regarding the number of internal and external or detached accessory
581 dwelling units located within the specified municipality for which the specified
582 municipality:
- 583 (A) issued a building permit to construct; or
584 (B) issued a business license or comparable license or permit to rent;
- 585 (v) the number of residential dwelling units that have been entitled that have not
586 received a building permit as of the submission date of the progress report;
- 587 (vi) shapefiles, or website links if shapefiles are not available, to current maps and
588 tables related to zoning;
- 589 (vii) a description of how the market has responded to the selected moderate income
590 housing strategies, including the number of entitled moderate income housing
591 units or other relevant data; and
- 592 (viii) any recommendations on how the state can support the specified municipality
593 in implementing the moderate income housing strategies.
- 594 (c) For purposes of describing actions taken by a specified municipality under
595 Subsection (2)(b)(i), the specified municipality may include an ongoing action taken
596 by the specified municipality before the 12-month reporting period applicable to the
597 subsequent progress report if the specified municipality:
- 598 (i) has already adopted an ordinance, approved a land use application, made an
599 investment, or approved an agreement or financing that substantially promotes the
600 implementation of a moderate income housing strategy identified in the initial
601 report; and
- 602 (ii) demonstrates in the subsequent progress report that the action taken under
603 Subsection (2)(c)(i) is relevant to making meaningful progress towards the
604 specified municipality's implementation plan.
- 605 (d) A specified municipality's report shall be in a form:
- 606 (i) approved by the division; and

- 607 (ii) made available by the division on or before May 1 of the year in which the report
608 is required.
- 609 (3) Within 90 days after the day on which the division receives a specified municipality's
610 report, the division shall:
- 611 (a) post the report on the division's website;
- 612 (b) send a copy of the report to the Department of Transportation, the Governor's Office
613 of Planning and Budget, the association of governments in which the specified
614 municipality is located, and, if the specified municipality is located within the
615 boundaries of a metropolitan planning organization, the appropriate metropolitan
616 planning organization; and
- 617 (c) subject to Subsection (4), review the report to determine compliance with this section.
- 618 (4)(a) An initial report complies with this section if the report:
- 619 (i) includes the information required under Subsection (1)(c);
- 620 (ii) demonstrates to the division that the specified municipality made plans to
621 implement:
- 622 (A) three or more moderate income housing strategies if the specified
623 municipality does not have a fixed guideway public transit station; or
- 624 (B) if the specified municipality has a fixed guideway public transit station:
- 625 (I) five or more of the moderate income housing strategies described in
626 Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income
627 housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one
628 shall be a moderate income housing strategy described in Subsection
629 10-21-201(3)(a)(iii)(G) or (H); or
- 630 (II) the moderate income housing strategy described in Subsection
631 10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies
632 described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one
633 moderate income strategy described in Subsection 10-21-201(3)(a)(iii); and
- 634 (iii) is in a form approved by the division.
- 635 (b) A subsequent progress report complies with this section if the report:
- 636 (i) demonstrates to the division that the specified municipality made plans to
637 implement:
- 638 (A) three or more moderate income housing strategies if the specified
639 municipality does not have a fixed guideway public transit station; or
- 640 (B) if the specified municipality has a fixed guideway public transit station:

- 641 (I) five or more of the moderate income housing strategies described in
642 Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income
643 housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one
644 shall be a moderate income housing strategy described in Subsection
645 10-21-201(3)(a)(iii)(G) or (H); or
- 646 (II) the moderate income housing strategy described in Subsection
647 10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies
648 described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one
649 moderate income housing strategy described in Subsection
650 10-21-201(3)(a)(iii);
- 651 (ii) is in a form approved by the division; and
- 652 (iii) provides sufficient information for the division to:
- 653 (A) assess the specified municipality's progress in implementing the moderate
654 income housing strategies;
- 655 (B) monitor compliance with the specified municipality's implementation plan;
- 656 (C) identify a clear correlation between the specified municipality's land use
657 regulations and land use decisions and the specified municipality's efforts to
658 implement the moderate income housing strategies;
- 659 (D) identify how the market has responded to the specified municipality's selected
660 moderate income housing strategies; and
- 661 (E) identify any barriers encountered by the specified municipality in
662 implementing the selected moderate income housing strategies.
- 663 (c)(i) Notwithstanding the requirements of Subsection (4)(a)(ii)(A) or (b)(i)(A), if a
664 specified municipality without a fixed guideway public transit station implements
665 or is implementing, by ordinance or development agreement, one of the following
666 moderate income housing strategies, the division shall consider that one moderate
667 income housing strategy to be the equivalent of three moderate income housing
668 strategies:
- 669 (A) a housing and transit reinvestment zone, as described in Subsection
670 10-21-201(3)(a)(iii)(X);
- 671 (B) a home ownership promotion zone, as described in Subsection
672 10-21-201(3)(a)(iii)(Y);
- 673 (C) a first home investment zone, described in Subsection 10-21-201(3)(a)(iii)(Z);
- 674 (D) the approval of a project described in Subsection 10-21-201(3)(a)(iii)(AA);

- 675 (E) a qualifying affordable home ownership density bonus for single-family
676 residential units, as described in Subsection 10-21-201(3)(a)(iii)(BB); or
677 (F) a qualifying affordable home ownership density bonus for multi-family
678 residential units, as described in Subsection 10-21-201(3)(a)(iii)(CC).
- 679 (ii) If the division considers one moderate income housing strategy described in
680 Subsection (4)(c)(i) as the equivalent of three moderate income housing strategies,
681 the division shall also consider the specified municipality compliant with the
682 reporting requirement described in this section for:
- 683 (A) the year in which the specified municipality submits the initial report or
684 subsequent report; and
685 (B) two subsequent reporting years.
- 686 (5)(a) A specified municipality qualifies for priority consideration under this Subsection
687 (5) if the specified municipality's report:
- 688 (i) complies with this section; and
689 (ii) demonstrates to the division that the specified municipality made plans to
690 implement:
- 691 (A) five or more moderate income housing strategies if the specified municipality
692 does not have a fixed guideway public transit station; or
693 (B) six or more moderate income housing strategies if the specified municipality
694 has a fixed guideway public transit station.
- 695 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
696 give priority consideration to transportation projects located within the boundaries of
697 a specified municipality described in Subsection (5)(a) until the Department of
698 Transportation receives notice from the division under Subsection (5)(e).
- 699 (c) Upon determining that a specified municipality qualifies for priority consideration
700 under this Subsection (5), the division shall send a notice of prioritization to the
701 legislative body of the specified municipality and the Department of Transportation.
- 702 (d) The notice described in Subsection (5)(c) shall:
- 703 (i) name the specified municipality that qualifies for priority consideration;
704 (ii) describe the funds or projects for which the specified municipality qualifies to
705 receive priority consideration; and
706 (iii) state the basis for the division's determination that the specified municipality
707 qualifies for priority consideration.
- 708 (e) The division shall notify the legislative body of a specified municipality and the

- 709 Department of Transportation in writing if the division determines that the specified
710 municipality no longer qualifies for priority consideration under this Subsection (5).
- 711 (6)(a) If the division, after reviewing a specified municipality's report, determines that
712 the report does not comply with this section, the division shall send a notice of
713 noncompliance to the legislative body of the specified municipality.
- 714 (b) A specified municipality that receives a notice of noncompliance may:
- 715 (i) cure each deficiency in the report within 90 days after the day on which the notice
716 of noncompliance is sent; or
- 717 (ii) request an appeal of the division's determination of noncompliance within 10
718 days after the day on which the notice of noncompliance is sent.
- 719 (c) The notice described in Subsection (6)(a) shall:
- 720 (i) describe each deficiency in the report and the actions needed to cure each
721 deficiency;
- 722 (ii) state that the specified municipality has an opportunity to:
- 723 (A) submit to the division a corrected report that cures each deficiency in the
724 report within 90 days after the day on which the notice of compliance is sent; or
- 725 (B) submit to the division a request for an appeal of the division's determination of
726 noncompliance within 10 days after the day on which the notice of
727 noncompliance is sent; and
- 728 (iii) state that failure to take action under Subsection (6)(c)(ii) will result in the
729 specified municipality's ineligibility for funds under Subsection (8).
- 730 (d) For purposes of curing the deficiencies in a report under this Subsection (6), if the
731 action needed to cure the deficiency as described by the division requires the
732 specified municipality to make a legislative change, the specified municipality may
733 cure the deficiency by making that legislative change within the 90-day cure period.
- 734 (e)(i) If a specified municipality submits to the division a corrected report in
735 accordance with Subsection (6)(b)(i) and the division determines that the
736 corrected report does not comply with this section, the division shall send a
737 second notice of noncompliance to the legislative body of the specified
738 municipality within 30 days after the day on which the corrected report is
739 submitted.
- 740 (ii) A specified municipality that receives a second notice of noncompliance may
741 submit to the division a request for an appeal of the division's determination of
742 noncompliance within 10 days after the day on which the second notice of

- 743 noncompliance is sent.
- 744 (iii) The notice described in Subsection (6)(e)(i) shall:
- 745 (A) state that the specified municipality has an opportunity to submit to the
- 746 division a request for an appeal of the division's determination of
- 747 noncompliance within 10 days after the day on which the second notice of
- 748 noncompliance is sent; and
- 749 (B) state that failure to take action under Subsection (6)(e)(iii)(A) will result in the
- 750 specified municipality's ineligibility for funds under Subsection (8).
- 751 (7)(a) A specified municipality that receives a notice of noncompliance under
- 752 Subsection (6)(a) or (6)(e)(i) may request an appeal of the division's determination of
- 753 noncompliance within 10 days after the day on which the notice of noncompliance is
- 754 sent.
- 755 (b) Within 90 days after the day on which the division receives a request for an appeal,
- 756 an appeal board consisting of the following three members shall review and issue a
- 757 written decision on the appeal:
- 758 (i) one individual appointed by the Utah League of Cities and Towns;
- 759 (ii) one individual appointed by the Utah Homebuilders Association; and
- 760 (iii) one individual appointed by the presiding member of the association of
- 761 governments, established in accordance with an interlocal agreement under Title
- 762 11, Chapter 13, Interlocal Cooperation Act, of which the specified municipality is
- 763 a member.
- 764 (c) The written decision of the appeal board shall either uphold or reverse the division's
- 765 determination of noncompliance.
- 766 (d) The appeal board's written decision on the appeal is final.
- 767 (8)(a) A specified municipality is ineligible for funds under this Subsection (8) if:
- 768 (i) the specified municipality fails to submit a report to the division;
- 769 (ii) after submitting a report to the division, the division determines that the report
- 770 does not comply with this section and the specified municipality fails to:
- 771 (A) cure each deficiency in the report within 90 days after the day on which the
- 772 notice of noncompliance is sent; or
- 773 (B) request an appeal of the division's determination of noncompliance within 10
- 774 days after the day on which the notice of noncompliance is sent;
- 775 (iii) after submitting to the division a corrected report to cure the deficiencies in a
- 776 previously submitted report, the division determines that the corrected report does

- 777 not comply with this section and the specified municipality fails to request an
778 appeal of the division's determination of noncompliance within 10 days after the
779 day on which the second notice of noncompliance is sent; or
- 780 (iv) after submitting a request for an appeal under Subsection (7), the appeal board
781 issues a written decision upholding the division's determination of noncompliance.
- 782 (b) The following apply to a specified municipality described in Subsection (8)(a) until
783 the division provides notice under Subsection (8)(e):
- 784 (i) the executive director of the Department of Transportation may not program funds
785 from the Transportation Investment Fund of 2005, including the Transit
786 Transportation Investment Fund, to projects located within the boundaries of the
787 specified municipality in accordance with Subsection 72-2-124(5);
- 788 (ii) beginning with a report submitted in 2024, the specified municipality shall pay a
789 fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that
790 the specified municipality:
- 791 (A) fails to submit the report to the division in accordance with this section,
792 beginning the day after the day on which the report was due; or
- 793 (B) fails to cure the deficiencies in the report, beginning the day after the day by
794 which the cure was required to occur as described in the notice of
795 noncompliance under Subsection (6); and
- 796 (iii) beginning with the report submitted in 2025, the specified municipality shall pay
797 a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that
798 the specified municipality, in a consecutive year:
- 799 (A) fails to submit the report to the division in accordance with this section,
800 beginning the day after the day on which the report was due; or
- 801 (B) fails to cure the deficiencies in the report, beginning the day after the day by
802 which the cure was required to occur as described in the notice of
803 noncompliance under Subsection (6).
- 804 (c) Upon determining that a specified municipality is ineligible for funds under this
805 Subsection (8), and is required to pay a fee under Subsection (8)(b), if applicable, the
806 division shall send a notice of ineligibility to the legislative body of the specified
807 municipality, the Department of Transportation, the State Tax Commission, and the
808 Governor's Office of Planning and Budget.
- 809 (d) The notice described in Subsection (8)(c) shall:
- 810 (i) name the specified municipality that is ineligible for funds;

- 811 (ii) describe the funds for which the specified municipality is ineligible to receive;
- 812 (iii) describe the fee the specified municipality is required to pay under Subsection
- 813 (8)(b), if applicable; and
- 814 (iv) state the basis for the division's determination that the specified municipality is
- 815 ineligible for funds.
- 816 (e) The division shall notify the legislative body of a specified municipality and the
- 817 Department of Transportation in writing if the division determines that the provisions
- 818 of this Subsection (8) no longer apply to the specified municipality.
- 819 (f) The division may not determine that a specified municipality that is required to pay a
- 820 fee under Subsection (8)(b) is in compliance with the reporting requirements of this
- 821 section until the specified municipality pays all outstanding fees required under
- 822 Subsection (8)(b) to the Olene Walker Housing Loan Fund, created [~~under Title 35A,~~
- 823 ~~Chapter 8, Part 5, Olene Walker Housing Loan Fund~~] in Section 63N-22-302.
- 824 (9) In a civil action seeking enforcement or claiming a violation of this section or of
- 825 Subsection 10-20-405(4)(c), a plaintiff may not recover damages but may be awarded
- 826 only injunctive or other equitable relief.

827 Section 5. Section **10-21-203** is amended to read:

828 **10-21-203 (Effective 07/01/26). Station area plan requirements -- Contents --**

829 **Review and certification by applicable metropolitan planning organization.**

- 830 (1)(a) Subject to the requirements of this section, a municipality that has a fixed
- 831 guideway public transit station located within the municipality's boundaries shall, for
- 832 the station area:
- 833 (i) develop and adopt a station area plan; and
- 834 (ii) adopt any appropriate land use regulations to implement the station area plan.
- 835 (b) The requirements of Subsection (1)(a) shall be considered satisfied if:
- 836 (i)(A) the municipality has already adopted plans or ordinances, approved land use
- 837 applications, approved agreements or financing, or investments have been
- 838 made, before June 1, 2022, that substantially promote each of the objectives in
- 839 Subsection (6)(a) within the station area, and can demonstrate that such plans,
- 840 ordinances, approved land use applications, approved agreements or financing,
- 841 or investments are still relevant to making meaningful progress towards
- 842 achieving such objectives; and
- 843 (B) the municipality adopts a resolution finding that the objectives of Subsection
- 844 (6)(a) have been substantially promoted; or

- 845 (ii)(A) the municipality has determined that conditions exist that make satisfying a
846 portion or all of the requirements of Subsection (1)(a) for a station area
847 impracticable, including conditions that relate to existing development,
848 entitlements, land ownership, land uses that make opportunities for new
849 development and long-term redevelopment infeasible, environmental
850 limitations, market readiness, development impediment conditions, or other
851 similar conditions; and
- 852 (B) the municipality adopts a resolution describing the conditions that exist to
853 make satisfying the requirements of Subsection (1)(a) impracticable.
- 854 (c) To the extent that previous actions by a municipality do not satisfy the requirements
855 of Subsection (1)(a) for a station area, the municipality shall take the actions
856 necessary to satisfy those requirements.
- 857 (2)(a) A municipality that has a new fixed guideway public transit station located within
858 the municipality's boundaries shall satisfy the requirements of Subsection (1)(a) for
859 the station area surrounding the new fixed guideway public transit station before the
860 new fixed guideway public transit station begins transit services.
- 861 (b) Except as provided in Subsections (2)(c) and (d), a municipality that has an existing
862 fixed guideway public transit station located within the municipality's boundaries
863 shall satisfy the requirements of Subsection (1)(a) for the station area surrounding the
864 existing fixed guideway public transit station on or before December 31, 2025.
- 865 (c) If a municipality has more than four existing fixed guideway public transit stations
866 located within the municipality's boundaries, the municipality shall:
- 867 (i) on or before December 31, 2025, satisfy the requirements of Subsection (1)(a) for
868 four or more station areas located within the municipality; and
- 869 (ii) on or before December 31 of each year thereafter, satisfy the requirements of
870 Subsection (1)(a) for no less than two station areas located within the municipality
871 until the municipality has satisfied the requirements of Subsection (1)(a) for each
872 station area located within the municipality.
- 873 (d)(i) Subject to Subsection (2)(d)(ii):
- 874 (A) if a municipality receives a complete qualifying land use petition on or before
875 July 1, 2022, the municipality shall satisfy the requirements of Subsection
876 (1)(a) for the station area in which the development is proposed on or before
877 July 1, 2023; and
- 878 (B) if a municipality receives a complete qualifying land use petition after July 1,

879 2022, the municipality shall satisfy the requirements of Subsection (1)(a) for
880 the station area in which the development is proposed within a 12-month
881 period beginning on the first day of the month immediately following the
882 month in which the qualifying land use petition is submitted to the
883 municipality, and shall notify the applicable metropolitan planning
884 organization of the receipt of the qualified land use petition within 45 days of
885 the date of receipt.

886 (ii)(A) A municipality is not required to satisfy the requirements of Subsection
887 (1)(a) for more than two station areas under Subsection (2)(d)(i) within any
888 12-month period.

889 (B) If a municipality receives more than two complete qualifying land use
890 petitions on or before July 1, 2022, the municipality shall select two station
891 areas for which the municipality will satisfy the requirements of Subsection
892 (1)(a) in accordance with Subsection (2)(d)(i)(A).

893 (iii) A municipality shall process on a first priority basis a land use application,
894 including an application for a building permit, if:

895 (A) the land use application is for a residential use within a station area for which
896 the municipality has not satisfied the requirements of Subsection (1)(a); and

897 (B) the municipality would be required to change a zoning designation for the
898 land use application to be approved.

899 (e) Notwithstanding Subsections (2)(a) through (d), the time period for satisfying the
900 requirements of Subsection (1)(a) for a station area may be extended once for a
901 period of 12 months if:

902 (i) the municipality demonstrates to the applicable metropolitan planning
903 organization that conditions exist that make satisfying the requirements of
904 Subsection (1)(a) within the required time period infeasible, despite the
905 municipality's good faith efforts; and

906 (ii) the applicable metropolitan planning organization certifies to the municipality in
907 writing that the municipality satisfied the demonstration in Subsection (2)(e)(i).

908 (3)(a) Except as provided in Subsection (3)(b), if a station area is included within the
909 boundaries of more than one municipality, each municipality with jurisdiction over
910 the station area shall satisfy the requirements of Subsection (1)(a) for the portion of
911 the station area over which the municipality has jurisdiction.

912 (b) Two or more municipalities with jurisdiction over a station area may coordinate to

- 913 develop a shared station area plan for the entire station area.
- 914 (4) A municipality that has more than one fixed guideway public transit station located
915 within the municipality may, through an integrated process, develop station area plans
916 for multiple station areas if the station areas are within close proximity of each other.
- 917 (5)(a) A municipality that is required to develop and adopt a station area plan under this
918 section may request technical assistance from the applicable metropolitan planning
919 organization.
- 920 (b) An applicable metropolitan planning organization that receives funds from the
921 Governor's Office of Economic Opportunity under Section 63N-3-113 shall, when
922 utilizing the funds, give priority consideration to requests for technical assistance for
923 station area plans required under Subsection (2)(d).
- 924 (6)(a) A station area plan shall promote the following objectives within the station area:
925 (i) increasing the availability and affordability of housing, including moderate
926 income housing;
927 (ii) promoting sustainable environmental conditions;
928 (iii) enhancing access to opportunities; and
929 (iv) increasing transportation choices and connections.
- 930 (b)(i) To promote the objective described in Subsection (6)(a)(i), a municipality may
931 consider implementing the following actions:
932 (A) aligning the station area plan with the moderate income housing element of
933 the municipality's general plan;
934 (B) providing for densities necessary to facilitate the development of moderate
935 income housing;
936 (C) providing for affordable costs of living in connection with housing,
937 transportation, and parking; or
938 (D) any other similar action that promotes the objective described in Subsection
939 (6)(a)(i).
- 940 (ii) To promote the objective described in Subsection (6)(a)(ii), a municipality may
941 consider implementing the following actions:
942 (A) conserving water resources through efficient land use;
943 (B) improving air quality by reducing fuel consumption and motor vehicle trips;
944 (C) establishing parks, open spaces, and recreational opportunities; or
945 (D) any other similar action that promotes the objective described in Subsection
946 (6)(a)(ii).

- 947 (iii) To promote the objective described in Subsection (6)(a)(iii), a municipality may
948 consider the following actions:
- 949 (A) maintaining and improving the connections between housing, transit,
950 employment, education, recreation, and commerce;
 - 951 (B) encouraging mixed-use development;
 - 952 (C) enabling employment and educational opportunities within the station area;
 - 953 (D) encouraging and promoting enhanced broadband connectivity; or
 - 954 (E) any other similar action that promotes the objective described in Subsection
955 (6)(a)(iii).
- 956 (iv) To promote the objective described in Subsection (6)(a)(iv), a municipality may
957 consider the following:
- 958 (A) supporting investment in infrastructure for all modes of transportation;
 - 959 (B) increasing utilization of public transit;
 - 960 (C) encouraging safe streets through the designation of pedestrian walkways and
961 bicycle lanes;
 - 962 (D) encouraging manageable and reliable traffic conditions;
 - 963 (E) aligning the station area plan with the regional transportation plan of the
964 applicable metropolitan planning organization; or
 - 965 (F) any other similar action that promotes the objective described in Subsection
966 (6)(a)(iv).
- 967 (7) A station area plan shall include the following components:
- 968 (a) a station area vision that:
 - 969 (i) is consistent with Subsection (6); and
 - 970 (ii) describes the following:
 - 971 (A) opportunities for the development of land within the station area under
972 existing conditions;
 - 973 (B) constraints on the development of land within the station area under existing
974 conditions;
 - 975 (C) the municipality's objectives for the transportation system within the station
976 area and the future transportation system that meets those objectives;
 - 977 (D) the municipality's objectives for land uses within the station area and the
978 future land uses that meet those objectives;
 - 979 (E) the municipality's objectives for public and open spaces within the station area
980 and the future public and open spaces that meet those objectives; and

- 981 (F) the municipality's objectives for the development of land within the station
982 area and the future development standards that meet those objectives;
- 983 (b) a map that depicts:
- 984 (i) the station area;
- 985 (ii) the area within the station area to which the station area plan applies, provided
986 that the station area plan may apply to areas outside the station area, and the
987 station area plan is not required to apply to the entire station area; and
- 988 (iii) the area where each action is needed to implement the station area plan;
- 989 (c) an implementation plan that identifies and describes each action needed within the
990 next five years to implement the station area plan, and the party responsible for
991 taking each action, including any actions to:
- 992 (i) modify land use regulations;
- 993 (ii) make infrastructure improvements;
- 994 (iii) modify deeds or other relevant legal documents;
- 995 (iv) secure funding or develop funding strategies;
- 996 (v) establish design standards for development within the station area; or
- 997 (vi) provide environmental remediation;
- 998 (d) a statement that explains how the station area plan promotes the objectives described
999 in Subsection (6)(a); and
- 1000 (e) as an alternative or supplement to the requirements of Subsection (6) or this
1001 Subsection (7), and for purposes of Subsection (1)(b)(ii), a statement that describes
1002 any conditions that would make the following impracticable:
- 1003 (i) promoting the objectives described in Subsection (6)(a); or
- 1004 (ii) satisfying the requirements of this Subsection (7).
- 1005 (8) A municipality shall develop a station area plan with the involvement of all relevant
1006 stakeholders that have an interest in the station area through public outreach and
1007 community engagement, including:
- 1008 (a) other impacted communities;
- 1009 (b) the applicable public transit district;
- 1010 (c) the applicable metropolitan planning organization;
- 1011 (d) the Department of Transportation;
- 1012 (e) owners of property within the station area; and
- 1013 (f) the municipality's residents and business owners.
- 1014 (9)(a) A municipality that is required to develop and adopt a station area plan for a

1015 station area under this section shall submit to the applicable metropolitan planning
 1016 organization and the applicable public transit district documentation evidencing that
 1017 the municipality has satisfied the requirement of Subsection (1)(a)(i) for the station
 1018 area, including:

1019 (i) a station area plan; or

1020 (ii) a resolution adopted under Subsection (1)(b)(i) or (ii).

1021 (b) The applicable metropolitan planning organization, in consultation with the
 1022 applicable public transit district, shall:

1023 (i) review the documentation submitted under Subsection (9)(a) to determine the
 1024 municipality's compliance with this section; and

1025 (ii) provide written certification to the municipality if the applicable metropolitan
 1026 planning organization determines that the municipality has satisfied the
 1027 requirement of Subsection (1)(a)(i) for the station area.

1028 (c) The municipality shall include the certification described in Subsection (9)(b)(ii) in
 1029 the municipality's report to the [~~Department of Workforce Services~~] Division of
 1030 Housing and Community Development within the Governor's Office of Economic
 1031 Opportunity under Section 10-21-202.

1032 (10)(a) Following certification by a metropolitan planning organization of a
 1033 municipality's station area plan under Subsection (9)(b)(ii), the municipality shall
 1034 provide a report to the applicable metropolitan planning organization on or before
 1035 December 31 of the fifth year after the year in which the station area plan was
 1036 certified, and every five years thereafter for a period not to exceed 15 years.

1037 (b) The report described in Subsection (10)(a) shall:

1038 (i) contain the status of advancing the station area plan objectives, including, if
 1039 applicable, actions described in the implementation plan required in Subsection
 1040 (7)(c); and

1041 (ii) identify potential actions over the next five years that would advance the station
 1042 area plan objectives.

1043 (c) If a municipality has multiple certified station area plans, the municipality may
 1044 consolidate the reports required in Subsection (10)(a) for the purpose of submitting
 1045 reports to the metropolitan planning organization.

1046 Section 6. Section **11-13-103** is amended to read:

1047 **11-13-103 (Effective 07/01/26). Definitions.**

1048 As used in this chapter:

- 1049 (1)(a) "Additional project capacity" means electric generating capacity provided by a
1050 generating unit that first produces electricity on or after May 6, 2002, and that is
1051 constructed or installed at or adjacent to the site of a project that first produced
1052 electricity before May 6, 2002, regardless of whether:
- 1053 (i) the owners of the new generating unit are the same as or different from the owner
1054 of the project; and
 - 1055 (ii) the purchasers of electricity from the new generating unit are the same as or
1056 different from the purchasers of electricity from the project.
- 1057 (b) "Additional project capacity" does not mean or include replacement project capacity.
- 1058 (2) "Board" means the Permanent Community Impact Fund Board created by Section [
1059 ~~35A-8-304~~] 63N-22-504, and [its] the board's successors.
- 1060 (3) "Candidate" means one or more of:
- 1061 (a) the state;
 - 1062 (b) a county, municipality, school district, special district, special service district, or
1063 other political subdivision of the state; and
 - 1064 (c) a prosecution district.
- 1065 (4) "Commercial project entity" means a project entity, defined in Subsection (18), that:
- 1066 (a) has no taxing authority; and
 - 1067 (b) is not supported in whole or in part by and does not expend or disburse tax revenues.
- 1068 (5) "Direct impacts" means an increase in the need for public facilities or services that is
1069 attributable to the project or facilities providing additional project capacity, except
1070 impacts resulting from the construction or operation of a facility that is:
- 1071 (a) owned by an owner other than the owner of the project or of the facilities providing
1072 additional project capacity; and
 - 1073 (b) used to furnish fuel, construction, or operation materials for use in the project.
- 1074 (6) "Electric interlocal entity" means an interlocal entity described in Subsection
1075 11-13-203(3).
- 1076 (7) "Energy services interlocal entity" means an interlocal entity that is described in
1077 Subsection 11-13-203(4).
- 1078 (8)(a) "Estimated electric requirements," when used with respect to a qualified energy
1079 services interlocal entity, includes any of the following that meets the requirements of
1080 Subsection (8)(b):
- 1081 (i) generation capacity;
 - 1082 (ii) generation output; or

- 1083 (iii) an electric energy production facility.
- 1084 (b) An item listed in Subsection (8)(a) is included in "estimated electric requirements" if [
1085 it] the item is needed by the qualified energy services interlocal entity to perform the
1086 qualified energy services interlocal entity's contractual or legal obligations to any of [
1087 its] the qualified energy services interlocal entity's members.
- 1088 (9)(a) "Facilities providing replacement project capacity" means facilities that have
1089 been, are being, or are proposed to be constructed, reconstructed, converted,
1090 repowered, acquired, leased, used, or installed to provide replacement project
1091 capacity.
- 1092 (b) "Facilities providing replacement project capacity" includes facilities that have been,
1093 are being, or are proposed to be constructed, reconstructed, converted, repowered,
1094 acquired, leased, used, or installed:
- 1095 (i) to support and facilitate the construction, reconstruction, conversion, repowering,
1096 installation, financing, operation, management, or use of replacement project
1097 capacity; or
- 1098 (ii) for the distribution of power generated from existing capacity or replacement
1099 project capacity to facilities located on real property in which the project entity
1100 that owns the project has an ownership, leasehold, right-of-way, or permitted
1101 interest.
- 1102 (10) "Governing authority" means a governing board or joint administrator.
- 1103 (11)(a) "Governing board" means the body established in reliance on the authority
1104 provided under Subsection 11-13-206(1)(b) to govern an interlocal entity.
- 1105 (b) "Governing board" includes a board of directors described in an agreement, as
1106 amended, that creates a project entity.
- 1107 (c) "Governing board" does not include a board as defined in Subsection (2).
- 1108 (12) "Interlocal entity" means:
- 1109 (a) a Utah interlocal entity, an electric interlocal entity, or an energy services interlocal
1110 entity; or
- 1111 (b) a separate legal or administrative entity created under Section 11-13-205.
- 1112 (13) "Joint administrator" means an administrator or joint board described in Section
1113 11-13-207 to administer a joint or cooperative undertaking.
- 1114 (14) "Joint or cooperative undertaking" means an undertaking described in Section
1115 11-13-207 that is not conducted by an interlocal entity.
- 1116 (15) "Member" means a public agency that, with another public agency, creates an

- 1117 interlocal entity under Section 11-13-203.
- 1118 (16) "Out-of-state public agency" means a public agency as defined in Subsection (19)(c),
1119 (d), or (e).
- 1120 (17)(a) "Project":
- 1121 (i) means an electric generation and transmission facility owned by a Utah interlocal
1122 entity or an electric interlocal entity; and
- 1123 (ii) includes fuel facilities, fuel production facilities, fuel transportation facilities,
1124 energy storage facilities, or water facilities that are:
- 1125 (A) owned by that Utah interlocal entity or electric interlocal entity; and
1126 (B) required for the generation and transmission facility.
- 1127 (b) "Project" includes a project entity's ownership interest in:
- 1128 (i) facilities that provide additional project capacity;
1129 (ii) facilities providing replacement project capacity;
1130 (iii) additional generating, transmission, fuel, fuel transportation, water, or other
1131 facilities added to a project; and
- 1132 (iv) a Utah interlocal energy hub, as defined in Section 11-13-602.
- 1133 (18) "Project entity" means a Utah interlocal entity or an electric interlocal entity that owns
1134 a project as defined in this section.
- 1135 (19) "Public agency" means:
- 1136 (a) a city, town, county, school district, special district, special service district, an
1137 interlocal entity, or other political subdivision of the state;
- 1138 (b) the state or any department, division, or agency of the state;
- 1139 (c) any agency of the United States;
- 1140 (d) any political subdivision or agency of another state or the District of Columbia
1141 including any interlocal cooperation or joint powers agency formed under the
1142 authority of the law of the other state or the District of Columbia; or
- 1143 (e) any Indian tribe, band, nation, or other organized group or community which is
1144 recognized as eligible for the special programs and services provided by the United
1145 States to Indians because of their status as Indians.
- 1146 (20) "Public agency insurance mutual" means the same as that term is defined in Subsection
1147 31A-1-103(7).
- 1148 (21) "Qualified energy services interlocal entity" means an energy services interlocal entity
1149 that at the time that the energy services interlocal entity acquires[-its] the energy services
1150 interlocal entity's interest in facilities providing additional project capacity has at least

- 1151 five members that are Utah public agencies.
- 1152 (22) "Replacement project capacity" means electric generating capacity or transmission
1153 capacity that:
- 1154 (a) replaces all or a portion of the existing electric generating or transmission capacity of
1155 a project; and
- 1156 (b) is provided by a facility that is on, adjacent to, in proximity to, or interconnected
1157 with the site of a project, regardless of whether:
- 1158 (i) the capacity replacing existing capacity is less than or exceeds the generating or
1159 transmission capacity of the project existing before installation of the capacity
1160 replacing existing capacity;
- 1161 (ii) the capacity replacing existing capacity is owned by the project entity that is the
1162 owner of the project, a segment established by the project entity, or a person with
1163 whom the project entity or a segment established by the project entity has
1164 contracted; or
- 1165 (iii) the facility that provides the capacity replacing existing capacity is constructed,
1166 reconstructed, converted, repowered, acquired, leased, used, or installed before or
1167 after any actual or anticipated reduction or modification to existing capacity of the
1168 project.
- 1169 (23) "Reserve fund" means the same as that term is defined in Subsection 31A-1-103(7).
- 1170 (24) "Transportation reinvestment zone" means an area created by two or more public
1171 agencies by interlocal agreement to capture increased property or sales tax revenue
1172 generated by a transportation infrastructure project as described in Section 11-13-227.
- 1173 (25) "Utah interlocal entity":
- 1174 (a) means an interlocal entity described in Subsection 11-13-203(2); and
- 1175 (b) includes a separate legal or administrative entity created under Laws of Utah 1977,
1176 Chapter 47, Section 3, as amended.
- 1177 (26) "Utah public agency" means a public agency under Subsection (19)(a) or (b).
1178 Section 7. Section **17-80-101** is amended to read:
- 1179 **17-80-101 (Effective 07/01/26). Definitions.**
- 1180 As used in this part:
- 1181 (1) "Affordable housing" means housing offered for sale at 80% or less of the median
1182 county home price for housing of that type.
- 1183 (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- 1184 (3) "Base taxable value" means a property's taxable value as shown upon the assessment

- 1185 roll last equalized during the base year.
- 1186 (4) "Base year" means, for a proposed home ownership promotion zone area, a year
1187 beginning the first day of the calendar quarter determined by the last equalized tax roll
1188 before the adoption of the home ownership promotion zone.
- 1189 (5) "Division" means the [~~Housing and Community Development Division within the~~
1190 ~~Department of Workforce Services]~~ Division of Housing and Community Development
1191 within the Governor's Office of Economic Opportunity.
- 1192 (6) "Home ownership promotion zone" means a home ownership promotion zone created in
1193 accordance with this part.
- 1194 (7) "Implementation plan" means the implementation plan adopted as part of the moderate
1195 income housing element of a specified county's general plan.
- 1196 (8) "Initial report" means the one-time moderate income housing report described in
1197 Subsection 17-80-202(1).
- 1198 (9) "Internal accessory dwelling unit" means an accessory dwelling unit created:
1199 (a) within a primary dwelling;
1200 (b) within the footprint of the detached primary dwelling at the time the internal
1201 accessory dwelling unit is created; and
1202 (c) for the purpose of offering a long-term rental of 30 consecutive days or longer.
- 1203 (10) "Moderate income housing strategy" means a strategy described in Section 17-80-201.
- 1204 (11) "Participant" means the same as that term is defined in Section 17C-1-102.
- 1205 (12) "Participation agreement" means the same as that term is defined in Section 17C-1-102.
- 1206 (13)(a) "Primary dwelling" means a single-family dwelling that:
1207 (i) is detached; and
1208 (ii) is occupied as the primary residence of the owner of record.
- 1209 (b) "Primary dwelling" includes a garage if the garage:
1210 (i) is a habitable space; and
1211 (ii) is connected to the primary dwelling by a common wall.
- 1212 (14) "Project improvements" means the same as that term is defined in Section 11-36a-102.
- 1213 (15) "Report" means an initial report or a subsequent report described in Section 17-80-202.
- 1214 (16) "Specified county" means a county of the first, second, or third class, which has a
1215 population of more than 5,000 in the county's unincorporated areas.
- 1216 (17) "Subsequent progress report" means the annual moderate income housing report
1217 described in Section 17-80-202.
- 1218 (18) "System improvements" means the same as that term is defined in Section 11-36a-102.

- 1219 (19) "Tax commission" means the State Tax Commission created in Section 59-1-201.
- 1220 (20)(a) "Tax increment" means the difference between:
- 1221 (i) the amount of property tax revenue generated each tax year by a taxing entity from
- 1222 the area within a home ownership promotion zone, using the current assessed
- 1223 value and each taxing entity's current certified tax rate as defined in Section
- 1224 59-2-924; and
- 1225 (ii) the amount of property tax revenue that would be generated from that same area
- 1226 using the base taxable value and each taxing entity's current certified tax rate as
- 1227 defined in Section 59-2-924.
- 1228 (b) "Tax increment" does not include property revenue from:
- 1229 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
- 1230 or
- 1231 (ii) a county additional property tax described in Subsection 59-2-1602(4).
- 1232 (21) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- 1233 Section 8. Section **17-80-201** is amended to read:
- 1234 **17-80-201 (Effective 07/01/26). Moderate income housing plan required.**
- 1235 (1) A moderate income housing element of a general plan shall include a moderate income
- 1236 housing element that meets the requirements of this section.
- 1237 (2) For a specified county, as defined in Section 17-80-101, a moderate income housing
- 1238 element shall:
- 1239 (a) provide a realistic opportunity to meet the need for additional moderate income
- 1240 housing within the next five years;
- 1241 (b) select three or more moderate income housing strategies described in Subsections
- 1242 (3)(a)(ii)(A) through (V), or at least one moderate income housing strategy described
- 1243 in Subsections (3)(a)(ii)(W) through (BB), for implementation; and
- 1244 (c) include an implementation plan as provided in Subsection (4).
- 1245 (3)(a) In drafting the moderate income housing element, the county planning
- 1246 commission shall:
- 1247 (i) consider the Legislature's determination that counties should facilitate a
- 1248 reasonable opportunity for a variety of housing, including moderate income
- 1249 housing:
- 1250 (A) to meet the needs of people of various income levels living, working, or
- 1251 desiring to live or work in the community; and
- 1252 (B) to allow people with various incomes to benefit from and fully participate in

- 1253 all aspects of neighborhood and community life; and
- 1254 (ii) include an analysis of how the county will provide a realistic opportunity for the
- 1255 development of moderate income housing within the planning horizon, including
- 1256 a recommendation to implement three or more of the following moderate income
- 1257 housing strategies:
- 1258 (A) rezone for densities necessary to facilitate the production of moderate income
- 1259 housing;
- 1260 (B) demonstrate investment in the rehabilitation or expansion of infrastructure that
- 1261 facilitates the construction of moderate income housing;
- 1262 (C) demonstrate investment in the rehabilitation of existing uninhabitable housing
- 1263 stock into moderate income housing;
- 1264 (D) identify and utilize county general fund subsidies or other sources of revenue
- 1265 to waive construction related fees that are otherwise generally imposed by the
- 1266 county for the construction or rehabilitation of moderate income housing;
- 1267 (E) create or allow for, and reduce regulations related to, internal or detached
- 1268 accessory dwelling units in residential zones;
- 1269 (F) zone or rezone for higher density or moderate income residential development
- 1270 in commercial or mixed-use zones, commercial centers, or employment centers;
- 1271 (G) amend land use regulations to allow for higher density or new moderate
- 1272 income residential development in commercial or mixed-use zones near major
- 1273 transit investment corridors;
- 1274 (H) amend land use regulations to eliminate or reduce parking requirements for
- 1275 residential development where a resident is less likely to rely on the resident's
- 1276 own vehicle, such as residential development near major transit investment
- 1277 corridors or senior living facilities;
- 1278 (I) amend land use regulations to allow for single room occupancy developments;
- 1279 (J) implement zoning incentives for moderate income units in new developments;
- 1280 (K) preserve existing and new moderate income housing and subsidized units by
- 1281 utilizing a landlord incentive program, providing for deed restricted units
- 1282 through a grant program, or establishing a housing loss mitigation fund;
- 1283 (L) reduce, waive, or eliminate impact fees related to moderate income housing;
- 1284 (M) demonstrate creation of, or participation in, a community land trust program
- 1285 for moderate income housing;
- 1286 (N) implement a mortgage assistance program for employees of the county, an

- 1287 employer that provides contracted services for the county, or any other public
1288 employer that operates within the county;
- 1289 (O) apply for or partner with an entity that applies for state or federal funds or tax
1290 incentives to promote the construction of moderate income housing, an entity
1291 that applies for programs offered by the Utah Housing Corporation within that
1292 agency's funding capacity, an entity that applies for affordable housing
1293 programs administered by the [~~Department of Workforce Services~~] the Division
1294 of Housing and Community Development within the Governor's Office of
1295 Economic Opportunity, an entity that applies for services provided by a public
1296 housing authority to preserve and create moderate income housing, or any
1297 other entity that applies for programs or services that promote the construction
1298 or preservation of moderate income housing;
- 1299 (P) demonstrate utilization of a moderate income housing set aside from a
1300 community reinvestment agency, redevelopment agency, or community
1301 development and renewal agency to create or subsidize moderate income
1302 housing;
- 1303 (Q) eliminate impact fees for any accessory dwelling unit that is not an internal
1304 accessory dwelling unit as defined in Section 17-79-611;
- 1305 (R) create a program to transfer development rights for moderate income housing;
- 1306 (S) ratify a joint acquisition agreement with another local political subdivision for
1307 the purpose of combining resources to acquire property for moderate income
1308 housing;
- 1309 (T) develop a moderate income housing project for residents who are disabled or
1310 55 years old or older;
- 1311 (U) create or allow for, and reduce regulations related to, multifamily residential
1312 dwellings compatible in scale and form with detached single-family residential
1313 dwellings and located in walkable communities within residential or mixed-use
1314 zones;
- 1315 (V) demonstrate implementation of any other program or strategy to address the
1316 housing needs of residents of the county who earn less than 80% of the area
1317 median income, including the dedication of a local funding source to moderate
1318 income housing or the adoption of a land use ordinance that requires 10% or
1319 more of new residential development in a residential zone be dedicated to
1320 moderate income housing;

- 1321 (W) create a housing and transit reinvestment zone in accordance with Title 63N,
 1322 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
- 1323 (X) create a home ownership investment zone in accordance with Part 5, Home
 1324 Ownership Promotion Zone;
- 1325 (Y) create a first home investment zone in accordance with Title 63N, Chapter 3,
 1326 Part 16, First Home Investment Zone Act;
- 1327 (Z) approve a project that receives funding from, or qualifies to receive funding
 1328 from, the Utah Homes Investment Program created in Title 51, Chapter 12,
 1329 Utah Homes Investment Program;
- 1330 (AA) adopt or approve a qualifying affordable home ownership density bonus for
 1331 single-family residential units, as described in Section 17-80-401; and
- 1332 (BB) adopt or approve an affordable home ownership density bonus for
 1333 multi-family residential units, as described in Section 17-80-402.
- 1334 (b) The planning commission shall identify each moderate income housing strategy
 1335 recommended to the legislative body for implementation by restating the exact
 1336 language used to describe the strategy in Subsection (3)(a)(ii).
- 1337 (4)(a) In drafting the implementation plan portion of the moderate income housing
 1338 element as described in Subsection (2)(c), the planning commission shall recommend
 1339 to the legislative body the establishment of a five-year timeline for implementing
 1340 each of the moderate income housing strategies selected by the county for
 1341 implementation.
- 1342 (b) The timeline described in Subsection (4)(a) shall:
- 1343 (i) identify specific measures and benchmarks for implementing each moderate
 1344 income housing strategy selected by the county; and
- 1345 (ii) provide flexibility for the county to make adjustments as needed.
- 1346 Section 9. Section **17-80-202** is amended to read:
- 1347 **17-80-202 (Effective 07/01/26). Moderate income housing report -- Contents --**
 1348 **Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil**
 1349 **actions.**
- 1350 (1)(a) The legislative body of a specified county shall annually submit an initial report to
 1351 the division.
- 1352 (b)(i) This Subsection (1)(b) applies to a county that is not a specified county as of
 1353 January 1, 2023.
- 1354 (ii) As of January 1, if a county changes from one class to another or grows in

1355 population to qualify as a specified county, the county shall submit an initial plan
1356 to the division on or before August 1 of the first calendar year beginning on
1357 January 1 in which the county qualifies as a specified county.

1358 (c) The initial report shall:

1359 (i) identify each moderate income housing strategy selected by the specified county
1360 for continued, ongoing, or one-time implementation, using the exact language
1361 used to describe the moderate income housing strategy; and

1362 (ii) include an implementation plan.

1363 (2)(a) After the division approves a specified county's initial report under this section,
1364 the specified county shall, as an administrative act, annually submit to the division a
1365 subsequent progress report on or before August 1 of each year after the year in which
1366 the specified county is required to submit the initial report.

1367 (b) The subsequent progress report shall include:

1368 (i) subject to Subsection (2)(c), a description of each action, whether one-time or
1369 ongoing, taken by the specified county during the previous 12-month period to
1370 implement the moderate income housing strategies identified in the initial report
1371 for implementation;

1372 (ii) a description of each land use regulation or land use decision made by the
1373 specified county during the previous 12-month period to implement the moderate
1374 income housing strategies, including an explanation of how the land use
1375 regulation or land use decision supports the specified county's efforts to
1376 implement the moderate income housing strategies;

1377 (iii) a description of any barriers encountered by the specified county in the previous
1378 12-month period in implementing the moderate income housing strategies;

1379 (iv) the number of residential dwelling units that have been entitled that have not
1380 received a building permit as of the submission date of the progress report;

1381 (v) shapefiles, or website links if shapefiles are not available, to current maps and
1382 tables related to zoning;

1383 (vi) information regarding the number of internal and external or detached accessory
1384 dwelling units located within the specified county for which the specified county:

1385 (A) issued a building permit to construct; or

1386 (B) issued a business license or comparable license or permit to rent;

1387 (vii) a description of how the market has responded to the selected moderate income
1388 housing strategies, including the number of entitled moderate income housing

- 1389 units or other relevant data; and
- 1390 (viii) any recommendations on how the state can support the specified county in
- 1391 implementing the moderate income housing strategies.
- 1392 (c) For purposes of describing actions taken by a specified county under Subsection
- 1393 (2)(b)(i), the specified county may include an ongoing action taken by the specified
- 1394 county before the 12-month reporting period applicable to the subsequent progress
- 1395 report if the specified county:
- 1396 (i) has already adopted an ordinance, approved a land use application, made an
- 1397 investment, or approved an agreement or financing that substantially promotes the
- 1398 implementation of a moderate income housing strategy identified in the initial
- 1399 report; and
- 1400 (ii) demonstrates in the subsequent progress report that the action taken under
- 1401 Subsection (2)(b)(i) is relevant to making meaningful progress towards the
- 1402 specified county's implementation plan.
- 1403 (d) A specified county's report shall be in a form:
- 1404 (i) approved by the division; and
- 1405 (ii) made available by the division on or before May 1 of the year in which the report
- 1406 is required.
- 1407 (3) Within 90 days after the day on which the division receives a specified county's report,
- 1408 the division shall:
- 1409 (a) post the report on the division's website;
- 1410 (b) send a copy of the report to the Department of Transportation, the Governor's Office
- 1411 of Planning and Budget, the association of governments in which the specified
- 1412 county is located, and, if the unincorporated area of the specified county is located
- 1413 within the boundaries of a metropolitan planning organization, the appropriate
- 1414 metropolitan planning organization; and
- 1415 (c) subject to Subsection (4), review the report to determine compliance with this section.
- 1416 (4)(a) An initial report complies with this section if the report:
- 1417 (i) includes the information required under Subsection (1)(c);
- 1418 (ii) demonstrates to the division that the specified county made plans to implement
- 1419 three or more moderate income housing strategies described in Subsections
- 1420 17-80-201(3)(a)(ii)(A) through (V) or at least one moderate income housing
- 1421 strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB); and
- 1422 (iii) is in a form approved by the division.

- 1423 (b) A subsequent progress report complies with this section if the report:
- 1424 (i) demonstrates to the division that the specified county made plans to implement or
- 1425 is implementing three or more moderate income housing strategies described in
- 1426 Subsections 17-80-201(3)(a)(ii)(A) through (V) or at least one moderate income
- 1427 housing strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB);
- 1428 (ii) is in a form approved by the division; and
- 1429 (iii) provides sufficient information for the division to:
- 1430 (A) assess the specified county's progress in implementing the moderate income
- 1431 housing strategies;
- 1432 (B) monitor compliance with the specified county's implementation plan;
- 1433 (C) identify a clear correlation between the specified county's land use decisions
- 1434 and efforts to implement the moderate income housing strategies;
- 1435 (D) identify how the market has responded to the specified county's selected
- 1436 moderate income housing strategies; and
- 1437 (E) identify any barriers encountered by the specified county in implementing the
- 1438 selected moderate income housing strategies.
- 1439 (c) If a specified county initial report or subsequent progress report demonstrates the
- 1440 county plans to implement or is implementing at least one moderate income housing
- 1441 strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB), the division
- 1442 shall also consider the specified county compliant with the reporting requirement
- 1443 described in this section for:
- 1444 (i) the year in which the specified county submits the report; and
- 1445 (ii) two subsequent reporting years.
- 1446 (5)(a) A specified county qualifies for priority consideration under this Subsection (5) if
- 1447 the specified county's report:
- 1448 (i) complies with this section; and
- 1449 (ii) demonstrates to the division that the specified county made plans to implement
- 1450 five or more moderate income housing strategies.
- 1451 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
- 1452 give priority consideration to transportation projects located within the
- 1453 unincorporated areas of a specified county described in Subsection (5)(a) until the
- 1454 Department of Transportation receives notice from the division under Subsection
- 1455 (5)(e).
- 1456 (c) Upon determining that a specified county qualifies for priority consideration under

- 1457 this Subsection (5), the division shall send a notice of prioritization to the legislative
1458 body of the specified county and the Department of Transportation.
- 1459 (d) The notice described in Subsection (5)(c) shall:
- 1460 (i) name the specified county that qualifies for priority consideration;
- 1461 (ii) describe the funds or projects for which the specified county qualifies to receive
1462 priority consideration; and
- 1463 (iii) state the basis for the division's determination that the specified county qualifies
1464 for priority consideration.
- 1465 (e) The division shall notify the legislative body of a specified county and the
1466 Department of Transportation in writing if the division determines that the specified
1467 county no longer qualifies for priority consideration under this Subsection (5).
- 1468 (6)(a) If the division, after reviewing a specified county's report, determines that the
1469 report does not comply with this section, the division shall send a notice of
1470 noncompliance to the legislative body of the specified county.
- 1471 (b) A specified county that receives a notice of noncompliance may:
- 1472 (i) cure each deficiency in the report within 90 days after the day on which the notice
1473 of noncompliance is sent; or
- 1474 (ii) request an appeal of the division's determination of noncompliance within 10
1475 days after the day on which the notice of noncompliance is sent.
- 1476 (c) The notice described in Subsection (6)(a) shall:
- 1477 (i) describe each deficiency in the report and the actions needed to cure each
1478 deficiency;
- 1479 (ii) state that the specified county has an opportunity to:
- 1480 (A) submit to the division a corrected report that cures each deficiency in the
1481 report within 90 days after the day on which the notice of noncompliance is
1482 sent; or
- 1483 (B) submit to the division a request for an appeal of the division's determination of
1484 noncompliance within 10 days after the day on which the notice of
1485 noncompliance is sent; and
- 1486 (iii) state that failure to take action under Subsection (6)(c)(ii) will result in the
1487 specified county's ineligibility for funds and fees owed under Subsection (8).
- 1488 (d) For purposes of curing the deficiencies in a report under this Subsection (6), if the
1489 action needed to cure the deficiency as described by the division requires the
1490 specified county to make a legislative change, the specified county may cure the

- 1491 deficiency by making that legislative change within the 90-day cure period.
- 1492 (e)(i) If a specified county submits to the division a corrected report in accordance
1493 with Subsection (6)(b)(i), and the division determines that the corrected report
1494 does not comply with this section, the division shall send a second notice of
1495 noncompliance to the legislative body of the specified county.
- 1496 (ii) A specified county that receives a second notice of noncompliance may request
1497 an appeal of the division's determination of noncompliance within 10 days after
1498 the day on which the second notice of noncompliance is sent.
- 1499 (iii) The notice described in Subsection (6)(e)(i) shall:
- 1500 (A) state that the specified county has an opportunity to submit to the division a
1501 request for an appeal of the division's determination of noncompliance within
1502 10 days after the day on which the second notice of noncompliance is sent; and
- 1503 (B) state that failure to take action under Subsection (6)(e)(iii)(A) will result in the
1504 specified county's ineligibility for funds under Subsection (8).
- 1505 (7)(a) A specified county that receives a notice of noncompliance under Subsection (6)(a)
1506 or (6)(e)(i) may request an appeal of the division's determination of noncompliance
1507 within 10 days after the day on which the notice of noncompliance is sent.
- 1508 (b) Within 90 days after the day on which the division receives a request for an appeal,
1509 an appeal board consisting of the following three members shall review and issue a
1510 written decision on the appeal:
- 1511 (i) one individual appointed by the Utah Association of Counties;
- 1512 (ii) one individual appointed by the Utah Homebuilders Association; and
- 1513 (iii) one individual appointed by the presiding member of the association of
1514 governments, established in accordance with an interlocal agreement under Title
1515 11, Chapter 13, Interlocal Cooperation Act, of which the specified county is a
1516 member.
- 1517 (c) The written decision of the appeal board shall either uphold or reverse the division's
1518 determination of noncompliance.
- 1519 (d) The appeal board's written decision on the appeal is final.
- 1520 (8)(a) A specified county is ineligible for funds and owes a fee under this Subsection (8)
1521 if:
- 1522 (i) the specified county fails to submit a report to the division;
- 1523 (ii) after submitting a report to the division, the division determines that the report
1524 does not comply with this section and the specified county fails to:

- 1525 (A) cure each deficiency in the report within 90 days after the day on which the
1526 notice of noncompliance is sent; or
- 1527 (B) request an appeal of the division's determination of noncompliance within 10
1528 days after the day on which the notice of noncompliance is sent;
- 1529 (iii) after submitting to the division a corrected report to cure the deficiencies in a
1530 previously submitted report, the division determines that the corrected report does
1531 not comply with this section and the specified county fails to request an appeal of
1532 the division's determination of noncompliance within 10 days after the day on
1533 which the second notice of noncompliance is sent; or
- 1534 (iv) after submitting a request for an appeal under Subsection (7), the appeal board
1535 issues a written decision upholding the division's determination of noncompliance.
- 1536 (b) The following apply to a specified county described in Subsection (8)(a) until the
1537 division provides notice under Subsection (8)(e):
- 1538 (i) the executive director of the Department of Transportation may not program funds
1539 from the Transportation Investment Fund of 2005, including the Transit
1540 Transportation Investment Fund, to projects located within the unincorporated
1541 areas of the specified county in accordance with Subsection 72-2-124(6);
- 1542 (ii) beginning with the report submitted in 2024, the specified county shall pay a fee
1543 to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the
1544 specified county:
- 1545 (A) fails to submit the report to the division in accordance with this section,
1546 beginning the day after the day on which the report was due; or
- 1547 (B) fails to cure the deficiencies in the report, beginning the day after the day by
1548 which the cure was required to occur as described in the notice of
1549 noncompliance under Subsection (6); and
- 1550 (iii) beginning with the report submitted in 2025, the specified county shall pay a fee
1551 to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the
1552 specified county, for a consecutive year:
- 1553 (A) fails to submit the report to the division in accordance with this section,
1554 beginning the day after the day on which the report was due; or
- 1555 (B) fails to cure the deficiencies in the report, beginning the day after the day by
1556 which the cure was required to occur as described in the notice of
1557 noncompliance under Subsection (6).
- 1558 (c) Upon determining that a specified county is ineligible for funds under this

1559 Subsection (8), and is required to pay a fee under Subsection (8)(b), if applicable, the
 1560 division shall send a notice of ineligibility to the legislative body of the specified
 1561 county, the Department of Transportation, the State Tax Commission, and the
 1562 Governor's Office of Planning and Budget.

1563 (d) The notice described in Subsection (8)(c) shall:

1564 (i) name the specified county that is ineligible for funds;

1565 (ii) describe the funds for which the specified county is ineligible to receive;

1566 (iii) describe the fee the specified county is required to pay under Subsection (8)(b),
 1567 if applicable; and

1568 (iv) state the basis for the division's determination that the specified county is
 1569 ineligible for funds.

1570 (e) The division shall notify the legislative body of a specified county and the
 1571 Department of Transportation in writing if the division determines that the provisions
 1572 of this Subsection (8) no longer apply to the specified county.

1573 (f) The division may not determine that a specified county that is required to pay a fee
 1574 under Subsection (8)(b) is in compliance with the reporting requirements of this
 1575 section until the specified county pays all outstanding fees required under Subsection
 1576 (8)(b) to the Olene Walker Housing Loan Fund, created [~~under Title 35A, Chapter 8,~~
 1577 ~~Part 5, Olene Walker Housing Loan Fund~~] in Section 63N-22-302.

1578 (9) In a civil action seeking enforcement or claiming a violation of this section or of
 1579 Subsection 17-79-404(5)(c), a plaintiff may not recover damages but may be awarded
 1580 only injunctive or other equitable relief.

1581 Section 10. Section **17B-1-612** is amended to read:

1582 **17B-1-612 (Effective 07/01/26). Accumulated fund balances -- Limitations --**
 1583 **Excess balances -- Unanticipated excess of revenues -- Reserves for capital projects.**

1584 (1)(a) A special district may accumulate retained earnings or fund balances, as
 1585 appropriate, in any fund.

1586 (b) For the general fund only, a special district may only use an accumulated fund
 1587 balance to:

1588 (i) provide working capital to finance expenditures from the beginning of the budget
 1589 year until general property taxes or other applicable revenues are collected,
 1590 subject to Subsection (1)(c);

1591 (ii) provide a resource to meet emergency expenditures under Section 17B-1-623; and

1592 (iii) cover a pending year-end excess of expenditures over revenues from an

- 1593 unavoidable shortfall in revenues, subject to Subsection (1)(d).
- 1594 (c) Subsection (1)(b)(i) does not authorize a special district to appropriate a fund balance
1595 for budgeting purposes, except as provided in Subsection (4).
- 1596 (d) Subsection (1)(b)(iii) does not authorize a special district to appropriate a fund
1597 balance to avoid an operating deficit during a budget year except:
1598 (i) as provided under Subsection (4); or
1599 (ii) for emergency purposes under Section 17B-1-623.
- 1600 (2)(a) Except as provided in Subsection (2)(b), the accumulation of a fund balance in the
1601 general fund may not exceed the most recently adopted general fund budget, plus
1602 100% of the current year's property tax.
- 1603 (b) Notwithstanding Subsection (2)(a), a special district may accumulate in the general
1604 fund mineral lease revenue that the special district receives from the United States
1605 under the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et seq., through a
1606 distribution under:
1607 (i) [~~Title 35A, Chapter 8, Part 3, Community Impact Fund Act~~] Title 63N, Chapter 22,
1608 Part 5, Community Impact Fund; or
1609 (ii) Title 59, Chapter 21, Mineral Lease Funds.
- 1610 (3) If the fund balance at the close of any fiscal year exceeds the amount permitted under
1611 Subsection (2), the district shall appropriate the excess in accordance with Section
1612 17B-1-613.
- 1613 (4) A special district may utilize any fund balance in excess of 5% of the total revenues of
1614 the general fund for budget purposes.
- 1615 (5)(a) Within a capital projects fund, the board of trustees may, in any budget year,
1616 appropriate from estimated revenue or fund balance to a reserve for capital projects
1617 for the purpose of financing future specific capital projects, including new
1618 construction, capital repairs, replacement, and maintenance, under a formal
1619 long-range capital plan that the board of trustees adopts.
- 1620 (b) A special district may allow a reserve amount under Subsection (5)(a) to accumulate
1621 from year to year until the accumulated total is sufficient to permit economical
1622 expenditure for the specified purposes.
- 1623 (c) A special district may disburse from a reserve account under Subsection (5)(a) only
1624 by a budget appropriation that the special district adopts in accordance with this part.
- 1625 (d) A special district shall ensure that the expenditures from the appropriation budget
1626 accounts described in this Subsection (5) conform to all requirements of this part

1627 relating to execution and control of budgets.

1628 Section 11. Section **17C-1-102** is amended to read:

1629 **17C-1-102 (Effective 07/01/26). Definitions.**

1630 As used in this title:

- 1631 (1) "Active project area" means a project area that has not been dissolved in accordance
1632 with Section 17C-1-702.
- 1633 (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%, that
1634 an agency is authorized to receive:
- 1635 (a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax
1636 increment under Subsection 17C-1-403(3);
 - 1637 (b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax
1638 increment under Section 17C-1-406;
 - 1639 (c) under a project area budget approved by a taxing entity committee; or
 - 1640 (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's
1641 tax increment.
- 1642 (3) "Affordable housing" means housing owned or occupied by a low or moderate income
1643 family, as determined by resolution of the agency.
- 1644 (4) "Agency" or "community reinvestment agency" means a separate body corporate and
1645 politic, created under Section 17C-1-201.5 or as a redevelopment agency or community
1646 development and renewal agency under previous law:
- 1647 (a) that is a political subdivision of the state;
 - 1648 (b) that is created to undertake or promote project area development as provided in this
1649 title; and
 - 1650 (c) whose geographic boundaries are coterminous with:
 - 1651 (i) for an agency created by a county, the unincorporated area of the county; and
 - 1652 (ii) for an agency created by a municipality, the boundaries of the municipality.
- 1653 (5) "Agency funds" means money that an agency collects or receives for agency operations,
1654 implementing a project area plan or an implementation plan as defined in Section
1655 17C-1-1001, or other agency purposes, including:
- 1656 (a) project area funds;
 - 1657 (b) income, proceeds, revenue, or property derived from or held in connection with the
1658 agency's undertaking and implementation of project area development or
1659 agency-wide project development as defined in Section 17C-1-1001;
 - 1660 (c) a contribution, loan, grant, or other financial assistance from any public or private

- 1661 source;
- 1662 (d) project area incremental revenue as defined in Section 17C-1-1001; or
- 1663 (e) property tax revenue as defined in Section 17C-1-1001.
- 1664 (6) "Annual income" means the same as that term is defined in regulations of the United
1665 States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as
1666 amended or as superseded by replacement regulations.
- 1667 (7) "Assessment roll" means the same as that term is defined in Section 59-2-102.
- 1668 (8) "Base taxable value" means, unless otherwise adjusted in accordance with provisions of
1669 this title, a property's taxable value as shown upon the assessment roll last equalized
1670 during the base year.
- 1671 (9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during
1672 which the assessment roll is last equalized:
- 1673 (a) for a pre-July 1, 1993, urban renewal or economic development project area plan,
1674 before the project area plan's effective date;
- 1675 (b) for a post-June 30, 1993, urban renewal or economic development project area plan,
1676 or a community reinvestment project area plan that is subject to a taxing entity
1677 committee:
- 1678 (i) before the date on which the taxing entity committee approves the project area
1679 budget; or
- 1680 (ii) if taxing entity committee approval is not required for the project area budget,
1681 before the date on which the community legislative body adopts the project area
1682 plan;
- 1683 (c) for a project on an inactive airport site, after the later of:
- 1684 (i) the date on which the inactive airport site is sold for remediation and
1685 development; or
- 1686 (ii) the date on which the airport that operated on the inactive airport site ceased
1687 operations; or
- 1688 (d) for a community development project area plan or a community reinvestment project
1689 area plan that is subject to an interlocal agreement, as described in the interlocal
1690 agreement.
- 1691 (10) "Basic levy" means the portion of a school district's tax levy constituting the minimum
1692 basic levy under Section 59-2-902.
- 1693 (11) "Board" means the governing body of an agency, as described in Section 17C-1-203.
- 1694 (12) "Budget hearing" means the public hearing on a proposed project area budget required

- 1695 under Subsection 17C-2-201(2)(d) for an urban renewal project area budget, Subsection
1696 17C-3-201(2)(d) for an economic development project area budget, or Subsection
1697 17C-5-302(2)(e) for a community reinvestment project area budget.
- 1698 (13) "Closed military base" means land within a former military base that the Defense Base
1699 Closure and Realignment Commission has voted to close or realign when that action has
1700 been sustained by the president of the United States and Congress.
- 1701 (14) "Combined incremental value" means the combined total of all incremental values
1702 from all project areas, except project areas that contain some or all of a military
1703 installation or inactive industrial site, within the agency's boundaries under project area
1704 plans and project area budgets at the time that a project area budget for a new project
1705 area is being considered.
- 1706 (15) "Community" means a county or municipality.
- 1707 (16) "Community development project area plan" means a project area plan adopted under
1708 Chapter 4, Part 1, Community Development Project Area Plan.
- 1709 (17) "Community legislative body" means the legislative body of the community that
1710 created the agency.
- 1711 (18) "Community reinvestment project area plan" means a project area plan adopted under
1712 Chapter 5, Part 1, Community Reinvestment Project Area Plan.
- 1713 (19) "Contest" means to file a written complaint in a court with jurisdiction under Title
1714 78A, Judiciary and Judicial Administration, and in a county in which the agency is
1715 located if the action is filed in the district court.
- 1716 (20) "Development impediment" means a condition of an area that meets the requirements
1717 described in Section 17C-2-303 for an urban renewal project area or Section 17C-5-405
1718 for a community reinvestment project area.
- 1719 (21) "Development impediment hearing" means a public hearing regarding whether a
1720 development impediment exists within a proposed:
- 1721 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section
1722 17C-2-302; or
- 1723 (b) community reinvestment project area under Section 17C-5-404.
- 1724 (22) "Development impediment study" means a study to determine whether a development
1725 impediment exists within a survey area as described in Section 17C-2-301 for an urban
1726 renewal project area or Section 17C-5-403 for a community reinvestment project area.
- 1727 (23) "Economic development project area plan" means a project area plan adopted under
1728 Chapter 3, Part 1, Economic Development Project Area Plan.

- 1729 (24) "Fair share ratio" means the ratio derived by:
- 1730 (a) for a municipality, comparing the percentage of all housing units within the
- 1731 municipality that are publicly subsidized income targeted housing units to the
- 1732 percentage of all housing units within the county in which the municipality is located
- 1733 that are publicly subsidized income targeted housing units; or
- 1734 (b) for the unincorporated part of a county, comparing the percentage of all housing
- 1735 units within the unincorporated county that are publicly subsidized income targeted
- 1736 housing units to the percentage of all housing units within the whole county that are
- 1737 publicly subsidized income targeted housing units.
- 1738 (25) "Family" means the same as that term is defined in regulations of the United States
- 1739 Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended
- 1740 or as superseded by replacement regulations.
- 1741 (26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.
- 1742 (27) "Hazardous waste" means any substance defined, regulated, or listed as a hazardous
- 1743 substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or
- 1744 toxic substance, or identified as hazardous to human health or the environment, under
- 1745 state or federal law or regulation.
- 1746 (28) "Housing allocation" means project area funds allocated for housing under Section
- 1747 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.
- 1748 (29) "Housing fund" means a fund created by an agency for purposes described in Section
- 1749 17C-1-411 or 17C-1-412 that is comprised of:
- 1750 (a) project area funds, project area incremental revenue as defined in Section 17C-1-1001,
- 1751 or property tax revenue as defined in Section 17C-1-1001 allocated for the purposes
- 1752 described in Section 17C-1-411; or
- 1753 (b) an agency's housing allocation.
- 1754 (30)(a) "Inactive airport site" means land that:
- 1755 (i) consists of at least 100 acres;
- 1756 (ii) is occupied by an airport:
- 1757 (A)(I) that is no longer in operation as an airport; or
- 1758 (II)(Aa) that is scheduled to be decommissioned; and
- 1759 (Bb) for which a replacement commercial service airport is under
- 1760 construction; and
- 1761 (B) that is owned or was formerly owned and operated by a public entity; and
- 1762 (iii) requires remediation because:

- 1763 (A) of the presence of hazardous waste or solid waste; or
1764 (B) the site lacks sufficient public infrastructure and facilities, including public
1765 roads, electric service, water system, and sewer system, needed to support
1766 development of the site.
- 1767 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land
1768 described in Subsection (30)(a).
- 1769 (31)(a) "Inactive industrial site" means land that:
1770 (i) consists of at least 1,000 acres;
1771 (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial
1772 facility; and
1773 (iii) requires remediation because of the presence of hazardous waste or solid waste.
- 1774 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land
1775 described in Subsection (31)(a).
- 1776 (32) "Income targeted housing" means housing that is:
1777 (a) owned and occupied by a family whose annual income is at or below 120% of the
1778 median annual income for a family within the county in which the housing is located;
1779 or
1780 (b) occupied by a family whose annual income is at or below 80% of the median annual
1781 income for a family within the county in which the housing is located.
- 1782 (33) "Incremental value" means a figure derived by multiplying the marginal value of the
1783 property located within a project area on which tax increment is collected by a number
1784 that represents the adjusted tax increment from that project area that is paid to the
1785 agency.
- 1786 (34) "Loan fund board" means the Olene Walker Housing Loan Fund Board, [established
1787 under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund] created in Section
1788 63N-22-303.
- 1789 (35)(a) " Local government building" means a building owned and operated by a
1790 community for the primary purpose of providing one or more primary community
1791 functions, including:
1792 (i) a fire station;
1793 (ii) a police station;
1794 (iii) a city hall; or
1795 (iv) a court or other judicial building.
- 1796 (b) " Local government building" does not include a building the primary purpose of

- 1797 which is cultural or recreational in nature.
- 1798 (36) "Low-income individual" means the same as that term is defined in Section [
1799 ~~35A-8-504.5~~] 63N-22-101.
- 1800 (37) "Major transit investment corridor" means the same as that term is defined in Section
1801 10-20-102.
- 1802 (38) "Marginal value" means the difference between actual taxable value and base taxable
1803 value.
- 1804 (39) "Military installation project area" means a project area or a portion of a project area
1805 located within a federal military installation ordered closed by the federal Defense Base
1806 Realignment and Closure Commission.
- 1807 (40) "Municipality" means a city or town.
- 1808 (41) "Non-profit housing fund" means:
- 1809 (a) an organization that meets the definition of "housing organization" in Section [
1810 ~~35A-8-2401~~] 63N-22-316;
- 1811 (b) a registered nonprofit that assists veterans or individuals who work in public service
1812 to achieve homeownership in the state;
- 1813 (c) a registered nonprofit that:
- 1814 (i) assists low-income individuals or families who would qualify for income targeted
1815 housing to achieve homeownership in the state; and
- 1816 (ii) provides direct support to help a low-income individual or a family eligible for
1817 income targeted housing to retain ownership of a home, including through
1818 rehabilitation services, lending for rehabilitation, or foreclosure mitigation
1819 counseling that results in retention of the home, refinancing, or a reverse mortgage;
- 1820 (d) a registered nonprofit that partners with a community to promote affordable housing
1821 for the workforce in that community; or
- 1822 (e) a registered nonprofit established to administer housing programs on behalf of an
1823 association representing 10 or more counties in the state.
- 1824 (42) "Participant" means one or more persons that enter into a participation agreement with
1825 an agency.
- 1826 (43) "Participation agreement" means a written agreement between a person and an agency
1827 under Subsection 17C-1-202(5).
- 1828 (44) "Plan hearing" means the public hearing on a proposed project area plan required
1829 under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection
1830 17C-3-102(1)(d) for an economic development project area plan, Subsection

- 1831 17C-4-102(1)(d) for a community development project area plan, or Subsection
1832 17C-5-104(3)(e) for a community reinvestment project area plan.
- 1833 (45) "Post-June 30, 1993, project area plan" means a project area plan adopted on or after
1834 July 1, 1993, and before May 10, 2016, whether or not amended subsequent to the
1835 project area plan's adoption.
- 1836 (46) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1,
1837 1993, whether or not amended subsequent to the project area plan's adoption.
- 1838 (47) "Private," with respect to real property, means property not owned by a public entity or
1839 any other governmental entity.
- 1840 (48) "Project area" means the geographic area described in a project area plan within which
1841 the project area development described in the project area plan takes place or is
1842 proposed to take place.
- 1843 (49) "Project area budget" means a multiyear projection of annual or cumulative revenues
1844 and expenses and other fiscal matters pertaining to a project area prepared in accordance
1845 with:
- 1846 (a) for an urban renewal project area, Section 17C-2-201;
1847 (b) for an economic development project area, Section 17C-3-201;
1848 (c) for a community development project area, Section 17C-4-204; or
1849 (d) for a community reinvestment project area, Section 17C-5-302.
- 1850 (50) "Project area development" means activity within a project area that, as determined by
1851 the board, encourages, promotes, or provides development or redevelopment for the
1852 purpose of implementing a project area plan, including:
- 1853 (a) promoting, creating, or retaining public or private jobs within the state or a
1854 community;
- 1855 (b) providing office, manufacturing, warehousing, distribution, parking, or other
1856 facilities or improvements;
- 1857 (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or
1858 remediating environmental issues;
- 1859 (d) providing residential, commercial, industrial, public, or other structures or spaces,
1860 including recreational and other facilities incidental or appurtenant to the structures
1861 or spaces;
- 1862 (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating
1863 existing structures;
- 1864 (f) providing open space, including streets or other public grounds or space around

- 1865 buildings;
- 1866 (g) providing public or private buildings, infrastructure, structures, or improvements;
- 1867 (h) relocating a business;
- 1868 (i) improving public or private recreation areas or other public grounds;
- 1869 (j) eliminating a development impediment or the causes of a development impediment;
- 1870 (k) redevelopment as defined under the law in effect before May 1, 2006; or
- 1871 (l) any activity described in this Subsection (50) outside of a project area that the board
- 1872 determines to be a benefit to the project area.
- 1873 (51) "Project area funds" means tax increment or sales and use tax revenue that an agency
- 1874 receives under a project area budget adopted by a taxing entity committee or an
- 1875 interlocal agreement.
- 1876 (52) "Project area funds collection period" means the period of time that:
- 1877 (a) begins the day on which the first payment of project area funds is distributed to an
- 1878 agency under a project area budget approved by a taxing entity committee or an
- 1879 interlocal agreement; and
- 1880 (b) ends the day on which the last payment of project area funds is distributed to an
- 1881 agency under a project area budget approved by a taxing entity committee or an
- 1882 interlocal agreement.
- 1883 (53) "Project area plan" means an urban renewal project area plan, an economic
- 1884 development project area plan, a community development project area plan, or a
- 1885 community reinvestment project area plan that, after the project area plan's effective
- 1886 date, guides and controls the project area development.
- 1887 (54)(a) "Property tax" means each levy on an ad valorem basis on tangible or intangible
- 1888 personal or real property.
- 1889 (b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege
- 1890 Tax.
- 1891 (55) "Public entity" means:
- 1892 (a) the United States, including an agency of the United States;
- 1893 (b) the state, including any of the state's departments or agencies; or
- 1894 (c) a political subdivision of the state, including a county, municipality, school district,
- 1895 special district, special service district, community reinvestment agency, or interlocal
- 1896 cooperation entity.
- 1897 (56) "Publicly owned infrastructure and improvements" means water, sewer, storm
- 1898 drainage, electrical, natural gas, telecommunication, or other similar systems and lines,

- 1899 streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation
 1900 facilities, or other facilities, infrastructure, and improvements benefitting the public and
 1901 to be publicly owned or publicly maintained or operated.
- 1902 (57) "Record property owner" or "record owner of property" means the owner of real
 1903 property, as shown on the records of the county in which the property is located, to
 1904 whom the property's tax notice is sent.
- 1905 (58) "Sales and use tax revenue" means revenue that is:
- 1906 (a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act; and
 1907 (b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.
- 1908 (59) "Superfund site":
- 1909 (a) means an area included in the National Priorities List under the Comprehensive
 1910 Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec.
 1911 9605; and
- 1912 (b) includes an area formerly included in the National Priorities List, as described in
 1913 Subsection (59)(a), but removed from the list following remediation that leaves on
 1914 site the waste that caused the area to be included in the National Priorities List.
- 1915 (60) "Survey area" means a geographic area designated for study by a survey area
 1916 resolution to determine whether:
- 1917 (a) one or more project areas within the survey area are feasible; or
 1918 (b) a development impediment exists within the survey area.
- 1919 (61) "Survey area resolution" means a resolution adopted by a board that designates a
 1920 survey area.
- 1921 (62) "Taxable value" means:
- 1922 (a) the taxable value of all real property a county assessor assesses in accordance with
 1923 Title 59, Chapter 2, Part 3, County Assessment, for the current year;
- 1924 (b) the taxable value of all real and personal property the commission assesses in
 1925 accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current
 1926 year; and
- 1927 (c) the year end taxable value of all personal property a county assessor assesses in
 1928 accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the
 1929 prior year's tax rolls of the taxing entity.
- 1930 (63)(a) "Tax increment" means the difference between:
- 1931 (i) the amount of property tax revenue generated each tax year by a taxing entity from
 1932 the area within a project area designated in the project area plan as the area from

- 1933 which tax increment is to be collected, using the current assessed value of the
1934 property and each taxing entity's current certified tax rate as defined in Section
1935 59-2-924; and
- 1936 (ii) the amount of property tax revenue that would be generated from that same area
1937 using the base taxable value of the property and each taxing entity's current
1938 certified tax rate as defined in Section 59-2-924.
- 1939 (b) "Tax increment" does not include taxes levied and collected under Section 59-2-1602
1940 on or after January 1, 1994, upon the taxable property in the project area unless:
- 1941 (i) the project area plan was adopted before May 4, 1993, whether or not the project
1942 area plan was subsequently amended; and
- 1943 (ii) the taxes were pledged to support bond indebtedness or other contractual
1944 obligations of the agency.
- 1945 (64) "Taxing entity" means a public entity that:
- 1946 (a) levies a tax on property located within a project area; or
1947 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.
- 1948 (65) "Taxing entity committee" means a committee representing the interests of taxing
1949 entities, created in accordance with Section 17C-1-402.
- 1950 (66) "Unincorporated" means not within a municipality.
- 1951 (67) "Urban renewal project area plan" means a project area plan adopted under Chapter 2,
1952 Part 1, Urban Renewal Project Area Plan.
- 1953 (68) "Veteran" means the same as that term is defined in Section 68-3-12.5.
1954 Section 12. Section **17C-1-412** is amended to read:
- 1955 **17C-1-412 (Effective 07/01/26). Use of housing allocation -- Separate accounting**
1956 **required -- Issuance of bonds for housing -- Action to compel agency to provide housing**
1957 **allocation.**
- 1958 (1)(a) An agency shall use the agency's housing allocation to:
- 1959 (i) pay part or all of the cost of land or construction of income targeted housing
1960 within the boundary of the agency, if practicable in a mixed income development
1961 or area;
- 1962 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the
1963 boundary of the agency;
- 1964 (iii) lend, grant, or contribute money to a person, public entity, housing authority,
1965 private entity or business, or nonprofit corporation for income targeted housing
1966 within the boundary of the agency;

- 1967 (iv) plan or otherwise promote income targeted housing within the boundary of the
 1968 agency;
- 1969 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of
 1970 any building, facility, structure, or other housing improvement, including
 1971 infrastructure improvements, related to housing located in a project area where a
 1972 board has determined that a development impediment exists;
- 1973 (vi) replace housing units lost as a result of the project area development;
- 1974 (vii) make payments on or establish a reserve fund for bonds:
 1975 (A) issued by the agency, the community, or the housing authority that provides
 1976 income targeted housing within the community; and
 1977 (B) all or part of the proceeds of which are used within the community for the
 1978 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 1979 (viii) if the community's fair share ratio at the time of the first adoption of the project
 1980 area budget is at least 1.1 to 1.0, make payments on bonds:
 1981 (A) that were previously issued by the agency, the community, or the housing
 1982 authority that provides income targeted housing within the community; and
 1983 (B) all or part of the proceeds of which were used within the community for the
 1984 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 1985 (ix) relocate mobile home park residents displaced by project area development;
- 1986 (x) subject to Subsection (7), transfer funds to a community that created the agency;
 1987 or
- 1988 (xi) pay for or make a contribution toward the acquisition, construction, or
 1989 rehabilitation of housing that:
 1990 (A) is located in the same county as the agency;
 1991 (B) is owned in whole or in part by, or is dedicated to supporting, a public
 1992 nonprofit college or university; and
 1993 (C) only students of the relevant college or university, including the students'
 1994 immediate families, occupy.
- 1995 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or
 1996 any portion of the agency's housing allocation to:
 1997 (i) the community for use as described in Subsection (1)(a);
 1998 (ii) a housing authority that provides income targeted housing within the community
 1999 for use in providing income targeted housing within the community;
 2000 (iii) a housing authority established by the county in which the agency is located for

- 2001 providing:
- 2002 (A) income targeted housing within the county;
- 2003 (B) permanent housing, permanent supportive housing, or a transitional facility, as
- 2004 defined in Section 35A-5-302, within the county; or
- 2005 (C) homeless assistance within the county;
- 2006 (iv) the Olene Walker Housing Loan Fund, [~~established under Title 35A, Chapter 8,~~
- 2007 ~~Part 5, Olene Walker Housing Loan Fund~~] created in Section 63N-22-302, for use
- 2008 in providing income targeted housing within the community;
- 2009 (v) pay for or make a contribution toward the acquisition, construction, or
- 2010 rehabilitation of income targeted housing that is outside of the community if the
- 2011 housing is located along or near a major transit investment corridor that services
- 2012 the community and the related project has been approved by the community in
- 2013 which the housing is or will be located;
- 2014 (vi) pay for or make a contribution toward the acquisition, construction, or
- 2015 rehabilitation of income targeted housing that is outside of the boundary of the
- 2016 agency if there is an interlocal agreement between the agency and the receiving
- 2017 community;
- 2018 (vii) pay for or make a contribution toward the expansion of child care facilities
- 2019 within the boundary of the agency, provided that any recipient of funds from the
- 2020 agency's housing allocation reports annually to the agency on how the funds were
- 2021 used; or
- 2022 (viii) a non-profit housing fund, for use in assisting individuals or families within the
- 2023 community to achieve homeownership or retain homeownership, in accordance
- 2024 with:
- 2025 (A) the mission of the non-profit housing fund; and
- 2026 (B) a written agreement between the non-profit housing fund and the agency,
- 2027 governing appropriate uses of housing allocation funds.
- 2028 (2)(a) An agency may combine all or any portion of the agency's housing allocation with
- 2029 all or any portion of one or more additional agency's housing allocations if the
- 2030 agencies execute an interlocal agreement in accordance with Title 11, Chapter 13,
- 2031 Interlocal Cooperation Act.
- 2032 (b) An agency that has entered into an interlocal agreement as described in Subsection
- 2033 (2)(a), meets the requirements of Subsection (1)(a) or (1)(b) if the use of the housing
- 2034 allocation meets the requirements for at least one agency that is a party to the

- 2035 interlocal agreement.
- 2036 (3) The agency shall create a housing fund and separately account for the agency's housing
2037 allocation, together with all interest earned by the housing allocation and all payments or
2038 repayments for loans, advances, or grants from the housing allocation.
- 2039 (4) An agency may:
- 2040 (a) issue bonds to finance a housing-related project under this section, including the
2041 payment of principal and interest upon advances for surveys and plans or preliminary
2042 loans; and
- 2043 (b) issue refunding bonds for the payment or retirement of bonds under Subsection (4)(a)
2044 previously issued by the agency.
- 2045 (5)(a) Except as provided in Subsection (5)(b), an agency shall allocate money to the
2046 housing fund each year in which the agency receives sufficient tax increment to make
2047 a housing allocation required by the project area budget.
- 2048 (b) Subsection (5)(a) does not apply in a year in which tax increment is insufficient.
- 2049 (6)(a) Except as provided in Subsection (5)(b), if an agency fails to provide a housing
2050 allocation in accordance with the project area budget and the housing plan adopted
2051 under Subsection 17C-2-204(2), the loan fund board may bring legal action to
2052 compel the agency to provide the housing allocation.
- 2053 (b) In an action under Subsection (6)(a), the court:
- 2054 (i) shall award the loan fund board reasonable attorney fees, unless the court finds
2055 that the action was frivolous; and
- 2056 (ii) may not award the agency the agency's attorney fees, unless the court finds that
2057 the action was frivolous.
- 2058 (7) For the purpose of offsetting the community's annual local contribution to the Homeless
2059 Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a
2060 calendar year to a community under Subsections (1)(a)(x), 17C-1-409(1)(a)(v), and
2061 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined
2062 in Subsection 59-12-205(5).
- 2063 (8) An agency shall spend, encumber, or allot the money contributed to the housing fund
2064 under Subsection (5)(a) within six years from the day on which the agency first receives
2065 the money.

2066 Section 13. Section **26B-3-209** is amended to read:

2067 **26B-3-209 (Effective 07/01/26). Medicaid long-term support services housing**
2068 **coordinator.**

- 2069 (1) There is created within the Medicaid program a full-time-equivalent position of
 2070 Medicaid long-term support services housing coordinator.
- 2071 (2) The coordinator shall help Medicaid recipients receive long-term support services in a
 2072 home or other community-based setting rather than in a nursing home or other
 2073 institutional setting by:
- 2074 (a) working with municipalities, counties, the [~~Housing and Community Development~~
 2075 ~~Division~~] Division of Community Services within the Department of Workforce
 2076 Services, the Division of Housing and Community Development within the
 2077 Governor's Office of Economic Opportunity, and others to identify community-based
 2078 settings available to recipients;
- 2079 (b) working with the same entities to promote the development, construction, and
 2080 availability of additional community-based settings;
- 2081 (c) training Medicaid case managers and support coordinators on how to help Medicaid
 2082 recipients move from an institutional setting to a community-based setting; and
- 2083 (d) performing other related duties.

2084 Section 14. Section **35A-1-202** is amended to read:

2085 **35A-1-202 (Effective 07/01/26) (Partially Repealed 07/01/26). Divisions --**
 2086 **Creation -- Duties -- Workforce Appeals Board, councils, Child Care Advisory**
 2087 **Committee, and economic service areas.**

- 2088 (1) There is created within the department the following divisions:
- 2089 (a) the Workforce Development Division to administer the development and
 2090 implementation of employment assistance programs;
- 2091 (b) the Workforce Research and Analysis Division;
- 2092 (c) the Unemployment Insurance Division to administer Chapter 4, Employment
 2093 Security Act;
- 2094 (d) the Eligibility Services Division to administer public assistance eligibility;
- 2095 (e) the Division of Adjudication to adjudicate claims or actions in accordance with this
 2096 title;
- 2097 (f) the [~~Housing and Community Development Division~~] Division of Community
 2098 Services, which is described in Sections 35A-8-201 and 35A-8-202;
- 2099 (g) the Utah State Office of Rehabilitation, which is described in Section 35A-13-103;
- 2100 (h) the Office of Homeless Services, which is described in Section 35A-16-202;
- 2101 (i) the Office of Child Care, which is described in Sections 35A-3-202 and 35A-3-203;
- 2102 and

- 2103 (j) the Refugee Services Office, which is described in Chapter 3, Part 8, Refugee
 2104 Services.
- 2105 (2) In addition to the divisions created under Subsection (1), within the department are the
 2106 following:
- 2107 (a) the Workforce Appeals Board created in Section 35A-1-205;
- 2108 (b) the State Workforce Development Board created in Section 35A-1-206;
- 2109 (c) the Employment Advisory Council created in Section 35A-4-502;
- 2110 (d) the Child Care Advisory Committee created in Section 35A-3-205; and
- 2111 (e) the economic service areas created in accordance with Chapter 2, Economic Service
 2112 Areas.
- 2113 Section 15. Section **35A-3-103** is amended to read:
- 2114 **35A-3-103 (Effective 07/01/26). Department responsibilities.**
- 2115 The department shall:
- 2116 (1) administer public assistance programs assigned by the Legislature and the governor;
- 2117 (2) determine eligibility for public assistance programs in accordance with the requirements
 2118 of this chapter;
- 2119 (3) cooperate with the federal government in the administration of public assistance
 2120 programs;
- 2121 (4) administer state employment services;
- 2122 (5) provide for the compilation of necessary or desirable information, statistics, and reports;
- 2123 (6) perform other duties and functions required by law;
- 2124 (7) monitor the application of eligibility policy;
- 2125 (8) develop personnel training programs for effective and efficient operation of the
 2126 programs administered by the department;
- 2127 (9) provide refugee resettlement services in accordance with Section 35A-3-803;
- 2128 (10) provide child care assistance for children in accordance with Part 2, Office of Child
 2129 Care;
- 2130 (11) provide services that enable an applicant or recipient to qualify for affordable housing
 2131 in cooperation with:
- 2132 (a) the Utah Housing Corporation;
- 2133 (b) the [~~Housing and Community Development Division~~] Division of Community
 2134 Services;
- 2135 (c) the Division of Housing and Community Development within the Governor's Office
 2136 of Economic Opportunity; and

- 2137 [(e)] (d) local housing authorities;
- 2138 (12) administer the Medicaid Eligibility Quality Control function in accordance with 42
- 2139 C.F.R. Sec. 431.812; and
- 2140 (13) conduct non-clinical eligibility hearings and issue final decisions in adjudicative
- 2141 proceedings, including expedited appeals as defined in 42 C.F.R. Sec. 431.224, for
- 2142 medical assistance eligibility under:
- 2143 (a) Title 26B, Chapter 3, Health Care - Administration and Assistance; or
- 2144 (b) Title 26B, Chapter 3, Part 9, Utah Children's Health Insurance Program.
- 2145 Section 16. Section **35A-3-309** is amended to read:
- 2146 **35A-3-309 (Effective 07/01/26). Information regarding home ownership.**
- 2147 (1) The department shall provide information and service coordination to assist an applicant
- 2148 in obtaining affordable housing.
- 2149 (2) The information and services may include:
- 2150 (a) information from the Utah Housing Corporation~~[-and]~~ , the ~~[Housing and Community~~
- 2151 ~~Development Division]~~ Division of Community Services, and the Division of
- 2152 Housing and Community Development within the Governor's Office of Economic
- 2153 Opportunity regarding special housing programs, including programs for first-time
- 2154 home buyers and individuals with low and moderate incomes and the eligibility
- 2155 requirements for those programs;
- 2156 (b) referrals to programs operated by volunteers from the real estate industry that assist
- 2157 applicants in obtaining affordable housing, including information on home
- 2158 ownership, down payments, closing costs, and credit requirements; and
- 2159 (c) referrals to housing programs operated by municipalities, counties, local housing
- 2160 authorities, and nonprofit housing organizations that assist individuals in obtaining
- 2161 affordable housing, including first-time home ownership.
- 2162 Section 17. Section **35A-8-101** is amended to read:
- 2163 **35A-8-101 (Effective 07/01/26). Definitions.**
- 2164 As used in this chapter:
- 2165 (1) "Accessible housing" means housing which has been constructed or modified to be
- 2166 accessible, as described in the State Construction Code or an approved code under Title
- 2167 15A, State Construction and Fire Codes Act.
- 2168 (2) "Director" means the director of the division.
- 2169 (3) "Division" means the ~~[Housing and Community Development Division]~~ Division of
- 2170 Community Services.

2171 [(4) "Moderate income housing" means housing occupied or reserved for occupancy by
 2172 households with a gross household income equal to or less than 80% of the median gross
 2173 income for households of the same size in the county in which the housing is located.]

2174 [(5) "Moderate income housing unit" means a housing unit that qualifies as moderate
 2175 income housing.]

2176 Section 18. Section **35A-8-201** is amended to read:

2177 **35A-8-201 (Effective 07/01/26). Division of Community Services.**

2178 The [~~Housing and Community Development~~] Division of Community Services is under
 2179 the administration and general supervision of the director.

2180 Section 19. Section **35A-8-202** is amended to read:

2181 **35A-8-202 (Effective 07/01/26). Powers and duties of division.**

2182 (1) The division shall:

2183 (a) assist local governments and citizens in the planning, development, and maintenance
 2184 of necessary public infrastructure and services;

2185 (b) cooperate with, and provide technical assistance to, counties, cities, towns, regional
 2186 planning commissions, area-wide clearinghouses, zoning commissions, parks or
 2187 recreation boards, community development groups, community action agencies, and
 2188 other agencies created for the purpose of aiding and encouraging an orderly,
 2189 productive, and coordinated development of the state and [its] the state's political
 2190 subdivisions;

2191 (c) assist the governor in coordinating the activities of state agencies which have an
 2192 impact on the solution of community development problems and the implementation
 2193 of community plans;

2194 (d) serve as a clearinghouse for information, data, and other materials which may be
 2195 helpful to local governments in discharging [their] local government responsibilities
 2196 and provide information on available federal and state financial and technical
 2197 assistance;

2198 (e) carry out continuing studies and analyses of the problems faced by communities
 2199 within the state and develop such recommendations for administrative or legislative
 2200 action as appear necessary;

2201 (f) assist the Division of Housing and Community Development within the Governor's
 2202 Office of Economic Opportunity in funding affordable housing;

2203 (g) support economic development activities through grants, loans, and direct programs
 2204 financial assistance;

- 2205 (h) certify project funding at the local level in conformance with federal, state, and other
 2206 requirements;
- 2207 (i) utilize the capabilities and facilities of public and private universities and colleges
 2208 within the state in carrying out [its] the division's functions; and
- 2209 (j) assist and support local governments, community action agencies, and citizens in the
 2210 planning, development, and maintenance of home weatherization, energy efficiency,
 2211 and antipoverty activities.

2212 (2) The division may:

- 2213 (a) by following the procedures and requirements of Title 63J, Chapter 5, Federal Funds
 2214 Procedures Act, seek federal grants, loans, or participation in federal programs; and
- 2215 (b) if any federal program requires the expenditure of state funds as a condition to
 2216 participation by the state in any fund, property, or service, with the governor's
 2217 approval, expend whatever funds are necessary out of the money provided by the
 2218 Legislature for the use of the department[;] .

2219 [~~(e) in accordance with Part 9, Domestic Violence Shelters, assist in developing,
 2220 constructing, and improving shelters for victims of domestic violence, as described in
 2221 Section 77-36-1, through loans and grants to nonprofit and governmental entities;~~]

2222 [~~(d) assist, when requested by a county or municipality, in the development of accessible
 2223 housing; and]~~

2224 [~~(e) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
 2225 Rulemaking Act, regarding the form and content of a moderate income housing
 2226 report, as described in Sections 10-21-202 and 17-80-202, to;~~]

2227 [~~(i) ensure consistency across reporting political subdivisions; and]~~

2228 [~~(ii) promote better potential analysis of report data.]~~

2229 Section 20. Section **35A-8-1003** is amended to read:

2230 **35A-8-1003 (Effective 07/01/26). State Community Services Office created --**

2231 **Purpose.**

2232 (1) There is created within the [~~Housing and Community Development Division~~] Division
 2233 of Community Services the State Community Services Office.

2234 (2) The office shall strengthen communities by reducing poverty and improving the quality
 2235 of life for low-income persons in this state.

2236 Section 21. Section **35A-8-1009** is amended to read:

2237 **35A-8-1009 (Effective 07/01/26). Qualified Emergency Food Agencies Fund --**

2238 **Expenditure of revenues.**

- 2239 (1) As used in this section:
- 2240 (a) "Association of governments" means the following created under the authority of
- 2241 Title 11, Chapter 13, Interlocal Cooperation Act:
- 2242 (i) an association of governments; or
- 2243 (ii) a regional council that acts as an association of governments.
- 2244 (b) "Food and food ingredients" means the same as that term is defined in Section
- 2245 59-12-102.
- 2246 (c) "Qualified emergency food agency" means an organization that:
- 2247 (i) is:
- 2248 (A) exempt from federal income taxation under Section 501(c)(3), Internal
- 2249 Revenue Code;
- 2250 (B) an association of governments; or
- 2251 (C) a food pantry operated by a municipality located within the state;
- 2252 (ii) as part of [its] the organization's activities, operates a program that has as the
- 2253 program's primary purpose to:
- 2254 (A) warehouse and distribute food to other agencies and organizations providing
- 2255 food and food ingredients to low-income persons; or
- 2256 (B) provide food and food ingredients directly to low-income persons; and
- 2257 (iii) the office determines to be a qualified emergency food agency.
- 2258 (2) There is created an expendable special revenue fund known as the Qualified Emergency
- 2259 Food Agencies Fund.
- 2260 (3)(a) The Qualified Emergency Food Agencies Fund shall be funded by the sales and
- 2261 use tax revenues described in:
- 2262 (i) Section 59-12-103;
- 2263 (ii) Section 59-12-204; and
- 2264 (iii) Section 59-12-1102.
- 2265 (b) Any interest earned on the Qualified Emergency Food Agencies Fund shall be
- 2266 deposited into the General Fund.
- 2267 (4) The office shall for a fiscal year distribute money deposited into the Qualified
- 2268 Emergency Food Agencies Fund to qualified emergency food agencies within the state
- 2269 as provided in this section.
- 2270 (5) A qualified emergency food agency shall file an application with the office before the
- 2271 qualified emergency food agency may receive a distribution under this section.
- 2272 (6) A qualified emergency food agency may expend a distribution received in accordance

- 2273 with this section only for a purpose related to:
- 2274 (a) warehousing and distributing food and food ingredients to other agencies and
 2275 organizations providing food and food ingredients to low-income persons; or
 2276 (b) providing food and food ingredients directly to low-income persons.
- 2277 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [
 2278 ~~Housing and Community Development Division~~] Division of Community Services may
 2279 make rules providing procedures for implementing the distributions required by this
 2280 section, including:
- 2281 (a) standards for determining and verifying the amount of a distribution that a qualified
 2282 emergency food agency may receive;
- 2283 (b) procedures for a qualified emergency food agency to apply for a distribution,
 2284 including the frequency with which a qualified emergency food agency may apply
 2285 for a distribution; and
- 2286 (c) consistent with Subsection (1)(c), determining whether an entity is a qualified
 2287 emergency food agency.
- 2288 Section 22. Section **35A-16-203** is amended to read:
- 2289 **35A-16-203 (Effective 07/01/26). Powers and duties of the coordinator.**
- 2290 (1) The coordinator shall:
- 2291 (a) coordinate the provision of homeless services in the state;
- 2292 (b) in cooperation with the board, develop and maintain a comprehensive annual budget
 2293 and overview of all homeless services available in the state, which homeless services
 2294 budget shall receive final approval by the board;
- 2295 (c) in cooperation with the board, create a statewide strategic plan to minimize
 2296 homelessness in the state, which strategic plan shall receive final approval by the
 2297 board;
- 2298 (d) in cooperation with the board, oversee funding provided for the provision of
 2299 homeless services, which funding shall receive final approval by the board, including
 2300 funding from the:
- 2301 (i) Pamela Atkinson Homeless Account created in Section 35A-16-301;
- 2302 (ii) Homeless to Housing Reform Restricted Account created in Section 35A-16-303;
 2303 and
- 2304 (iii) Homeless Shelter Cities Mitigation Restricted Account created in Section
 2305 35A-16-402;
- 2306 (e) provide administrative support to and serve as a member of the board;

- 2307 (f) at the governor's request, report directly to the governor on issues regarding
2308 homelessness in the state and the provision of homeless services in the state; and
2309 (g) report directly to the president of the Senate and the speaker of the House of
2310 Representatives at least twice each year on issues regarding homelessness in the state
2311 and the provision of homeless services in the state.
- 2312 (2) The coordinator, in cooperation with the board, shall ensure that the homeless services
2313 budget described in Subsection (1)(b) includes an overview and coordination plan for all
2314 funding sources for homeless services in the state, including from state agencies,
2315 continuum of care organizations, housing authorities, local governments, federal
2316 sources, and private organizations.
- 2317 (3) The coordinator, in cooperation with the board and taking into account the metrics
2318 established and data reported in accordance with Section 35A-16-211, shall ensure that
2319 the strategic plan described in Subsection (1)(c):
- 2320 (a) outlines specific goals and measurable benchmarks for minimizing homelessness in
2321 the state and for coordinating services for individuals experiencing homelessness
2322 among all service providers in the state;
- 2323 (b) identifies best practices or innovative strategies and recommends improvements to
2324 the provision of services to individuals experiencing homelessness in the state to
2325 ensure the services are provided in a safe, cost-effective, and efficient manner;
- 2326 (c) identifies best practices or innovative strategies and recommends improvements in
2327 coordinating the delivery of services to the variety of populations experiencing
2328 homelessness in the state, including through the use of electronic databases and
2329 improved data sharing among all service providers in the state;
- 2330 (d) identifies gaps and recommends solutions in the delivery of services to the variety of
2331 populations experiencing homelessness in the state; and
- 2332 (e) takes into consideration the success of the HOME Court Pilot Program established in
2333 Section 26B-5-382.
- 2334 (4) In overseeing funding for the provision of homeless services as described in Subsection
2335 (1)(d), the coordinator:
- 2336 (a) shall prioritize the funding of programs and providers that have a documented history
2337 of successfully reducing the number of individuals experiencing homelessness,
2338 reducing the time individuals spend experiencing homelessness, moving individuals
2339 experiencing homelessness to permanent housing, or reducing the number of
2340 individuals who return to experiencing homelessness;

- 2341 (b) except for a program or provider providing services to victims of domestic violence,
2342 may not approve funding to a program or provider that does not enter into a written
2343 agreement with the office to collect and share HMIS data regarding the provision of
2344 services to individuals experiencing homelessness so that the provision of services
2345 can be coordinated among state agencies, local governments, and private
2346 organizations; and
- 2347 (c) if the board has approved a funding formula developed by the steering committee, as
2348 described in Section 35A-16-205:
- 2349 (i) except as provided in Subsection (4)(c)(ii), shall utilize that funding formula in
2350 disbursing funds for the provision of homeless services; and
- 2351 (ii) shall ensure that any federal funds not subject to the funding formula are
2352 disbursed in accordance with any applicable federal requirements.
- 2353 (5) In cooperation with the board, the coordinator shall update the annual statewide budget
2354 and the strategic plan described in this section on an annual basis.
- 2355 (6)(a) On or before October 1, the coordinator shall provide a written report to the
2356 department for inclusion in the department's annual written report described in
2357 Section 35A-1-109.
- 2358 (b) The written report shall include:
- 2359 (i) the homeless services budget;
- 2360 (ii) the strategic plan;
- 2361 (iii) recommendations regarding improvements to coordinating and providing
2362 services to individuals experiencing homelessness in the state;
- 2363 (iv) in coordination with the board, a complete accounting of the office's
2364 disbursement of funds during the previous fiscal year from:
- 2365 (A) the Pamela Atkinson Homeless Account created in Section 35A-16-301;
- 2366 (B) the Homeless to Housing Reform Restricted Account created in Section
2367 35A-16-303;
- 2368 (C) the Homeless Shelter Cities Mitigation Restricted Account created in Section
2369 35A-16-402;
- 2370 (D) the COVID-19 Homeless Housing and Services Grant Program created in
2371 Section [~~35A-16-602~~] 63N-22-802; and
- 2372 (E) any other grant program created in statute that is administered by the office;
- 2373 and
- 2374 (v) the data described in Section 35A-16-211.

2375 Section 23. Section **53C-3-203** is amended to read:

2376 **53C-3-203 (Effective 07/01/26) (Partially Repealed 07/01/30). Land Exchange**

2377 **Distribution Account.**

2378 (1) As used in this section, "account" means the Land Exchange Distribution Account
2379 created in Subsection (2)(a).

2380 (2)(a) There is created within the General Fund a restricted account known as the Land
2381 Exchange Distribution Account.

2382 (b) The account shall consist of revenue deposited in the account as required by Section
2383 53C-3-202.

2384 (3)(a) The state treasurer shall invest money in the account according to Title 51,
2385 Chapter 7, State Money Management Act.

2386 (b) The Division of Finance shall deposit interest or other earnings derived from
2387 investment of account money into the General Fund.

2388 (4) The Legislature shall annually appropriate from the account in the following order:

2389 (a) \$1,000,000 to the Constitutional Defense Restricted Account created in Section
2390 63C-4a-402; and

2391 (b) from the deposits to the account remaining after the appropriation in Subsection
2392 (4)(a), the following amounts:

2393 (i) 55% of the deposits to counties in amounts proportionate to the amounts of
2394 mineral revenue generated from the acquired land, exchanged land, acquired
2395 mineral interests, or exchanged mineral interests located in each county, to be
2396 used to mitigate the impacts caused by mineral development;

2397 (ii) 25% of the deposits to counties in amounts proportionate to the total surface and
2398 mineral acreage within each county that was conveyed to the United States under
2399 the agreement or an exchange, to be used to mitigate the loss of mineral
2400 development opportunities resulting from the agreement or exchange;

2401 (iii) 1.68% of the deposits to the State Board of Education, to be used for education
2402 research and experimentation in the use of staff and facilities designed to improve
2403 the quality of education in Utah;

2404 (iv) 1.66% of the deposits to the Geological Survey, to be used for natural resources
2405 development in the state;

2406 (v) 1.66% of the deposits to the Water Research Laboratory at Utah State University,
2407 to be used for water development in the state;

2408 (vi) 11% of the deposits to the Constitutional Defense Restricted Account created in

2409 Section 63C-4a-402;
 2410 (vii) 1% of the deposits to the Geological Survey, to be used for test wells and other
 2411 hydrologic studies in the West Desert; and
 2412 (viii) 3% of the deposits to the Permanent Community Impact Fund created in
 2413 Section ~~[35A-8-303]~~ 63N-22-503, to be used for grants to political subdivisions of
 2414 the state to mitigate the impacts resulting from the development or use of school
 2415 and institutional trust lands.

2416 (5) The administration shall make recommendations to the Permanent Community Impact
 2417 Fund Board for the Permanent Community Impact Fund Board's consideration when
 2418 awarding the grants described in Subsection (4)(b)(viii).

2419 Section 24. Section **59-2-1101** is amended to read:

2420 **59-2-1101 (Effective 07/01/26). Definitions -- Exemption of certain property --**
 2421 **Proportional payments for certain property -- Exception -- County legislative body**
 2422 **authority to adopt rules or ordinances.**

2423 (1) As used in this section:

2424 (a) "Charitable purposes" means:

2425 (i) for property used as a nonprofit hospital or a nursing home, the standards outlined
 2426 in *Howell v. County Board of Cache County ex rel. IHC Hospitals, Inc.*, 881 P.2d
 2427 880 (Utah 1994); and

2428 (ii) for property other than property described in Subsection (1)(a)(i), providing a gift
 2429 to the community.

2430 (b) "Compliance period" means a period equal to 15 taxable years beginning with the
 2431 first taxable year for which the taxpayer claims a tax credit under Section 42, Internal
 2432 Revenue Code, or Section 59-7-607 or 59-10-1010.

2433 (c)(i) "Educational purposes" means purposes carried on by an educational
 2434 organization that normally:

2435 (A) maintains a regular faculty and curriculum; and

2436 (B) has a regularly enrolled body of pupils and students.

2437 (ii) "Educational purposes" includes:

2438 (A) the physical or mental teaching, training, or conditioning of competitive
 2439 athletes by a national governing body of sport recognized by the United States
 2440 Olympic and Paralympic Committee that qualifies as being tax exempt under
 2441 Section 501(c)(3), Internal Revenue Code; and

2442 (B) an activity in support of or incidental to the teaching, training, or conditioning

2443 described in this Subsection (1)(c)(ii).

2444 (d) "Exclusive use exemption" means a property tax exemption under Subsection
2445 (3)(a)(iv), for property owned by a nonprofit entity used exclusively for one or more
2446 of the following purposes:

2447 (i) religious purposes;

2448 (ii) charitable purposes; or

2449 (iii) educational purposes.

2450 (e)(i) "Farm machinery and equipment" means tractors, milking equipment and
2451 storage and cooling facilities, feed handling equipment, irrigation equipment,
2452 harvesters, choppers, grain drills and planters, tillage tools, scales, combines,
2453 spreaders, sprayers, haying equipment, including balers and cubers, and any other
2454 machinery or equipment used primarily for agricultural purposes.

2455 (ii) "Farm machinery and equipment" does not include vehicles required to be
2456 registered with the Motor Vehicle Division or vehicles or other equipment used
2457 for business purposes other than farming.

2458 (f) "Gift to the community" means:

2459 (i) the lessening of a government burden; or

2460 (ii)(A) the provision of a significant service to others without immediate
2461 expectation of material reward;

2462 (B) the use of the property is supported to a material degree by donations and gifts
2463 including volunteer service;

2464 (C) the recipients of the charitable activities provided on the property are not
2465 required to pay for the assistance received, in whole or in part, except that if in
2466 part, to a material degree;

2467 (D) the beneficiaries of the charitable activities provided on the property are
2468 unrestricted or, if restricted, the restriction bears a reasonable relationship to
2469 the charitable objectives of the nonprofit entity that owns the property; and

2470 (E) any commercial activities provided on the property are subordinate or
2471 incidental to charitable activities provided on the property.

2472 (g) "Government exemption" means a property tax exemption provided under
2473 Subsection (3)(a)(i), (ii), or (iii).

2474 (h)(i) "Nonprofit entity" means an entity:

2475 (A) that is organized on a nonprofit basis, that dedicates the entity's property to the
2476 entity's nonprofit purpose, and that makes no dividend or other form of

- 2477 financial benefit available to a private interest;
- 2478 (B) for which, upon dissolution, the entity's assets are distributable only for
- 2479 exempt purposes under state law or to the government for a public purpose; and
- 2480 (C) for which none of the net earnings or donations made to the entity inure to the
- 2481 benefit of private shareholders or other individuals, as the private inurement
- 2482 standard has been interpreted under Section 501(c)(3), Internal Revenue Code.
- 2483 (ii) "Nonprofit entity" includes an entity:
- 2484 (A) if the entity is treated as a disregarded entity for federal income tax purposes
- 2485 and wholly owned by, and controlled under the direction of, a nonprofit entity;
- 2486 and
- 2487 (B) for which none of the net earnings and profits of the entity inure to the benefit
- 2488 of any person other than a nonprofit entity.
- 2489 (iii) "Nonprofit entity" includes an entity that is not an entity described in Subsection
- 2490 (1)(h)(i) if the entity jointly owns a property that:
- 2491 (A) is used for the purpose of providing permanent supportive housing;
- 2492 (B) has an owner that is an entity described in Subsection (1)(h)(i) or that is a
- 2493 housing authority that operates the permanent supportive housing;
- 2494 (C) has an owner that receives public funding from a federal, state, or local
- 2495 government entity to provide support services and rental subsidies to the
- 2496 permanent supportive housing;
- 2497 (D) is intended to be transferred at or before the end of the compliance period to
- 2498 an entity described in Subsection (1)(h)(i) or a housing authority that will
- 2499 continue to operate the property as permanent supportive housing; and
- 2500 (E) has been certified by the Utah Housing Corporation as meeting the
- 2501 requirements described in Subsections (1)(h)(iii)(A) through (D).
- 2502 (iv) "Nonprofit entity" includes an entity that is not an entity described in Subsection
- 2503 (1)(h)(i) if:
- 2504 (A) the entity is a housing organization as defined in [~~Subsection~~
- 2505 ~~35A-8-2401(1)(a)] Section 63N-22-316; and~~
- 2506 (B) the entity is owned by an entity described in Subsection (1)(h)(i) or a housing
- 2507 authority.
- 2508 (i) "Permanent supportive housing" means a housing facility that:
- 2509 (i) provides supportive services;
- 2510 (ii) makes a 15-year commitment to provide rent subsidies to tenants of the housing

- 2511 facility when the housing facility is placed in service;
- 2512 (iii) receives an allocation of federal low-income housing tax credits in accordance
- 2513 with 26 U.S.C. Sec. 42; and
- 2514 (iv) leases each unit to a tenant:
- 2515 (A) who, immediately before leasing the housing, was homeless as defined in 24
- 2516 C.F.R. 583.5; and
- 2517 (B) whose rent is capped at no more than 30% of the tenant's household income.
- 2518 (j)(i) "Property of" means property that an entity listed in Subsection (3)(a)(ii) or (iii)
- 2519 has a legal right to possess.
- 2520 (ii) "Property of" includes a lease of real property if:
- 2521 (A) the property is wholly leased to a state or political subdivision entity listed in
- 2522 Subsection (3)(a)(ii) or (iii) under a triple net lease; and
- 2523 (B) the lease is in effect for the entire calendar year.
- 2524 (k) "Supportive service" means a service that is an eligible cost under 24 C.F.R. 578.53.
- 2525 (l) "Triple net lease" means a lease agreement under which the lessee is responsible for
- 2526 the real estate taxes, building insurance, and maintenance of the property separate
- 2527 from and in addition to the rental price.
- 2528 (2)(a) Except as provided in Subsection (2)(b), an exemption under this part may be
- 2529 allowed only if the claimant is the owner of the property as of January 1 of the year
- 2530 the exemption is claimed.
- 2531 (b) A claimant shall collect and pay a proportional tax based upon the length of time that
- 2532 the property was not owned by the claimant if:
- 2533 (i) the claimant is a federal, state, or political subdivision entity described in
- 2534 Subsection (3)(a)(i), (ii), or (iii); or
- 2535 (ii) in accordance with Subsection (3)(a)(iv):
- 2536 (A) the claimant is a nonprofit entity; and
- 2537 (B) the property is used exclusively for religious, charitable, or educational
- 2538 purposes.
- 2539 (3)(a) The following property is exempt from taxation:
- 2540 (i) property exempt under the laws of the United States;
- 2541 (ii) property of:
- 2542 (A) the state;
- 2543 (B) school districts; and
- 2544 (C) public libraries;

- 2545 (iii) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act, property
2546 of:
- 2547 (A) counties;
 - 2548 (B) cities;
 - 2549 (C) towns;
 - 2550 (D) special districts;
 - 2551 (E) special service districts; and
 - 2552 (F) all other political subdivisions of the state;
- 2553 (iv) except as provided in Subsection (6) or (7), property owned by a nonprofit entity
2554 used exclusively for one or more of the following purposes:
- 2555 (A) religious purposes;
 - 2556 (B) charitable purposes; or
 - 2557 (C) educational purposes;
- 2558 (v) places of burial not held or used for private or corporate benefit;
- 2559 (vi) farm machinery and equipment;
- 2560 (vii) a high tunnel, as defined in Section 10-20-613;
- 2561 (viii) intangible property; and
- 2562 (ix) the ownership interest of an out-of-state public agency, as defined in Section
2563 11-13-103:
- 2564 (A) if that ownership interest is in property providing additional project capacity,
2565 as defined in Section 11-13-103; and
 - 2566 (B) on which a fee in lieu of ad valorem property tax is payable under Section
2567 11-13-302.
- 2568 (b) For purposes of a property tax exemption for property of school districts under
2569 Subsection (3)(a)(ii)(B), a charter school under Title 53G, Chapter 5, Charter
2570 Schools, is considered to be a school district.
- 2571 (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or a
2572 government exemption ceases to qualify for the exemption because of a change in the
2573 ownership of the property:
- 2574 (a) the new owner of the property shall pay a proportional tax based upon the period of
2575 time:
 - 2576 (i) beginning on the day that the new owner acquired the property; and
 - 2577 (ii) ending on the last day of the calendar year during which the new owner acquired
2578 the property; and

- 2579 (b) the new owner of the property and the person from whom the new owner acquires
 2580 the property shall notify the county assessor, in writing, of the change in ownership
 2581 of the property within 30 days from the day that the new owner acquires the property.
- 2582 (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection (4)(a):
 2583 (a) is subject to any exclusive use exemption or government exemption that the property
 2584 is entitled to under the new ownership of the property; and
 2585 (b) applies only to property that is acquired after December 31, 2005.
- 2586 (6)(a) A property may not receive an exemption under Subsection (3)(a)(iv) if:
 2587 (i) the nonprofit entity that owns the property participates in or intervenes in any
 2588 political campaign on behalf of or in opposition to any candidate for public office,
 2589 including the publishing or distribution of statements; or
 2590 (ii) a substantial part of the activities of the nonprofit entity that owns the property
 2591 consists of carrying on propaganda or otherwise attempting to influence
 2592 legislation, except as provided under Subsection 501(h), Internal Revenue Code.
- 2593 (b) Whether a nonprofit entity is engaged in an activity described in Subsection (6)(a)
 2594 shall be determined using the standards described in Section 501, Internal Revenue
 2595 Code.
- 2596 (7) A property may not receive an exemption under Subsection (3)(a)(iv) if:
 2597 (a) the property is used for a purpose that is not religious, charitable, or educational; and
 2598 (b) the use for a purpose that is not religious, charitable, or educational is more than de
 2599 minimis.
- 2600 (8) A county legislative body may adopt rules or ordinances to:
 2601 (a) effectuate an exemption under this part; and
 2602 (b) designate one or more persons to perform the functions given to the county under
 2603 this part.
- 2604 (9) If a person is dissatisfied with an exemption decision made under designated
 2605 decision-making authority as described in Subsection (8)(b), that person may appeal the
 2606 decision to the commission under Section 59-2-1006.
- 2607 Section 25. Section **59-5-116** is amended to read:
 2608 **59-5-116 (Effective 07/01/26). Disposition of certain taxes collected on Ute Indian**
 2609 **land.**
- 2610 (1) Except as provided in Subsection (2), there shall be deposited into the Uintah Basin
 2611 Revitalization Fund [~~established in~~] created in Section [~~35A-8-1602~~] 63N-22-602:
 2612 (a) for taxes imposed under this part, 33% of the taxes collected on oil, gas, or other

- 2613 hydrocarbon substances produced from a well:
- 2614 (i) for which production began on or before June 30, 1995; and
- 2615 (ii) attributable to interests:
- 2616 (A) held in trust by the United States for the Tribe and [its] the Tribe's members; or
- 2617 (B) on lands identified in Pub. L. No. 440, 62 Stat. 72 (1948);
- 2618 (b) for taxes imposed under this part, 80% of taxes collected on oil, gas, or other
- 2619 hydrocarbon substances produced from a well:
- 2620 (i) for which production began on or after July 1, 1995; and
- 2621 (ii) attributable to interests:
- 2622 (A) held in trust by the United States for the Tribe and [its] the Tribe's members; or
- 2623 (B) on lands identified in Pub. L. No. 440, 62 Stat. 72 (1948); and
- 2624 (c) for taxes imposed under this part, 80% of taxes collected on oil, gas, or other
- 2625 hydrocarbon substances produced from a well:
- 2626 (i) for which production began on or after January 1, 2001; and
- 2627 (ii) attributable to interests on lands conveyed to the tribe under the Ute-Moab Land
- 2628 Restoration Act, Pub. L. No. 106-398, Sec. 3303.
- 2629 (2)(a) The maximum amount deposited in the Uintah Basin Revitalization Fund may not
- 2630 exceed:
- 2631 (i) \$3,000,000 in fiscal year 2005-06;
- 2632 (ii) \$5,000,000 in fiscal year 2006-07;
- 2633 (iii) \$6,000,000 in fiscal years 2007-08 and 2008-09; and
- 2634 (iv) for fiscal years beginning with fiscal year 2009-10, the amount determined by the
- 2635 commission as described in Subsection (2)(b).
- 2636 (b)(i) The commission shall increase or decrease the dollar amount described in
- 2637 Subsection (2)(a)(iii) by a percentage equal to the percentage difference between
- 2638 the consumer price index for the preceding calendar year and the consumer price
- 2639 index for calendar year 2008; and
- 2640 (ii) after making an increase or decrease under Subsection (2)(b)(i), round the dollar
- 2641 amount to the nearest whole dollar.
- 2642 (c) For purposes of this Subsection (2), "consumer price index" is as described in
- 2643 Section 1(f)(4), Internal Revenue Code, and defined in Section (1)(f)(5), Internal
- 2644 Revenue Code.
- 2645 (d) Any amounts in excess of the maximum described in Subsection (2)(a) shall be
- 2646 credited as provided in Sections 51-9-305, 51-9-306, 51-9-307, and 59-5-115.

2647 Section 26. Section **59-5-119** is amended to read:

2648 **59-5-119 (Effective 07/01/26). Disposition of certain taxes collected on Navajo**
 2649 **Nation land located in Utah.**

2650 (1) Except as provided in Subsection (2), there shall be deposited into the Navajo
 2651 Revitalization Fund [~~established~~] created in Section [~~35A-8-1704~~] 63N-22-703 for taxes
 2652 imposed under this part beginning on July 1, 1997:

2653 (a) 33% of the taxes collected on oil, gas, or other hydrocarbon substances produced
 2654 from a well:

2655 (i) for which production began on or before June 30, 1996; and

2656 (ii) attributable to interests in Utah held in trust by the United States for the Navajo
 2657 Nation and [~~its~~] the Navajo Nation's members; and

2658 (b) 80% of the taxes collected on oil, gas, or other hydrocarbon substances produced
 2659 from a well:

2660 (i) for which production began on or after July 1, 1996; and

2661 (ii) attributable to interests in Utah held in trust by the United States for the Navajo
 2662 Nation and [~~its~~] the Navajo Nation's members.

2663 (2)(a) The maximum amount deposited in the Navajo Revitalization Fund may not
 2664 exceed:

2665 (i) \$2,000,000 in fiscal year 2006-07; and

2666 (ii) \$3,000,000 for fiscal years beginning with fiscal year 2007-08.

2667 (b) Any amounts in excess of the maximum described in Subsection (2)(a) shall be
 2668 credited as provided in Sections 51-9-305, 51-9-306, 51-9-307, and 59-5-115.

2669 Section 27. Section **59-12-2220** is amended to read:

2670 **59-12-2220 (Effective 07/01/26). County option sales and use tax to fund**
 2671 **highways or a system for public transit -- Base -- Rate.**

2672 (1) Subject to the other provisions of this part and subject to the requirements of this
 2673 section, the following counties may impose a sales and use tax under this section:

2674 (a) a county legislative body may impose the sales and use tax on the transactions
 2675 described in Subsection 59-12-103(1) located within the county, including the cities
 2676 and towns within the county if:

2677 (i) the entire boundary of a county is annexed into a large public transit district; and

2678 (ii) the maximum amount of sales and use tax authorizations allowed in accordance
 2679 with Section 59-12-2203 and authorized under the following sections has been
 2680 imposed:

- 2681 (A) Section 59-12-2213;
- 2682 (B) Section 59-12-2214;
- 2683 (C) Section 59-12-2215;
- 2684 (D) Section 59-12-2216;
- 2685 (E) Section 59-12-2217;
- 2686 (F) Section 59-12-2218; and
- 2687 (G) Section 59-12-2219;
- 2688 (b) if the county is not annexed into a large public transit district, the county legislative
- 2689 body may impose the sales and use tax on the transactions described in Subsection
- 2690 59-12-103(1) located within the county, including the cities and towns within the
- 2691 county if:
- 2692 (i) the county is an eligible political subdivision; or
- 2693 (ii) a city or town within the boundary of the county is an eligible political
- 2694 subdivision; or
- 2695 (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may
- 2696 impose the sales and use tax on the transactions described in Subsection 59-12-103(1)
- 2697 located within the county, including the cities and towns within the county.
- 2698 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
- 2699 county legislative body that imposes a sales and use tax under this section may impose
- 2700 the tax at a rate of .2%.
- 2701 (3)(a) The commission shall distribute sales and use tax revenue collected under this
- 2702 section as determined by a county legislative body as described in Subsection (3)(b).
- 2703 (b) If a county legislative body imposes a sales and use tax as described in this section,
- 2704 the county legislative body may elect to impose a sales and use tax revenue
- 2705 distribution as described in Subsection (4), (5), (6), or (7), depending on the class of
- 2706 county, and presence and type of a public transit provider in the county.
- 2707 (4) Subject to Subsection (11), and after application of Subsection 59-12-2206(5), if a
- 2708 county legislative body imposes a sales and use tax as described in this section, and the
- 2709 entire boundary of the county is annexed into a large public transit district, and the
- 2710 county is a county of the first class, the commission shall distribute the sales and use tax
- 2711 revenue as follows:
- 2712 (a) .10% to a public transit district as described in Subsection (11);
- 2713 (b) .05% to the cities and towns as provided in Subsection (8); and
- 2714 (c) .05% to the county legislative body.

- 2715 (5) Subject to Subsection (11), if a county legislative body imposes a sales and use tax as
2716 described in this section and the entire boundary of the county is annexed into a large
2717 public transit district, and the county is a county not described in Subsection (4), the
2718 commission shall distribute the sales and use tax revenue as follows:
- 2719 (a) .10% to a public transit district as described in Subsection (11);
 - 2720 (b) .05% to the cities and towns as provided in Subsection (8); and
 - 2721 (c) .05% to the county legislative body.
- 2722 (6)(a) Except as provided in Subsection (14)(c), if the entire boundary of a county that
2723 imposes a sales and use tax as described in this section is not annexed into a single
2724 public transit district, but a city or town within the county is annexed into a single
2725 public transit district, or if the city or town is an eligible political subdivision, the
2726 commission shall distribute the sales and use tax revenue collected within the county
2727 as provided in Subsection (6)(b) or (c).
- 2728 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is
2729 annexed into the single public transit district, or an eligible political subdivision, the
2730 commission shall distribute the sales and use tax revenue collected within the portion
2731 of the county that is within a public transit district or eligible political subdivision as
2732 follows:
 - 2733 (i) .05% to a public transit provider as described in Subsection (11);
 - 2734 (ii) .075% to the cities and towns as provided in Subsection (8); and
 - 2735 (iii) .075% to the county legislative body.
 - 2736 (c) Except as provided in Subsection (14)(c), for a city, town, or portion of the county
2737 described in Subsection (6)(a) that is not annexed into a single public transit district
2738 or eligible political subdivision in the county, the commission shall distribute the
2739 sales and use tax revenue collected within that portion of the county as follows:
 - 2740 (i) .08% to the cities and towns as provided in Subsection (8); and
 - 2741 (ii) .12% to the county legislative body.
- 2742 (7) For a county without a public transit service that imposes a sales and use tax as
2743 described in this section, the commission shall distribute the sales and use tax revenue
2744 collected within the county as follows:
 - 2745 (a) .08% to the cities and towns as provided in Subsection (8); and
 - 2746 (b) .12% to the county legislative body.
- 2747 (8)(a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions
2748 required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:

- 2749 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
 2750 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
 2751 through (7) shall be distributed to the unincorporated areas, cities, and towns
 2752 within those counties on the basis of the percentage that the population of each
 2753 unincorporated area, city, or town bears to the total population of all of the
 2754 counties that impose a tax under this section; and
- 2755 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
 2756 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
 2757 through (7) shall be distributed to the unincorporated areas, cities, and towns
 2758 within those counties on the basis of the location of the transaction as determined
 2759 under Sections 59-12-211 through 59-12-215.
- 2760 (b)(i) Population for purposes of this Subsection (8) shall be based on, to the extent
 2761 not otherwise required by federal law:
- 2762 (A) the most recent estimate from the Utah Population Committee created in
 2763 Section 63C-20-103; or
- 2764 (B) if the Utah Population Committee estimate is not available for each
 2765 municipality and unincorporated area, the adjusted sub-county population
 2766 estimate provided by the Utah Population Committee in accordance with
 2767 Section 63C-20-104.
- 2768 (ii) If a needed population estimate is not available from the United States Census
 2769 Bureau, population figures shall be derived from an estimate from the Utah
 2770 Population Estimates Committee created by executive order of the governor.
- 2771 (c)(i) Beginning on January 1, 2024, if the [~~Housing and Community Development~~
 2772 ~~Division within the Department of Workforce Services]~~ Division of Housing and
 2773 Community Development within the Governor's Office of Economic Opportunity
 2774 determines that a city or town is ineligible for funds in accordance with
 2775 Subsection 10-21-202(6), beginning the first day of the calendar quarter after
 2776 receiving 90 days' notice, the commission shall distribute the distribution that city
 2777 or town would have received under Subsection (8)(a) to cities or towns to which
 2778 Subsection 10-21-202(6) does not apply.
- 2779 (ii) Beginning on January 1, 2024, if the [~~Housing and Community Development~~
 2780 ~~Division within the Department of Workforce Services]~~ Division of Housing and
 2781 Community Development within the Governor's Office of Economic Opportunity
 2782 determines that a county is ineligible for funds in accordance with Subsection

2783 17-80-202(6), beginning the first day of the calendar quarter after receiving 90
2784 days' notice, the commission shall distribute the distribution that county would
2785 have received under Subsection (8)(a) to counties to which Subsection
2786 17-80-202(6) does not apply.

2787 (9) If a public transit service is organized after the date a county legislative body first
2788 imposes a tax under this section, a change in a distribution required by this section may
2789 not take effect until the first distribution the commission makes under this section after a
2790 90-day period that begins on the date the commission receives written notice from the
2791 public transit provider that the public transit service has been organized.

2792 (10)(a) Except as provided in Subsections (10)(b) and (c), a county, city, or town that
2793 received distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii),
2794 (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in
2795 Section 59-12-2212.2.

2796 (b) If a county described in Subsection (1)(a) that is a county of the first class imposes
2797 the sales and use tax authorized in this section, the county may also use funds
2798 distributed in accordance with Subsection (4)(c) for public safety purposes.

2799 (c) In addition to the purposes described in Subsections (10)(a) and (b), for a city
2800 relevant to a project area, as that term is defined in Section 63N-3-1401, an allowable
2801 use of revenue from a sales and use tax under this section includes the revitalization
2802 of a convention center owned by the county within a city of the first class and
2803 surrounding revitalization projects related to the convention center.

2804 (11)(a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit
2805 as described in this section may be used for capital expenses and service delivery
2806 expenses of:

2807 (i) a public transit district;

2808 (ii) an eligible political subdivision; or

2809 (iii) another entity providing a service for public transit or a transit facility within the
2810 relevant county, as those terms are defined in Section 17B-2a-802.

2811 (b)(i)(A) If a county of the first class imposes a sales and use tax described in this
2812 section, beginning on the date on which the county imposes the sales and use
2813 tax under this section, and for a three-year period after at least three counties
2814 described in Subsections (4) and (5) have imposed a tax under this section, or
2815 until June 30, 2030, whichever comes first, revenue designated for public
2816 transit within a county of the first class as described in Subsection (4)(a) shall

2817 be transferred to the County of the First Class Highway Projects Fund created
2818 in Section 72-2-121.

2819 (B) Revenue deposited into the County of the First Class Highway Projects Fund
2820 created in Section 72-2-121 as described in Subsection (11)(b)(i)(A) may be
2821 used for public transit innovation grants as provided in Title 72, Chapter 2, Part
2822 4, Public Transit Innovation Grants.

2823 (ii) If a county of the first class imposes a sales and use tax described in this section,
2824 beginning on the day three years after the date on which at least three counties
2825 described in Subsections (4) and (5) have imposed a tax under this section, or
2826 beginning on July 1, 2030, whichever comes first, for revenue designated for
2827 public transit as described in Subsection (4)(a):

2828 (A) 50% of the revenue from a sales and use tax imposed under this section in a
2829 county of the first class shall be transferred to the County of the First Class
2830 Highway Projects Fund created in Section 72-2-121; and

2831 (B) 50% of the revenue from a sales and use tax imposed under this section in a
2832 county of the first class shall be transferred to the Transit Transportation
2833 Investment Fund created in Subsection 72-2-124(9).

2834 (c)(i) If a county that is not a county of the first class for which the entire boundary of
2835 the county is annexed into a large public transit district imposes a sales and use
2836 tax described in this section, beginning on the date on which the county imposes
2837 the sales and use tax under this section, and for a three-year period following the
2838 date on which at least three counties described in Subsections (4) and (5) have
2839 imposed a tax under this section, or until June 30, 2030, whichever comes first,
2840 revenue designated for public transit as described in Subsection (5)(a) shall be
2841 transferred to the relevant county legislative body to be used for a purpose
2842 described in Subsection (11)(a).

2843 (ii) If a county that is not a county of the first class for which the entire boundary of
2844 the county is annexed into a large public transit district imposes a sales and use
2845 tax described in this section, beginning on the day three years after the date on
2846 which at least three counties described in Subsections (4) and (5) have imposed a
2847 tax under this section, or beginning on July 1, 2030, whichever comes first, for the
2848 revenue that is designated for public transit in Subsection (5)(a):

2849 (A) 50% shall be transferred to the Transit Transportation Investment Fund
2850 created in Subsection 72-2-124(9); and

2851 (B) 50% shall be transferred to the relevant county legislative body to be used for
2852 a purpose described in Subsection (11)(a).

2853 (d) Except as provided in Subsection [~~(13)(e)~~] (14)(c), for a county that imposes a sales
2854 and use tax under this section, for revenue designated for public transit as described
2855 in Subsection (6)(b)(i), the revenue shall be transferred to the relevant county
2856 legislative body to be used for a purpose described in Subsection (11)(a).

2857 (12) A large public transit district shall send notice to the commission at least 90 days
2858 before the earlier of:

2859 (a) the date that is three years after the date on which at least three counties described in
2860 Subsections (4) and (5) have imposed a tax under this section; or

2861 (b) June 30, 2030.

2862 (13) For a city described in Subsection (10)(c), during the bondable term of a revitalization
2863 project described in Subsection (10)(c), the city shall transfer at least 50%, and may
2864 transfer up to 100%, of any revenue the city receives from a distribution under
2865 Subsection (4)(b) to a convention center public infrastructure district created in
2866 accordance with Section 17D-4-202.1 for revitalization of a convention center owned by
2867 the county within a city of the first class and surrounding revitalization projects related
2868 to the convention center as permitted in Subsection (10)(c).

2869 (14)(a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
2870 required to, submit an opinion question to the county's registered voters in
2871 accordance with Section 59-12-2208 to impose a sales and use tax under this section.

2872 (b) If a county passes an ordinance to impose a sales and use tax as described in this
2873 section, the sales and use tax shall take effect on the first day of the calendar quarter
2874 after a 90-day period that begins on the date the commission receives written notice
2875 from the county of the passage of the ordinance.

2876 (c) A county that imposed the local option sales and use tax described in this section
2877 before January 1, 2023, may maintain that county's distribution allocation in place as
2878 of January 1, 2023.

2879 (15)(a) Revenue collected from a sales and use tax under this section may not be used to
2880 supplant existing General Fund appropriations that a county, city, or town budgeted
2881 for transportation or public transit as of the date the tax becomes effective for a
2882 county, city, or town.

2883 (b) The limitation under Subsection (15)(a) does not apply to a designated transportation
2884 or public transit capital or reserve account a county, city, or town established before

2885 the date the tax becomes effective.

2886 Section 28. Section **59-21-1** is amended to read:

2887 **59-21-1 (Effective 07/01/26). Disposition of federal mineral lease money --**

2888 **Priority to political subdivisions impacted by mineral development -- Disposition of**

2889 **mineral bonus payments -- Appropriation of money attributable to royalties from**

2890 **extraction of minerals on federal land located within boundaries of Grand**

2891 **Staircase-Escalante National Monument.**

2892 (1) Except as provided in Subsections (2) through (4), all money received from the United
2893 States under the provisions of the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et
2894 seq., shall:

2895 (a) be deposited in the Mineral Lease Account of the General Fund; and

2896 (b) be appropriated by the Legislature giving priority to those subdivisions of the state
2897 socially or economically impacted by development of minerals leased under the
2898 Mineral Lands Leasing Act, for:

2899 (i) planning;

2900 (ii) construction and maintenance of public facilities; and

2901 (iii) provision of public services.

2902 (2) Seventy percent of money received from federal mineral lease bonus payments shall be
2903 deposited into the Permanent Community Impact Fund and shall be used [~~as provided in~~
2904 ~~Title 35A, Chapter 8, Part 3, Community Impact Fund Act~~] in accordance with Title
2905 63N, Chapter 22, Part 5, Community Impact Fund.

2906 (3) Thirty percent of money received from federal mineral lease bonus payments shall be
2907 deposited in the Mineral Bonus Account created by Subsection 59-21-2(1) and
2908 appropriated as provided in that subsection.

2909 (4)(a) For purposes of this Subsection (4):

2910 (i) the "boundaries of the Grand Staircase-Escalante National Monument" means the
2911 boundaries:

2912 (A) established by Presidential Proclamation No. 6920, 61 Fed. Reg. 50,223
2913 (1996); and

2914 (B) modified by:

2915 (I) Pub. L. No. 105-335, 112 Stat. 3139; and

2916 (II) Pub. L. No. 105-355, 112 Stat. 3247; and

2917 (ii) a special service district, school district, or federal land is considered to be
2918 located within the boundaries of the Grand Staircase-Escalante National

- 2919 Monument if a portion of the special service district, school district, or federal
2920 land is located within the boundaries described in Subsection (4)(a)(i).
- 2921 (b) Beginning on July 1, 1999, the Legislature shall appropriate, as provided in
2922 Subsections (4)(c) through (g), money received from the United States that is
2923 attributable to royalties from the extraction of minerals on federal land that, on
2924 September 18, 1996, was located within the boundaries of the Grand
2925 Staircase-Escalante National Monument.
- 2926 (c) The Legislature shall annually appropriate 40% of the money described in
2927 Subsection (4)(b) to the Division of Finance to be distributed by the Division of
2928 Finance to special service districts that are:
- 2929 (i) established by counties under Title 17D, Chapter 1, Special Service District Act;
2930 (ii) socially or economically impacted by the development of minerals under the
2931 Mineral Lands Leasing Act; and
2932 (iii) located within the boundaries of the Grand Staircase-Escalante National
2933 Monument.
- 2934 (d) The Division of Finance shall distribute the money described in Subsection (4)(c) in
2935 amounts proportionate to the amount of federal mineral lease money generated by the
2936 county in which a special service district is located.
- 2937 (e) The Legislature shall annually appropriate 40% of the money described in
2938 Subsection (4)(b) to the State Board of Education to be distributed equally to school
2939 districts that are:
- 2940 (i) socially or economically impacted by the development of minerals under the
2941 Mineral Lands Leasing Act; and
2942 (ii) located within the boundaries of the Grand Staircase-Escalante National
2943 Monument.
- 2944 (f) The Legislature shall annually appropriate 2.25% of the money described in
2945 Subsection (4)(b) to the Utah Geological Survey to facilitate the development of
2946 energy and mineral resources in counties that are:
- 2947 (i) socially or economically impacted by the development of minerals under the
2948 Mineral Lands Leasing Act; and
2949 (ii) located within the boundaries of the Grand Staircase-Escalante National
2950 Monument.
- 2951 (g) Seventeen and three-fourths percent of the money described in Subsection (4)(b)
2952 shall be deposited annually into the State School Fund established by Utah

2953 Constitution Article X, Section 5.

2954 Section 29. Section **59-21-2** is amended to read:

2955 **59-21-2 (Effective 07/01/26). Mineral Bonus Account created -- Contents -- Use**
2956 **of Mineral Bonus Account money -- Mineral Lease Account created -- Contents --**
2957 **Appropriation of money from Mineral Lease Account.**

2958 (1)(a) There is created a restricted account within the General Fund known as the
2959 "Mineral Bonus Account."

2960 (b) The Mineral Bonus Account consists of federal mineral lease bonus payments
2961 deposited pursuant to Subsection 59-21-1(3).

2962 (c) The Legislature shall make appropriations from the Mineral Bonus Account in
2963 accordance with Section 35 of the Mineral Lands Leasing Act of 1920, 30 U.S.C.
2964 Sec. 191.

2965 (d) The state treasurer shall:

2966 (i) invest the money in the Mineral Bonus Account by following the procedures and
2967 requirements of Title 51, Chapter 7, State Money Management Act; and

2968 (ii) deposit all interest or other earnings derived from the account into the Mineral
2969 Bonus Account.

2970 (e) The Division of Finance shall, beginning on July 1, 2017, annually deposit 30% of
2971 mineral lease bonus payments deposited under Subsection (1)(b) from the previous
2972 fiscal year into the Utah Wildfire Fund created in Section 65A-8-217, up to
2973 \$2,000,000 but not to exceed 20% of the amount expended in the previous fiscal year
2974 from the Utah Wildfire Fund.

2975 (2)(a) There is created a restricted account within the General Fund known as the
2976 "Mineral Lease Account."

2977 (b) The Mineral Lease Account consists of federal mineral lease money deposited
2978 pursuant to Subsection 59-21-1(1).

2979 (c) The Legislature shall make appropriations from the Mineral Lease Account as
2980 provided in Subsection 59-21-1(1) and this Subsection (2).

2981 (d) The Legislature shall annually appropriate 32.5% of all deposits made to the Mineral
2982 Lease Account to the Permanent Community Impact Fund established by Section [
2983 35A-8-303] 63N-22-503.

2984 (e) The Legislature shall annually appropriate 2.25% of all deposits made to the Mineral
2985 Lease Account to the State Board of Education, to be used for education research and
2986 experimentation in the use of staff and facilities designed to improve the quality of

- 2987 education in Utah.
- 2988 (f) The Legislature shall annually appropriate 2.25% of all deposits made to the Mineral
2989 Lease Account to the Utah Geological Survey Restricted Account, created in Section
2990 79-3-403, to be used by the Utah Geological Survey for activities carried on by the
2991 Utah Geological Survey having as a purpose the development and exploitation of
2992 natural resources in the state.
- 2993 (g) The Legislature shall annually appropriate 2.25% of all deposits made to the Mineral
2994 Lease Account to the Water Research Laboratory at Utah State University, to be used
2995 for activities carried on by the laboratory having as a purpose the development and
2996 exploitation of water resources in the state.
- 2997 (h)(i) The Legislature shall annually appropriate to the Division of Finance 40% of
2998 all deposits made to the Mineral Lease Account to be distributed as provided in
2999 Subsection (2)(h)(ii) to:
- 3000 (A) counties;
- 3001 (B) special service districts established:
- 3002 (I) by counties;
- 3003 (II) under Title 17D, Chapter 1, Special Service District Act; and
- 3004 (III) for the purpose of constructing, repairing, or maintaining roads; or
- 3005 (C) special service districts established:
- 3006 (I) by counties;
- 3007 (II) under Title 17D, Chapter 1, Special Service District Act; and
- 3008 (III) for other purposes authorized by statute.
- 3009 (ii) The Division of Finance shall allocate the funds specified in Subsection (2)(h)(i):
- 3010 (A) in amounts proportionate to the amount of mineral lease money generated by
3011 each county; and
- 3012 (B) to a county or special service district established by a county under Title 17D,
3013 Chapter 1, Special Service District Act, as determined by the county legislative
3014 body.
- 3015 (i)(i) The Legislature shall annually appropriate 5% of all deposits made to the
3016 Mineral Lease Account to the Department of Workforce Services to be distributed
3017 to:
- 3018 (A) special service districts established:
- 3019 (I) by counties;
- 3020 (II) under Title 17D, Chapter 1, Special Service District Act; and

- 3021 (III) for the purpose of constructing, repairing, or maintaining roads; or
3022 (B) special service districts established:
3023 (I) by counties;
3024 (II) under Title 17D, Chapter 1, Special Service District Act; and
3025 (III) for other purposes authorized by statute.
- 3026 (ii) The Department of Workforce Services may distribute the amounts described in
3027 Subsection (2)(i)(i) only to special service districts established under Title 17D,
3028 Chapter 1, Special Service District Act, by counties:
3029 (A) of the third, fourth, fifth, or sixth class;
3030 (B) in which 4.5% or less of the mineral lease money within the state is generated;
3031 and
3032 (C) that are significantly socially or economically impacted as provided in
3033 Subsection (2)(i)(iii) by the development of minerals under the Mineral Lands
3034 Leasing Act, 30 U.S.C. Sec. 181 et seq.
- 3035 (iii) The significant social or economic impact required under Subsection (2)(i)(ii)(C)
3036 shall be as a result of:
3037 (A) the transportation within the county of hydrocarbons, including solid
3038 hydrocarbons as defined in Section 59-5-101;
3039 (B) the employment of persons residing within the county in hydrocarbon
3040 extraction, including the extraction of solid hydrocarbons as defined in Section
3041 59-5-101; or
3042 (C) a combination of Subsections (2)(i)(iii)(A) and (B).
- 3043 (iv) For purposes of distributing the appropriations under this Subsection (2)(i) to
3044 special service districts established by counties under Title 17D, Chapter 1,
3045 Special Service District Act, the Department of Workforce Services shall:
3046 (A)(I) allocate 50% of the appropriations equally among the counties meeting
3047 the requirements of Subsections (2)(i)(ii) and (iii); and
3048 (II) allocate 50% of the appropriations based on the ratio that the population of
3049 each county meeting the requirements of Subsections (2)(i)(ii) and (iii)
3050 bears to the total population of all of the counties meeting the requirements
3051 of Subsections (2)(i)(ii) and (iii); and
3052 (B) after making the allocations described in Subsection (2)(i)(iv)(A), distribute
3053 the allocated revenues to special service districts established by the counties
3054 under Title 17D, Chapter 1, Special Service District Act, as determined by the

3055 executive director of the Department of Workforce Services after consulting
3056 with the county legislative bodies of the counties meeting the requirements of
3057 Subsections (2)(i)(ii) and (iii).

3058 (v) The executive director of the Department of Workforce Services:

3059 (A) shall determine whether a county meets the requirements of Subsections
3060 (2)(i)(ii) and (iii);

3061 (B) shall distribute the appropriations under Subsection (2)(i)(i) to special service
3062 districts established by counties under Title 17D, Chapter 1, Special Service
3063 District Act, that meet the requirements of Subsections (2)(i)(ii) and (iii); and

3064 (C) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
3065 Act, may make rules:

3066 (I) providing a procedure for making the distributions under this Subsection
3067 (2)(i) to special service districts; and

3068 (II) defining the term "population" for purposes of Subsection (2)(i)(iv).

3069 (j)(i) The Legislature shall annually make the following appropriations from the

3070 Mineral Lease Account:

3071 (A) an amount equal to 52 cents multiplied by the number of acres of school or
3072 institutional trust lands, lands owned by the Division of State Parks or the
3073 Division of Outdoor Recreation, and lands owned by the Division of Wildlife
3074 Resources that are not under an in lieu of taxes contract, to each county in
3075 which those lands are located;

3076 (B) to each county in which school or institutional trust lands are transferred to the
3077 federal government after December 31, 1992, an amount equal to the number
3078 of transferred acres in the county multiplied by a payment per acre equal to the
3079 difference between 52 cents per acre and the per acre payment made to that
3080 county in the most recent payment under the federal payment in lieu of taxes
3081 program, 31 U.S.C. Sec. 6901 et seq., unless the federal payment was equal to
3082 or exceeded the 52 cents per acre, in which case a payment under this
3083 Subsection (2)(j)(i)(B) may not be made for the transferred lands;

3084 (C) to each county in which federal lands, which are entitlement lands under the
3085 federal in lieu of taxes program, are transferred to the school or institutional
3086 trust, an amount equal to the number of transferred acres in the county
3087 multiplied by a payment per acre equal to the difference between the most
3088 recent per acre payment made under the federal payment in lieu of taxes

- 3089 program and 52 cents per acre, unless the federal payment was equal to or less
3090 than 52 cents per acre, in which case a payment under this Subsection
3091 (2)(j)(i)(C) may not be made for the transferred land; and
3092 (D) to a county of the fifth or sixth class, an amount equal to the product of:
3093 (I) \$1,000; and
3094 (II) the number of residences described in Subsection (2)(j)(iv) that are located
3095 within the county.
- 3096 (ii) A county receiving money under Subsection (2)(j)(i) may, as determined by the
3097 county legislative body, distribute the money or a portion of the money to:
3098 (A) special service districts established by the county under Title 17D, Chapter 1,
3099 Special Service District Act;
3100 (B) school districts; or
3101 (C) public institutions of higher education.
- 3102 (iii)(A) Beginning in fiscal year 1994-95 and in each year after fiscal year
3103 1994-95, the Division of Finance shall increase or decrease the amounts per
3104 acre provided for in Subsections (2)(j)(i)(A) through (C) by the average annual
3105 change in the Consumer Price Index for all urban consumers published by the
3106 Department of Labor.
3107 (B) For fiscal years beginning on or after fiscal year 2001-02, the Division of
3108 Finance shall increase or decrease the amount described in Subsection
3109 (2)(j)(i)(D)(I) by the average annual change in the Consumer Price Index for
3110 all urban consumers published by the Department of Labor.
- 3111 (iv) Residences for purposes of Subsection (2)(j)(i)(D)(II) are residences that are:
3112 (A) owned by:
3113 (I) the Division of State Parks;
3114 (II) the Division of Outdoor Recreation; or
3115 (III) the Division of Wildlife Resources;
3116 (B) located on lands that are owned by:
3117 (I) the Division of State Parks;
3118 (II) the Division of Outdoor Recreation; or
3119 (III) the Division of Wildlife Resources; and
3120 (C) are not subject to taxation under:
3121 (I) Chapter 2, Property Tax Act; or
3122 (II) Chapter 4, Privilege Tax.

3123 (k) The Legislature shall annually appropriate to the Permanent Community Impact
 3124 Fund all deposits remaining in the Mineral Lease Account after making the
 3125 appropriations provided for in Subsections (2)(d) through (j).

3126 (3)(a) Each agency, board, institution of higher education, and political subdivision
 3127 receiving money under this chapter shall provide the Legislature, through the Office
 3128 of the Legislative Fiscal Analyst, with a complete accounting of the use of that
 3129 money on an annual basis.

3130 (b) The accounting required under Subsection (3)(a) shall:

3131 (i) include actual expenditures for the prior fiscal year, budgeted expenditures for the
 3132 current fiscal year, and planned expenditures for the following fiscal year; and

3133 (ii) be reviewed by the Economic and Community Development Appropriations
 3134 Subcommittee as part of its normal budgetary process under Title 63J, Chapter 1,
 3135 Budgetary Procedures Act.

3136 Section 30. Section **63A-3-205** is amended to read:

3137 **63A-3-205 (Effective 07/01/26). Revolving loan funds -- Standards and**
 3138 **procedures.**

3139 (1) As used in this section, "revolving loan fund" means:

3140 (a) the Water Resources Conservation and Development Fund, created in Section
 3141 73-10-24;

3142 (b) the Water Resources Construction Fund, created in Section 73-10-8;

3143 (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels
 3144 and Emission Reduction Technology Program Act;

3145 (d) the Water Development Security Fund and [its] the Water Development Security
 3146 Fund's subaccounts, created in Section 73-10c-5;

3147 (e) the Agriculture Resource Development Fund, created in Section 4-18-106;

3148 (f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;

3149 (g) the Permanent Community Impact Fund, created in Section [~~35A-8-303~~] 63N-22-503;

3150 (h) the Petroleum Storage Tank Fund, created in Section 19-6-409;

3151 (i) the Uintah Basin Revitalization Fund, created in Section [~~35A-8-1602~~] 63N-22-602;

3152 (j) the Navajo Revitalization Fund, created in Section [~~35A-8-1704~~] 63N-22-703; and

3153 (k) the Energy Efficiency Fund, created in Section 11-45-201.

3154 (2) The division shall for each revolving loan fund make rules establishing standards and
 3155 procedures governing:

3156 (a) payment schedules and due dates;

- 3157 (b) interest rate effective dates;
 3158 (c) loan documentation requirements; and
 3159 (d) interest rate calculation requirements.

3160 Section 31. Section **63A-17-308** is enacted to read:

3161 **63A-17-308 (Effective 07/01/26). Transferred employee from Department of**
 3162 **Workforce Services to the Governor's Office of Economic Opportunity.**

- 3163 (1) An employee who is employed with the Housing and Community Development
 3164 Division within the Department of Workforce Services, and who transfers to the
 3165 Division of Housing and Community Development within the Governor's Office of
 3166 Economic Opportunity on or after July 1, 2026:
 3167 (a)(i) from a career service schedule B position to a career service exempt schedule A
 3168 position, shall maintain the employee's career service status for the duration of the
 3169 employee's employment in the same position from which the employee transferred
 3170 unless the employee voluntarily converts to a career service exempt status; or
 3171 (ii) from a career service exempt schedule A position to the same position, shall
 3172 remain a career service exempt at-will employee; or
 3173 (b) is exempt from career service status if the employee is a probationary employee in a
 3174 career service schedule B position and:
 3175 (i) before July 1, 2026, has not completed the probationary period; and
 3176 (ii) on July 1, 2026, is transferred to a career service exempt position.

- 3177 (2) An employee who is hired by the Division of Housing and Community Development
 3178 within the Governor's Office of Economic Opportunity after July 1, 2026, is a career
 3179 service exempt at-will employee.

3180 Section 32. Section **63B-1b-102** is amended to read:

3181 **63B-1b-102 (Effective 07/01/26). Definitions.**

3182 As used in this chapter:

- 3183 (1) "Agency bonds" means any bond, note, contract, or other evidence of indebtedness
 3184 representing loans or grants made by an authorizing agency.
 3185 (2) "Authorized official" means the state treasurer or other person authorized by a bond
 3186 document to perform the required action.
 3187 (3) "Authorizing agency" means the board, person, or unit with legal responsibility for
 3188 administering and managing revolving loan funds.
 3189 (4) "Bond document" means:
 3190 (a) a resolution of the commission; or

- 3191 (b) an indenture or other similar document authorized by the commission that authorizes
 3192 and secures outstanding revenue bonds from time to time.
- 3193 (5) "Commission" means the State Bonding Commission, created in Section 63B-1-201.
- 3194 (6) "Revenue bonds" means any special fund revenue bonds issued under this chapter.
- 3195 (7) "Revolving Loan Funds" means:
- 3196 (a) the Water Resources Conservation and Development Fund, created in Section
 3197 73-10-24;
- 3198 (b) the Water Resources Construction Fund, created in Section 73-10-8;
- 3199 (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels
 3200 and Emission Reduction Technology Program Act;
- 3201 (d) the Water Development Security Fund and ~~[its]~~ the Water Development Security
 3202 Fund's subaccounts, created in Section 73-10c-5;
- 3203 (e) the Agriculture Resource Development Fund, created in Section 4-18-106;
- 3204 (f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;
- 3205 (g) the Permanent Community Impact Fund, created in Section ~~[35A-8-303]~~ 63N-22-503;
- 3206 (h) the Petroleum Storage Tank Fund, created in Section 19-6-409; and
- 3207 (i) the State Infrastructure Bank Fund, created in Section 72-2-202.
- 3208 Section 33. Section **63B-1b-202** is amended to read:
- 3209 **63B-1b-202 (Effective 07/01/26). Custodial officer -- Powers and duties.**
- 3210 (1)(a) There is created within the Division of Finance an officer responsible for the care,
 3211 custody, safekeeping, collection, and accounting of all bonds, notes, contracts, trust
 3212 documents, and other evidences of indebtedness:
- 3213 (i) owned or administered by the state or ~~[any of its agencies]~~ an agency of the state;
 3214 and
- 3215 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.
- 3216 (b) Notwithstanding Subsection (1)(a), the officer described in Subsection (1)(a) is not
 3217 responsible for the care, custody, safekeeping, collection, and accounting of a bond,
 3218 note, contract, trust document, or other evidence of indebtedness relating to the:
- 3219 (i) Agriculture Resource Development Fund, created in Section 4-18-106;
- 3220 (ii) Utah Rural Rehabilitation Fund, created in Section 4-19-105;
- 3221 (iii) Petroleum Storage Tank Fund, created in Section 19-6-409;
- 3222 (iv) Olene Walker Housing Loan Fund, created in Section ~~[35A-8-502]~~ 63N-22-302;
- 3223 (v) Brownfields Fund, created in Section 19-8-120; and
- 3224 (vi) Rural Opportunity Fund, created in Section 63N-4-805.

- 3225 (2)(a) Each authorizing agency shall deliver to ~~[this]~~ the officer for the officer's care,
 3226 custody, safekeeping, collection, and accounting all bonds, notes, contracts, trust
 3227 documents, and other evidences of indebtedness:
- 3228 (i) owned or administered by the state or ~~[any of its agencies]~~ an agency of the state;
 3229 and
- 3230 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.
- 3231 (b) ~~[This]~~ The officer shall:
- 3232 (i) establish systems, programs, and facilities for the care, custody, safekeeping,
 3233 collection, and accounting for the bonds, notes, contracts, trust documents, and
 3234 other evidences of indebtedness submitted to the officer under this Subsection (2);
 3235 and
- 3236 (ii) ~~[shall]~~ make available updated reports to each authorizing agency as to the status
 3237 of loans under ~~[their]~~ each authorizing agency's authority.
- 3238 (3) The officer described in Section 63B-1b-201 shall deliver to the officer described in
 3239 Subsection (1)(a) for the care, custody, safekeeping, collection, and accounting by the
 3240 officer described in Subsection (1)(a) of all bonds, notes, contracts, trust documents, and
 3241 other evidences of indebtedness closed as provided in Subsection 63B-1b-201(2)(b).
- 3242 Section 34. Section **63C-25-101** is amended to read:
- 3243 **63C-25-101 (Effective 07/01/26) (Repealed 07/01/27). Definitions.**
- 3244 As used in this chapter:
- 3245 (1) "Authority" means the same as that term is defined in Section 63B-1-303.
- 3246 (2) "Bond" means the same as that term is defined in Section 63B-1-101.
- 3247 (3)(a) "Bonding government entity" means the state or any entity that is authorized to
 3248 issue bonds under any provision of state law.
- 3249 (b) "Bonding government entity" includes:
- 3250 (i) a bonding political subdivision; and
- 3251 (ii) a public infrastructure district that is authorized to issue bonds either directly, or
 3252 through the authority of a bonding political subdivision or other governmental
 3253 entity.
- 3254 (4) "Bonding political subdivision" means:
- 3255 (a) the Utah Inland Port Authority, created in Section 11-58-201;
- 3256 (b) the Military Installation Development Authority, created in Section 63H-1-201;
- 3257 (c) the Point of the Mountain State Land Authority, created in Section 11-59-201;
- 3258 (d) the Utah Lake Authority, created in Section 11-65-201;

- 3259 (e) the State Fair Park Authority, created in Section 11-68-201; or
3260 (f) the Utah Fairpark Area Investment and Restoration District, created in Section
3261 11-70-201.
- 3262 (5) "Commission" means the State Finance Review Commission created in Section
3263 63C-25-201.
- 3264 (6) "Concessionaire" means a person who:
3265 (a) operates, finances, maintains, or constructs a government facility under a contract
3266 with a bonding political subdivision; and
3267 (b) is not a bonding government entity.
- 3268 (7) "Concessionaire contract" means a contract:
3269 (a) between a bonding government entity and a concessionaire for the operation, finance,
3270 maintenance, or construction of a government facility;
3271 (b) that authorizes the concessionaire to operate the government facility for a term of
3272 five years or longer, including any extension of the contract; and
3273 (c) in which all or some of the annual source of payment to the concessionaire comes
3274 from state funds provided to the bonding government entity.
- 3275 (8) "Creating entity" means the same as that term is defined in Section 17D-4-102.
- 3276 (9) "Government facility" means infrastructure, improvements, or a building that:
3277 (a) costs more than \$5,000,000 to construct; and
3278 (b) has a useful life greater than five years.
- 3279 (10) "Large public transit district" means the same as that term is defined in Section
3280 17B-2a-802.
- 3281 (11) "Loan entity" means the board, person, unit, or agency with legal responsibility for
3282 making a loan from a revolving loan fund.
- 3283 (12) "Obligation" means the same as that term is defined in Section 63B-1-303.
- 3284 (13) "Parameters resolution" means a resolution of a bonding government entity that sets
3285 forth for proposed bonds:
3286 (a) the maximum:
3287 (i) amount of bonds;
3288 (ii) term; and
3289 (iii) interest rate; and
3290 (b) the expected security for the bonds.
- 3291 (14) "Public infrastructure district" means a public infrastructure district created under Title
3292 17D, Chapter 4, Public Infrastructure District Act.

- 3293 (15) "Revolving loan fund" means:
- 3294 (a) the Water Resources Conservation and Development Fund, created in Section
- 3295 73-10-24;
- 3296 (b) the Water Resources Construction Fund, created in Section 73-10-8;
- 3297 (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels
- 3298 and Emission Reduction Technology Program Act;
- 3299 (d) the Water Development Security Fund and [its] the Water Development Security
- 3300 Fund's subaccounts, created in Section 73-10c-5;
- 3301 (e) the Agriculture Resource Development Fund, created in Section 4-18-106;
- 3302 (f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;
- 3303 (g) the Permanent Community Impact Fund, created in Section [~~35A-8-303~~] 63N-22-503;
- 3304 (h) the Petroleum Storage Tank Fund, created in Section 19-6-409;
- 3305 (i) the School Building Revolving Account, created in Section 53F-9-206;
- 3306 (j) the State Infrastructure Bank Fund, created in Section 72-2-202;
- 3307 (k) the Uintah Basin Revitalization Fund, created in Section [~~35A-8-1602~~] 63N-22-602;
- 3308 (l) the Navajo Revitalization Fund, created in Section [~~35A-8-1704~~] 63N-22-703;
- 3309 (m) the Energy Efficiency Fund, created in Section 11-45-201;
- 3310 (n) the Brownfields Fund, created in Section 19-8-120;
- 3311 (o) any of the enterprise revolving loan funds created in Section 63A-3-402; and
- 3312 (p) any other revolving loan fund created in statute where the borrower from the
- 3313 revolving loan fund is a public non-profit entity or political subdivision, including a
- 3314 fund listed in Section 63A-3-205, from which a loan entity is authorized to make a
- 3315 loan.
- 3316 (16)(a) "State funds" means an appropriation by the Legislature identified as coming
- 3317 from the General Fund or Education Fund.
- 3318 (b) "State funds" does not include:
- 3319 (i) a revolving loan fund; or
- 3320 (ii) revenues received by a bonding political subdivision from:
- 3321 (A) a tax levied by the bonding political subdivision;
- 3322 (B) a fee assessed by the bonding political subdivision; or
- 3323 (C) operation of the bonding political subdivision's government facility.
- 3324 Section 35. Section **63H-8-201** is amended to read:
- 3325 **63H-8-201 (Effective 05/06/26). Creation -- Trustees -- Terms -- Vacancies --**
- 3326 **Chair -- Powers -- Quorum -- Per diem and expenses -- Annual conflict of interest**

3327 **disclosure statement -- Penalties.**

- 3328 (1)(a) There is created an independent body politic and corporate, constituting a public
 3329 corporation, known as the "Utah Housing Corporation."
 3330 (b) The corporation may also be known and do business as the:
 3331 (i) Utah Housing Finance Association; and
 3332 (ii) Utah Housing Finance Agency in connection with a contract entered into when
 3333 that was the corporation's legal name.
 3334 (c) No other entity may use the names described in Subsections (1)(a) and (b) without
 3335 the express approval of the corporation.
 3336 (2) The corporation is governed by a board of trustees composed of the following nine
 3337 trustees:
 3338 (a) the executive director of the Department of Workforce Services or the executive
 3339 director's designee through June 30, 2026;
 3340 (b) the commissioner of the Department of Financial Institutions or the commissioner's
 3341 designee;
 3342 (c) the state treasurer or the treasurer's designee; [~~and~~]
 3343 [~~(d) six public trustees, who are private citizens of the state, as follows:]~~
 3344 [~~(i) two people who represent the mortgage lending industry;~~]
 3345 [~~(ii) two people who represent the home building and real estate industry; and~~]
 3346 [~~(iii) two people who represent the public at large.]~~
 3347 (d) six public trustees, all of whom are private citizens of the state, appointed by the
 3348 governor, and who shall have expertise in the following industries or related fields of:
 3349 (i) housing;
 3350 (ii) finance;
 3351 (iii) banking; or
 3352 (iv) real estate development; and
 3353 (e) beginning July 1, 2026, the state housing coordinator of the Division of Housing and
 3354 Community Development within the Governor's Office of Economic Opportunity.
 3355 (3) The governor shall:
 3356 (a) appoint the six public trustees of the corporation with the advice and consent of the
 3357 Senate in accordance with Title 63G, Chapter 24, Part 2, Vacancies; and
 3358 (b) ensure that among the six public trustees, no more than two [~~are from the same~~
 3359 ~~county and all are residents of the state]~~ are from the same industry described in
 3360 Subsections (2)(d)(i) through (iv).

- 3361 (4)(a) Except as required by Subsection (4)(b), the governor shall appoint the six public
3362 trustees to terms of office of four years each.
- 3363 (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the
3364 time of appointment or reappointment, adjust the length of terms to ensure that the
3365 terms of corporation trustees are staggered so that approximately half of the board is
3366 appointed every two years.
- 3367 (5)(a) A public trustee of the corporation may be removed from office for cause either
3368 by the governor or by an affirmative vote of six trustees of the corporation.
- 3369 (b) When a vacancy occurs in the board of trustees for any reason, the replacement shall
3370 be appointed for the unexpired term.
- 3371 (c) A public trustee shall hold office for the term of appointment and until the trustee's
3372 successor has been appointed and qualified.
- 3373 (d) A public trustee is eligible for reappointment but may not serve more than two full
3374 consecutive terms.
- 3375 (6)(a) The governor shall select the chair of the corporation.
- 3376 (b) The trustees shall elect from among [~~their number~~] the trustees a vice chair and other
3377 officers [~~they~~] the trustees may determine.
- 3378 (7)(a) Five trustees of the corporation constitute a quorum for transaction of business.
- 3379 (b) An affirmative vote of at least five trustees is necessary for any action to be taken by
3380 the corporation.
- 3381 (c) A vacancy in the board of trustees does not [~~impair the right of a quorum to exercise~~
3382 ~~all rights and perform all~~] prevent a quorum from exercising the rights and performing
3383 the duties of the corporation.
- 3384 (8) A trustee may not receive compensation or benefits for the trustee's service, but may
3385 receive per diem and travel expenses in accordance with:
- 3386 (a) Section 63A-3-106;
- 3387 (b) Section 63A-3-107; and
- 3388 (c) rules made by the Division of Finance [~~according to~~] in accordance with Sections
3389 63A-3-106 and 63A-3-107.
- 3390 (9) A trustee shall, no sooner than January 1 and no later than January 31 of each year
3391 during which the trustee holds office on the board of trustees:
- 3392 (a) prepare a written conflict of interest disclosure statement that contains a response to
3393 each item of information described in Subsection 20A-11-1604(6); and
- 3394 (b) submit the written disclosure statement to the administrator or clerk of the board of

- 3395 trustees.
- 3396 (10)(a) No later than 10 business days after the date on which the trustee submits the
3397 written disclosure statement described in Subsection (9) to the administrator or clerk
3398 of the board of trustees, the administrator or clerk shall:
- 3399 (i) post a copy of the written disclosure statement on the corporation's website; and
3400 (ii) provide the lieutenant governor with a link to the electronic posting described in
3401 Subsection (10)(a)(i).
- 3402 (b) The administrator or clerk shall ensure that the trustee's written disclosure statement
3403 remains posted on the corporation's website until the trustee leaves office.
- 3404 (11) The administrator or clerk of the board of trustees shall take the action described in
3405 Subsection (12) if:
- 3406 (a) a trustee fails to timely file the written disclosure statement described in Subsection
3407 (9); or
3408 (b) a submitted written disclosure statement does not comply with the requirements of
3409 Subsection 20A-11-1604(6).
- 3410 (12) If a circumstance described in Subsection (11) occurs, the administrator or clerk of the
3411 board of trustees shall, within five days after the day on which the administrator or clerk
3412 determines that a violation occurred, notify the trustee of the violation and direct the
3413 trustee to submit an amended written disclosure statement correcting the problem.
- 3414 (13)(a) It is unlawful for a trustee to fail to submit or amend a written disclosure
3415 statement within seven days after the day on which the trustee receives the notice
3416 described in Subsection (12).
- 3417 (b) A trustee who violates Subsection (13)(a) is guilty of a class B misdemeanor.
- 3418 (c) The administrator or clerk of the board of trustees shall report a violation of
3419 Subsection (13)(a) to the attorney general.
- 3420 (d) In addition to the criminal penalty described in Subsection (13)(b), the administrator
3421 or clerk of the board of trustees shall impose a civil fine of \$100 against a member
3422 who violates Subsection (13)(a).
- 3423 (14) The administrator or clerk of the board shall deposit a fine collected under this section
3424 into the corporation's account to pay for the costs of administering this section.
- 3425 (15) In addition to the written disclosure statement described in Subsection (9), a trustee
3426 described in Subsection (2)(d) shall also comply with the conflict of interest provisions
3427 described in Section 63G-24-301.
- 3428 Section 36. Section **63H-8-203** is amended to read:

3429 **63H-8-203 (Effective 07/01/26). President and chief executive officer --**
3430 **Secretary-treasurer -- Powers and duties -- Power to employ experts -- Power to employ**
3431 **independent legal counsel.**

3432 (1)(a)(i) The trustees shall appoint a president who is the chief executive officer of
3433 the corporation.

3434 (ii) The president:

3435 (A) may not be a trustee of the corporation;

3436 (B) serves at the pleasure of the trustees; and

3437 (C) shall receive compensation as set by the trustees.

3438 (b) The president, who shall also be the secretary-treasurer, shall:

3439 (i) establish bank accounts and other monetary investments in the name of the
3440 corporation; and

3441 (ii) administer, manage, and direct the affairs and activities of the corporation in
3442 accordance with the policies, control, and direction of the trustees.

3443 (c) The president shall approve all accounts for salaries, allowable expenses of the
3444 corporation, or of any corporation employee or consultant, and expenses incidental to
3445 the operation of the corporation.

3446 (d) The president shall perform any other duties as may be directed by the trustees in
3447 carrying out this chapter.

3448 (2)(a) The president shall:

3449 (i) attend the meetings of the corporation;

3450 (ii) keep a record of the proceedings of the corporation; and

3451 (iii) maintain and be custodian of:

3452 (A) books, documents, and papers filed with the corporation;

3453 (B) the minute book or journal of the corporation; and

3454 (C) the corporation's official seal.

3455 (b) The president may cause copies to be made of minutes and other records and
3456 documents of the corporation and may give certificates under seal of the corporation
3457 to the effect that those copies are true copies, and a person dealing with the
3458 corporation may rely upon those certificates.

3459 (3)(a) The corporation may employ or engage technical experts, independent
3460 professionals and consultants, and other officers, agents, or employees, permanent or
3461 temporary, as it considers necessary to carry out the efficient operation of the
3462 corporation, and shall determine their qualifications, duties, and compensation.

- 3463 (b) The trustees may delegate to one or more of the corporation's agents, representatives,
 3464 or employees administrative duties that the trustees consider proper.
- 3465 (4) The corporation may employ and retain independent legal counsel.
- 3466 (5) The corporation shall coordinate with the Division of Housing and Community
 3467 Development within the Governor's Office of Economic Opportunity to assist the
 3468 corporation in meeting the corporation's purposes described in this chapter.

3469 Section 37. Section **63L-11-402** is amended to read:

3470 **63L-11-402 (Effective 07/01/26) (Repealed 07/01/27). Membership -- Terms --**

3471 **Chair -- Expenses.**

- 3472 (1) The Resource Development Coordinating Committee consists of the following 26
 3473 members:
- 3474 (a) the state science advisor;
- 3475 (b) a representative from the Department of Agriculture and Food appointed by the
 3476 commissioner of the Department of Agriculture and Food;
- 3477 (c) a representative from the Department of Cultural and Community Engagement
 3478 appointed by the executive director of the Department of Cultural and Community
 3479 Engagement;
- 3480 (d) a representative from the Department of Environmental Quality appointed by the
 3481 executive director of the Department of Environmental Quality;
- 3482 (e) a representative from the Department of Natural Resources appointed by the
 3483 executive director of the Department of Natural Resources;
- 3484 (f) a representative from the Department of Transportation appointed by the executive
 3485 director of the Department of Transportation;
- 3486 (g) a representative from the Governor's Office of Economic Opportunity appointed by
 3487 the director of the Governor's Office of Economic Opportunity;
- 3488 (h) a representative from the [~~Housing and Community Development Division~~] Division
 3489 of Community Services appointed by the director of the [~~Housing and Community~~
 3490 ~~Development Division~~] Division of Community Services;
- 3491 (i) a representative from the Utah Historical Society appointed by the director of the
 3492 Utah Historical Society;
- 3493 (j) a representative from the Division of Air Quality appointed by the director of the
 3494 Division of Air Quality;
- 3495 (k) a representative from the Division of Drinking Water appointed by the director of the
 3496 Division of Drinking Water;

- 3497 (l) a representative from the Division of Environmental Response and Remediation
3498 appointed by the director of the Division of Environmental Response and
3499 Remediation;
- 3500 (m) a representative from the Division of Waste Management and Radiation Control
3501 appointed by the director of the Division of Waste Management and Radiation
3502 Control;
- 3503 (n) a representative from the Division of Water Quality appointed by the director of the
3504 Division of Water Quality;
- 3505 (o) a representative from the Division of Oil, Gas, and Mining appointed by the director
3506 of the Division of Oil, Gas, and Mining;
- 3507 (p) a representative from the Division of Parks appointed by the director of the Division
3508 of Parks;
- 3509 (q) a representative from the Division of Outdoor Recreation appointed by the director
3510 of the Division of Outdoor Recreation;
- 3511 (r) a representative from the Division of Forestry, Fire, and State Lands appointed by the
3512 director of the Division of Forestry, Fire, and State Lands;
- 3513 (s) a representative from the Utah Geological Survey appointed by the director of the
3514 Utah Geological Survey;
- 3515 (t) a representative from the Division of Water Resources appointed by the director of
3516 the Division of Water Resources;
- 3517 (u) a representative from the Division of Water Rights appointed by the director of the
3518 Division of Water Rights;
- 3519 (v) a representative from the Division of Wildlife Resources appointed by the director of
3520 the Division of Wildlife Resources;
- 3521 (w) a representative from the School and Institutional Trust Lands Administration
3522 appointed by the director of the School and Institutional Trust Lands Administration;
- 3523 (x) a representative from the Division of Facilities Construction and Management
3524 appointed by the director of the Division of Facilities Construction and Management;
- 3525 (y) a representative from the Division of Emergency Management appointed by the
3526 director of the Division of Emergency Management; and
- 3527 (z) a representative from the Division of Conservation, created under Section 4-46-401,
3528 appointed by the director of the Division of Conservation.
- 3529 (2)(a) As particular issues require, the coordinating committee may, by majority vote of
3530 the members present, appoint additional temporary members to serve as ex officio

- 3531 voting members.
- 3532 (b) ~~[Those-]~~ The ex officio members described under Subsection (2)(a) may discuss and
- 3533 vote on the issue or issues for which [they were-] the ex officio member is appointed.
- 3534 (3) A chair shall be selected by a vote of 14 committee members with the concurrence of
- 3535 the advisor.
- 3536 (4) A member may not receive compensation or benefits for the member's service, but may
- 3537 receive per diem and travel expenses in accordance with:
- 3538 (a) Sections 63A-3-106 and 63A-3-107; and
- 3539 (b) rules made by the Division of Finance ~~[pursuant to]~~ in accordance with Sections
- 3540 63A-3-106 and 63A-3-107.

3541 Section 38. Section **63N-22-101** is enacted to read:

3542 **CHAPTER 22. Division of Housing and Community Development**

3543 **Part 1. General Provisions**

3544 **63N-22-101 (Effective 07/01/26). Definitions.**

3545 As used in this chapter:

- 3546 (1) "Accessible housing" means housing which has been constructed or modified to be
- 3547 accessible, as described in the State Construction Code or an approved code under Title
- 3548 15A, State Construction and Fire Codes Act.
- 3549 (2) "Division" means the Division of Housing and Community Development.
- 3550 (3) "Housing coordinator" means the state housing coordinator of the Division of Housing
- 3551 and Community Development.
- 3552 (4) "Low-income individual" means an individual whose household income is less than
- 3553 80% of the area median income.
- 3554 (5) "Moderate income housing" means housing occupied or reserved for occupancy by
- 3555 households with a gross household income equal to or less than 80% of the median gross
- 3556 income for households of the same size in the county in which the housing is located.
- 3557 (6) "Moderate income housing unit" means a housing unit that qualifies as moderate
- 3558 income housing.

3559 Section 39. Section **63N-22-102** is enacted to read:

3560 **63N-22-102 (Effective 07/01/26). Division of Housing and Community**

3561 **Development -- Creation -- Responsibilities.**

- 3562 (1) There is created the Division of Housing and Community Development within the
- 3563 Governor's Office of Economic Opportunity.

- 3564 (2) The division shall be under the authority of the state housing coordinator.
- 3565 (3) The division shall:
- 3566 (a) create the state housing plan, as described in Section 63N-22-104;
- 3567 (b) assist housing authorities in carrying out the housing authority's responsibilities
- 3568 under Title 35A, Chapter 8, Part 4, Housing Authorities;
- 3569 (c) assist, when requested by a county or municipality, in the development of accessible
- 3570 housing;
- 3571 (d) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
- 3572 Rulemaking Act, regarding the form and content of a moderate income housing
- 3573 report in accordance with Title 10, Chapter 21, Municipalities and Housing Supply
- 3574 and Title 17, Chapter 80, Counties and Housing Supply, to:
- 3575 (i) ensure consistency across reporting political subdivisions; and
- 3576 (ii) promote better potential analysis of report data;
- 3577 (e) analyze the housing data received by political subdivisions; and
- 3578 (f) no later than November 1 of each year, provide a report with the analyses of the
- 3579 housing data the division collects to the Economic Development and Workforce
- 3580 Services Interim Committee and the Political Subdivisions Interim Committee.
- 3581 Section 40. Section **63N-22-103** is enacted to read:
- 3582 **63N-22-103 (Effective 07/01/26). Division of Housing and Community**
- 3583 **Development state housing coordinator appointment, functions, and duties.**
- 3584 (1)(a) The governor, with the advice and consent of the Senate, shall appoint a state
- 3585 housing coordinator of the Division of Housing and Community Development to
- 3586 perform the functions and duties described in this section.
- 3587 (b) The housing coordinator serves at the pleasure of and under the direction of the
- 3588 governor.
- 3589 (c) The salary of the housing coordinator shall be established by the governor within the
- 3590 salary range fixed by the Legislature in Title 67, Chapter 22, State Officer
- 3591 Compensation.
- 3592 (2) The housing coordinator shall:
- 3593 (a) act as the governor's adviser on state housing matters;
- 3594 (b) counsel with the authorized representatives of the Department of Transportation, the
- 3595 Division of Facilities Construction and Management, the Department of Health and
- 3596 Human Services, the Department of Workforce Services, the Labor Commission, the
- 3597 Department of Natural Resources, the School and Institutional Trust Lands

- 3598 Administration, the Utah Housing Corporation, and other proper persons concerning
 3599 state housing matters;
- 3600 (c) when designated to do so by the governor, receive funds made available to the state
 3601 by the federal government;
- 3602 (d) provide information and cooperate with the Legislature or legislative committees in
 3603 conducting housing studies;
- 3604 (e) cooperate and exchange information with federal agencies and local, metropolitan, or
 3605 regional agencies as necessary to assist with federal, state, regional, metropolitan, and
 3606 local housing programs;
- 3607 (f) make recommendations to the governor that the housing coordinator considers
 3608 advisable for the proper development and coordination of housing for the state; and
- 3609 (g) assist in the interpretation of housing projections and analyses with respect to future
 3610 growth needs.
- 3611 (3) The housing coordinator may:
- 3612 (a) assist city, county, metropolitan, and regional planning agencies in performing local,
 3613 metropolitan, and regional planning, subject to Subsection (4);
- 3614 (b) appoint staff; and
- 3615 (c) conduct, or coordinate with stakeholders to conduct public meetings or hearings to:
- 3616 (i) encourage maximum public understanding of an agreement with the factual data
 3617 and assumptions upon which housing projections and analyses are based; and
- 3618 (ii) receive suggestions as to the types of housing projections and analyses that are
 3619 needed.
- 3620 (4) In performing the duties described in Subsection (3), to the extent possible, the housing
 3621 coordinator or the housing coordinator's designee shall recognize and promote the plans,
 3622 policies, programs, processes, and desired outcomes of the city, county, metropolitan, or
 3623 regional planning agency that the housing coordinator or the housing coordinator's
 3624 designee is assisting.
- 3625 (5) In assisting in the preparation of housing plans, policies, programs, or processes related
 3626 to the management or use of federal lands or natural resources on federal lands in the
 3627 state, the housing coordinator shall coordinate with the Public Lands Policy
 3628 Coordinating Office created in Section 63L-11-201.

3629 Section 41. Section **63N-22-104**, which is renumbered from Section 63J-4-402 is renumbered
 3630 and amended to read:

3631 **[63J-4-402] 63N-22-104 (Effective 07/01/26). State housing plan.**

- 3632 (1) The [office] division shall develop a state housing plan by December 31, 2025.
- 3633 (2)(a) The [office] division shall partner with the Legislature, municipal and county
3634 governments, the home building industry and related stakeholders, and the general
3635 public in the development of the state housing plan described in Subsection (1).
- 3636 (b) In developing the state housing plan, the [office] division may develop regional
3637 housing plans within the state housing plan.
- 3638 (3) The state housing plan shall:
- 3639 (a) prioritize collaboration over preemption and collaboration across private and public
3640 sectors;
- 3641 (b) promote a holistic and regional approach to housing;
- 3642 (c) enable connected communities and center-based development;
- 3643 (d) acknowledge cross-issue policy alignment;
- 3644 (e) maintain a long-range vision;
- 3645 (f) promote opportunity and inclusivity;
- 3646 (g) recognize complex market forces; and
- 3647 (h) consider rural and urban contexts.
- 3648 (4) The state housing plan shall include data and metrics:
- 3649 (a) about actual and potential housing production;
- 3650 (b) about actual and potential infrastructure capacity, maintenance, and development; and
- 3651 (c) allowing the [office] division to measure success of the state housing plan over time.
- 3652 (5) In gathering data and developing metrics, the [office ~~may~~] division shall analyze
3653 moderate income housing reports received by the [~~Division of Housing and Community~~
3654 ~~Development~~] division and:
- 3655 (a) determine which, if any, of the moderate income housing strategies described in
3656 Sections 10-21-201 and 17-80-201 are correlated with an increase in the supply of
3657 moderate income housing, either built or entitled to be built, in the political
3658 subdivision that implements the moderate income housing strategy; and
- 3659 (b) draw conclusions regarding any data trends identified by the [office] division as
3660 meaningful or significant.
- 3661 (6) By no later than October 1 of each year, the [office] division shall provide a written
3662 report on the development and implementation of the state housing plan to the Economic
3663 Development and Workforce Services Interim Committee and the Political Subdivisions
3664 Interim Committee.
- 3665 Section 42. Section **63N-22-201**, which is renumbered from Section 35A-8-803 is renumbered

3666 and amended to read:

3667 **Part 2. Housing Coordination and Planning**

3668 **~~[35A-8-803]~~ 63N-22-201 (Effective 07/01/26). Division -- Functions.**

3669 (1) In addition to any other functions the governor or Legislature may assign:

3670 (a) the division shall:

- 3671 (i) provide a clearinghouse of information for federal, state, and local housing
3672 assistance programs;
- 3673 (ii) establish, in cooperation with political subdivisions, model plans and
3674 management methods to encourage or provide for the development of affordable
3675 housing that may be adopted by political subdivisions by reference;
- 3676 (iii) undertake, in cooperation with political subdivisions, a realistic assessment of
3677 problems relating to housing needs, such as:
- 3678 (A) inadequate supply of dwellings;
- 3679 (B) substandard dwellings; and
- 3680 (C) inability of medium and low income families to obtain adequate housing;
- 3681 (iv) provide the information obtained under Subsection (1)(a)(iii) to:
- 3682 (A) political subdivisions;
- 3683 (B) real estate developers;
- 3684 (C) builders;
- 3685 (D) lending institutions;
- 3686 (E) affordable housing advocates; and
- 3687 (F) others having use for the information;
- 3688 (v) advise political subdivisions of serious housing problems existing within ~~[their]~~
3689 the political subdivision's jurisdiction that require concerted public action for
3690 solution;
- 3691 (vi) assist political subdivisions in defining housing objectives and in preparing for
3692 adoption a plan of action covering a five-year period designed to accomplish
3693 housing objectives within ~~[their]~~ the political subdivision's jurisdiction;
- 3694 (vii) for municipalities or counties required to submit an annual moderate income
3695 housing report to the ~~[department]~~ division as described in Section 10-21-202 or
3696 17-80-202:
- 3697 (A) assist in the creation of the reports; and
- 3698 (B) review the reports to meet the requirements of Sections 10-21-202 and
3699 17-80-202;

- 3700 (viii) establish and maintain a database of moderate income housing units located
 3701 within the state; and
- 3702 (ix) ~~[on or before December 1, 2022, develop and submit to the Commission on~~
 3703 ~~Housing Affordability a methodology for determining whether a municipality or~~
 3704 ~~county is taking sufficient measures to protect and promote moderate income~~
 3705 ~~housing in accordance with the provisions of Sections 10-21-201 and 17-80-201;~~
 3706 ~~and] coordinate with Utah Housing Corporation to assist the division in the~~
 3707 ~~administration of housing programs within the state; and~~
- 3708 (b) subject to Subsection (2), and within legislative appropriations, the division, in
 3709 cooperation with the Department of Workforce Services and the Utah Housing
 3710 Corporation, may accept for and on behalf of, and bind the state to, any federal
 3711 housing or homeless program in which the state is invited, permitted, or authorized to
 3712 participate in the distribution, disbursement, or administration of any funds or service
 3713 advanced, offered, or contributed in whole or in part by the federal government.
- 3714 (2) The administration of any federal housing program in which the state is invited,
 3715 permitted, or authorized to participate in distribution, disbursement, or administration of
 3716 funds or services, except those administered by the Utah Housing Corporation, is
 3717 governed by Sections ~~[35A-8-501]~~ 63N-22-301 through ~~[35A-8-508]~~ 63N-22-309.
- 3718 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [
 3719 ~~department]~~ division shall make rules describing the review process for moderate income
 3720 housing reports described in Subsection (1)(a)(vii).

3721 Section 43. Section **63N-22-202**, which is renumbered from Section 35A-8-804 is renumbered
 3722 and amended to read:

3723 **[35A-8-804] 63N-22-202 (Effective 07/01/26). Moderate income housing plan**
 3724 **coordination.**

- 3725 (1) Within appropriations from the Legislature, the division shall establish a program to
 3726 assist municipalities to comply with the moderate income housing requirements
 3727 described in Section 10-21-201 and counties to comply with the moderate income
 3728 housing requirements described in Section 17-80-201.
- 3729 (2) Assistance under this section may include:
- 3730 (a) financial assistance for the cost of developing a plan for low and moderate income
 3731 housing;
- 3732 (b) information on how to meet present and prospective needs for low and moderate
 3733 income housing; and

- 3734 (c) technical advice and consultation on how to facilitate the creation of low and
 3735 moderate income housing.
- 3736 (3) The division shall submit an annual report to the [~~department~~] office regarding the
 3737 scope, amount, and type of assistance provided to municipalities and counties under this
 3738 section, including the number of low and moderate income housing units constructed or
 3739 rehabilitated within the state, for inclusion in the [~~department's~~] office's annual written
 3740 report described in Section [~~35A-1-109~~] 63N-1a-306.

3741 Section 44. Section **63N-22-203**, which is renumbered from Section 35A-8-805 is renumbered
 3742 and amended to read:

3743 **[~~35A-8-805~~] 63N-22-203 (Effective 07/01/26). Moderate income housing plan**
 3744 **reporting requirements.**

3745 (1) As used in this section:

- 3746 (a) "Affordable housing" means, as determined by the [~~department~~] division, the number
 3747 of housing units within a county or municipality where a household whose income is
 3748 at or below 50% of area median income is able to live in a unit without spending
 3749 more than 30% of [~~their~~] the household's income on housing costs.
- 3750 (b) "County" means the unincorporated area of a county.
- 3751 (c) "Low-income housing" means, as determined by the [~~department~~] division, the
 3752 number of Section 42, Internal Revenue Code, housing units within a county or
 3753 municipality.
- 3754 (d) "Municipality" means a city or town.

3755 (2)(a) On or before October 1 of each year, the division shall provide a report to the [~~department~~]
 3756 office for inclusion in the [~~department's~~] office's annual report described
 3757 in Section [~~35A-1-109~~] 63N-1a-306.

3758 (b) The report shall include:

- 3759 (i) an estimate of how many affordable housing units and how many low-income
 3760 housing units are available in each county and municipality in the state;
- 3761 (ii) a determination of the percentage of affordable housing available in each county
 3762 and municipality in the state as compared to the statewide average;
- 3763 (iii) a determination of the percentage of low-income housing available in each
 3764 county and municipality in the state as compared to the statewide average; and
- 3765 (iv) a description of how information in the report was calculated.

3766 Section 45. Section **63N-22-301**, which is renumbered from Section 35A-8-501 is renumbered
 3767 and amended to read:

3768 **Part 3. Housing Supply and Service Programs**3769 **[35A-8-501] 63N-22-301 (Effective 07/01/26). Definitions.**

3770 As used in this part:

3771 (1) "Affordable housing" means housing occupied or reserved for occupancy by households
3772 whose incomes are at or below certain income requirements at rental rates affordable to
3773 such households.

3774 (2) "Board" means the Housing Board created by this part.

3775 (3) "Fund" means the Olene Walker Housing Loan Fund created by this part.

3776 (4)(a) "Housing sponsor" means a person who constructs, develops, rehabilitates,
3777 purchases, or owns a housing development that is or will be subject to legally
3778 enforceable restrictive covenants that require the housing development to provide, at
3779 least in part, affordable housing.

3780 (b) "Housing sponsor" may include:

3781 (i) a local public body;

3782 (ii) a nonprofit, limited profit, or for profit corporation;

3783 (iii) a limited partnership;

3784 (iv) a limited liability company;

3785 (v) a joint venture;

3786 (vi) a subsidiary of the Utah Housing Corporation;

3787 (vii) a cooperative;

3788 (viii) a mutual housing organization;

3789 (ix) a local government;

3790 (x) a local housing authority;

3791 (xi) a regional or statewide nonprofit housing or assistance organization; or

3792 (xii) any other entity that helps provide affordable housing.

3793 (5) "Rural" means a county in the state other than Utah, Salt Lake, Davis, or Weber.

3794 Section 46. Section **63N-22-302**, which is renumbered from Section 35A-8-502 is renumbered
3795 and amended to read:3796 **[35A-8-502] 63N-22-302 (Effective 07/01/26). Olene Walker Housing Loan Fund**3797 **-- Creation -- Administration.**3798 (1)(a) There is created an enterprise fund known as the Olene Walker Housing Loan
3799 Fund, administered by the ~~[executive director or the executive director's designee]~~
3800 housing coordinator or the housing coordinator's designee.3801 (b) The ~~[department]~~ division is the administrator of the fund.

- 3802 (2) There shall be deposited into the fund:
- 3803 (a) grants, paybacks, bonuses, entitlements, and other money received by the [department]
- 3804 division from the federal government to preserve, rehabilitate, build, restore, or
- 3805 renew housing or for other activities authorized by the fund;
- 3806 (b) transfers, grants, gifts, bequests, and money made available from any source to
- 3807 implement this part; and
- 3808 (c) money appropriated to the fund by the Legislature.

- 3809 (3) The money in the fund shall be invested by the state treasurer according to the
- 3810 procedures and requirements of Title 51, Chapter 7, State Money Management Act,
- 3811 except that all interest or other earnings derived from money in the fund shall be
- 3812 deposited in the fund.

3813 Section 47. Section **63N-22-303**, which is renumbered from Section 35A-8-503 is renumbered

3814 and amended to read:

3815 **[35A-8-503] 63N-22-303 (Effective 07/01/26). Housing loan fund board -- Duties**

3816 **-- Expenses.**

- 3817 (1) There is created the Olene Walker Housing Loan Fund Board.
- 3818 (2) The board is composed of 14 voting members.
- 3819 (a) The governor shall appoint the following members to four-year terms:
- 3820 (i) two members from local governments, of which:
- 3821 (A) one member shall be a locally elected official who resides in a county of the
- 3822 first or second class; and
- 3823 (B) one member shall be a locally elected official who resides in a county of the
- 3824 third, fourth, fifth, or sixth class;
- 3825 (ii) two members from the mortgage lending community, of which:
- 3826 (A) one member shall have expertise in single-family mortgage lending; and
- 3827 (B) one member shall have expertise in multi-family mortgage lending;
- 3828 (iii) one member from real estate sales interests;
- 3829 (iv) two members from home builders interests, of which:
- 3830 (A) one member shall have expertise in single-family residential construction; and
- 3831 (B) one member shall have expertise in multi-family residential construction;
- 3832 (v) one member from rental housing interests;
- 3833 (vi) two members from housing advocacy interests, of which:
- 3834 (A) one member who resides within any area in a county of the first or second
- 3835 class; and

- 3836 (B) one member who resides within any area in a county of the third, fourth, fifth,
3837 or sixth class;
- 3838 (vii) one member of the manufactured housing interest;
- 3839 (viii) one member with expertise in transit-oriented developments;
- 3840 (ix) one member who represents rural interests; and
- 3841 (x) one member who represents the interests of modular housing.
- 3842 (b) The~~[-director or the director's-]~~ housing coordinator or the housing coordinator's
3843 designee serves as the secretary of the board.
- 3844 (c) The members of the board shall annually elect a chair from among the voting
3845 membership of the board.
- 3846 (3)(a) Notwithstanding the requirements of Subsection (2), the governor shall, at the
3847 time of appointment or reappointment, adjust the length of terms to ensure that the
3848 terms of board members are staggered so that approximately half of the board is
3849 appointed every two years.
- 3850 (b) When a vacancy occurs in the membership for any reason, the replacement is
3851 appointed for the unexpired term.
- 3852 (4)(a) The board shall:
- 3853 (i) meet regularly, at least quarterly to conduct business of the board, on dates fixed
3854 by the board;
- 3855 (ii) meet twice per year, with at least one of the meetings in a rural area of the state,
3856 to provide information to and receive input from the public regarding the state's
3857 housing policies and needs;
- 3858 (iii) keep minutes of ~~[its]~~ board meetings; and
- 3859 (iv) comply with the procedures and requirements of Title 52, Chapter 4, Open and
3860 Public Meetings Act.
- 3861 (b) Seven members of the board constitute a quorum, and the governor, the chair, or a
3862 majority of the board may call a meeting of the board.
- 3863 (5) The board shall:
- 3864 (a) review the housing needs in the state;
- 3865 (b) determine the relevant operational aspects of any grant, loan, or revenue collection
3866 program established under the authority of this chapter;
- 3867 (c) determine the means to implement the policies and goals of this chapter;
- 3868 (d) select specific projects to receive grant or loan money; and
- 3869 (e) determine how fund money shall be allocated and distributed.

- 3870 (6) A member may not receive compensation or benefits for the member's service, but may
 3871 receive per diem and travel expenses in accordance with:
- 3872 (a) Section 63A-3-106;
- 3873 (b) Section 63A-3-107; and
- 3874 (c) rules made by the Division of Finance [~~pursuant to~~] in accordance with Sections
 3875 63A-3-106 and 63A-3-107.
- 3876 Section 48. Section **63N-22-304**, which is renumbered from Section 35A-8-504 is renumbered
 3877 and amended to read:
- 3878 **~~[35A-8-504]~~ 63N-22-304 (Effective 07/01/26). Distribution of fund money.**
- 3879 (1) As used in this section:
- 3880 (a) "Community" means the same as that term is defined in Section 17C-1-102.
- 3881 (b) "Income targeted housing" means the same as that term is defined in Section
 3882 17C-1-102.
- 3883 (2) [~~The executive director~~] The housing coordinator shall:
- 3884 (a) make grants and loans from the fund for any of the activities authorized by Section [
 3885 ~~35A-8-505~~] 63N-22-305, as directed by the board;
- 3886 (b) establish the criteria with the approval of the board by which loans and grants will be
 3887 made; and
- 3888 (c) determine with the approval of the board the order in which projects will be funded.
- 3889 (3) [~~The executive director~~] The housing coordinator shall distribute, as directed by the
 3890 board, any federal money contained in the fund according to the procedures, conditions,
 3891 and restrictions placed upon the use of the money by the federal government.
- 3892 (4) [~~The executive director~~] The housing coordinator shall distribute, as directed by the
 3893 board, any funds received under Section 17C-1-412 to pay the costs of providing income
 3894 targeted housing within the community that created the community reinvestment agency
 3895 under Title 17C, Limited Purpose Local Government Entities - Community
 3896 Reinvestment Agency Act.
- 3897 (5) Except for federal money, money received under Section 17C-1-412, and money
 3898 appropriated for use in accordance with Section [~~35A-8-2105~~] 63N-22-404, [~~the~~
 3899 ~~executive director~~] the housing coordinator shall distribute, as directed by the board,
 3900 money in the fund according to the following requirements:
- 3901 (a) [~~the executive director~~] the housing coordinator shall distribute at least 70% of the
 3902 money in the fund to benefit persons whose annual income is at or below 50% of the
 3903 median family income for the state;

- 3904 (b) [~~the executive director~~] the housing coordinator may use up to 6% of the revenues of
 3905 the fund, including any appropriation to the fund, to offset [~~department~~] division or
 3906 board administrative expenses;
- 3907 (c) [~~the executive director~~] the housing coordinator shall distribute any remaining money
 3908 in the fund to benefit persons whose annual income is at or below 80% of the median
 3909 family income for the state; and
- 3910 (d) [~~if the executive director or the executive director's~~] if the housing coordinator or the
 3911 housing coordinator's designee makes a loan in accordance with this section, the
 3912 interest rate of the loan shall be based on the borrower's ability to pay.
- 3913 (6) [~~The executive director~~] the housing coordinator may, with the approval of the board:
- 3914 (a) enact rules to establish procedures for the grant and loan process by following the
 3915 procedures and requirements of Title 63G, Chapter 3, Utah Administrative
 3916 Rulemaking Act; and
- 3917 (b) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the
 3918 servicing of loans made by the fund.

3919 Section 49. Section **63N-22-305**, which is renumbered from Section 35A-8-505 is renumbered
 3920 and amended to read:

3921 **[35A-8-505] 63N-22-305 (Effective 07/01/26). Activities authorized to receive**
 3922 **fund money -- Powers of the state housing coordinator.**

3923 At the direction of the board, the [~~executive director~~] housing coordinator may:

- 3924 (1) provide fund money to any of the following activities:
- 3925 (a) the acquisition, rehabilitation, or new construction of low-income housing units;
- 3926 (b) matching funds for social services projects directly related to providing housing for
 3927 special-need renters in assisted projects;
- 3928 (c) the development and construction of accessible housing designed for low-income
 3929 persons;
- 3930 (d) the construction or improvement of a shelter or transitional housing facility that
 3931 provides services intended to prevent or minimize homelessness among members of a
 3932 specific homeless subpopulation;
- 3933 (e) the purchase of an existing facility to provide temporary or transitional housing for
 3934 the homeless in an area that does not require rezoning before providing such
 3935 temporary or transitional housing;
- 3936 (f) the purchase of land that will be used as the site of low-income housing units;
- 3937 (g) the preservation of existing affordable housing units for low-income persons;

- 3938 ~~[(h) providing loan guarantees under the two-year pilot program established in Section~~
 3939 ~~35A-8-504.5;]~~
- 3940 ~~[(i) distribute funds to a qualifying applicant under the subordinate shared appreciation~~
 3941 ~~mortgage loan program established in Section 35A-8-504.6;]~~
- 3942 ~~[(j)] (h) the award of predevelopment grants in accordance with Section [35A-8-507.5]~~
 3943 ~~63N-22-308;~~
- 3944 ~~[(k)] (i) the creation or financial support of a mediation program for landlords and~~
 3945 ~~tenants designed to minimize the loss of housing for low-income persons, which~~
 3946 ~~program may include:~~
- 3947 (i) funding for the hiring or training of mediators;
- 3948 (ii) connecting landlords and tenants with mediation services; and
- 3949 (iii) providing a limited amount of gap funding to assist a tenant in making a good
 3950 faith payment towards attorney fees, damages, or other costs associated with
 3951 eviction proceedings or avoiding eviction proceedings; and
- 3952 ~~[(l)] (j) other activities that will assist in minimizing homelessness or improving the~~
 3953 ~~availability or quality of housing in the state for low-income persons; and~~
- 3954 (2) do any act necessary or convenient to the exercise of the powers granted by this part or
 3955 reasonably implied from those granted powers, including:
- 3956 (a) making or executing contracts and other instruments necessary or convenient for the
 3957 performance of the ~~[executive director]~~ housing coordinator and board's duties and the
 3958 exercise of the ~~[executive director]~~ housing coordinator and board's powers and
 3959 functions under this part, including contracts or agreements for the servicing and
 3960 originating of mortgage loans;
- 3961 (b) procuring insurance against a loss in connection with property or other assets held by
 3962 the fund, including mortgage loans, in amounts and from insurers it considers
 3963 desirable;
- 3964 (c) entering into agreements with a department, agency, or instrumentality of the United
 3965 States or this state and with mortgagors and mortgage lenders for the purpose of
 3966 planning and regulating and providing for the financing and refinancing, purchase,
 3967 construction, reconstruction, rehabilitation, leasing, management, maintenance,
 3968 operation, sale, or other disposition of residential housing undertaken with the
 3969 assistance of the ~~[department]~~ division under this part;
- 3970 (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate,
 3971 repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real

3972 or personal property obtained by the fund due to the default on a mortgage loan held
 3973 by the fund in preparation for disposition of the property, taking assignments of
 3974 leases and rentals, proceeding with foreclosure actions, and taking other actions
 3975 necessary or incidental to the performance of [its] the housing coordinator and board's
 3976 duties; and

3977 (e) selling, at a public or private sale, with public bidding, a mortgage or other obligation
 3978 held by the fund.

3979 Section 50. Section **63N-22-306**, which is renumbered from Section 35A-8-506 is renumbered
 3980 and amended to read:

3981 **[35A-8-506] 63N-22-306 (Effective 07/01/26). Authority of the state housing**
 3982 **coordinator.**

3983 The [~~executive director~~] housing coordinator, with the approval of the board, may grant
 3984 or lend fund money to a housing sponsor.

3985 Section 51. Section **63N-22-307**, which is renumbered from Section 35A-8-507 is renumbered
 3986 and amended to read:

3987 **[35A-8-507] 63N-22-307 (Effective 07/01/26). Application process and priorities.**

3988 (1)(a) In each calendar year that money is available from the fund for distribution by the [~~executive director~~]
 3989 housing coordinator under the direction of the board, the [~~executive director~~]
 3990 housing coordinator shall, at least once in that year, announce a
 3991 grant and loan application period by sending notice to interested persons.

3992 (b) The [~~executive director~~] housing coordinator shall accept applications that are
 3993 received in a timely manner.

3994 (2) The [~~executive director~~] housing coordinator shall give priority to applications for
 3995 projects and activities in the following order:

3996 (a) first, to applications for projects and activities intended to minimize homelessness;

3997 (b) second, to applications for projects and activities that use existing privately owned
 3998 housing stock, including privately owned housing stock purchased by a nonprofit
 3999 public development authority; and

4000 (c) third, to all other applications.

4001 (3) Within each level of priority described in Subsection (2), the [~~executive director~~]
 4002 housing coordinator shall give preference to applications that demonstrate the following:

4003 (a) a high degree of leverage with other sources of financing;

4004 (b) high recipient contributions to total project costs, including allied contributions from
 4005 other sources such as professional, craft, and trade services and lender interest rate

- 4006 subsidies;
- 4007 (c) high local government project contributions in the form of infrastructure
- 4008 improvements, or other assistance;
- 4009 (d) projects that encourage ownership, management, and other project-related
- 4010 responsibility opportunities;
- 4011 (e) projects that demonstrate a strong probability of serving the original target group or
- 4012 income level for a period of at least 15 years;
- 4013 (f) projects where the applicant has demonstrated the ability, stability, and resources to
- 4014 complete the project;
- 4015 (g) projects that appear to serve the greatest need;
- 4016 (h) projects that provide housing for persons and families with the lowest income;
- 4017 (i) projects that promote economic development benefits;
- 4018 (j) projects that align with a local government plan to address housing and homeless
- 4019 services; and
- 4020 (k) projects that would mitigate or correct existing health, safety, or welfare problems.

4021 (4) The ~~[executive director]~~ housing coordinator may give consideration to projects that

4022 increase the supply of accessible housing.

4023 Section 52. Section **63N-22-308**, which is renumbered from Section 35A-8-507.5 is renumbered

4024 and amended to read:

4025 ~~[35A-8-507.5]~~ **63N-22-308 (Effective 07/01/26). Predevelopment grants.**

4026 (1) The ~~[executive director]~~ housing coordinator may, under the direction of the board,

4027 award one or more predevelopment grants to a nonprofit or for-profit entity:

4028 (a) in preparation for a project that:

4029 (i) involves the construction of moderate income housing units; and

4030 (ii) is located within:

4031 (A) a city of the fifth or sixth class, or a town, in a rural area of the state; or

4032 (B) any municipality or unincorporated area in a county of the fourth, fifth, or

4033 sixth class; and

4034 (b) in an amount of no more than \$50,000 per project.

4035 (2) The ~~[executive director]~~ housing coordinator shall, under the direction of the board,

4036 award each predevelopment grant in accordance with the provisions of this section and

4037 the provisions related to grant applications, grant awards, and reporting requirements in

4038 this part.

4039 (3) The recipient of a predevelopment grant:

- 4040 (a) may use grant funds to offset the predevelopment funds needed to prepare for the
 4041 construction of low-income housing units, including market studies, surveys,
 4042 environmental and impact studies, technical assistance, and preliminary architecture,
 4043 engineering, or legal work; and
- 4044 (b) may not use grant funds to pay for staff salaries or construction costs.
- 4045 (4) The ~~[executive director]~~ housing coordinator shall, under the direction of the board,
 4046 prioritize the awarding of a predevelopment grant for a project that is located within:
- 4047 (a) a county of the fifth or sixth class; and
- 4048 (b) an area that has underdeveloped infrastructure, as demonstrated by at least two of the
 4049 following:
- 4050 (i) limited or no availability of natural gas;
- 4051 (ii) limited or no availability of a sewer system;
- 4052 (iii) limited or no availability of broadband Internet;
- 4053 (iv) unpaved residential streets; or
- 4054 (v) limited local construction professionals, vendors, or services.

4055 Section 53. Section **63N-22-309**, which is renumbered from Section 35A-8-508 is renumbered
 4056 and amended to read:

4057 **[35A-8-508] 63N-22-309 (Effective 07/01/26). Annual accounting.**

- 4058 (1) The ~~[executive director]~~ housing coordinator shall monitor the activities of recipients of
 4059 grants and loans issued under this part on a yearly basis to ensure compliance with the
 4060 terms and conditions imposed on the recipient by the ~~[executive director]~~ housing
 4061 coordinator with the approval of the board or by this part.
- 4062 (2) Beginning July 1, 2021, an entity that receives any money from the fund under this part
 4063 shall provide the ~~[executive director]~~ housing coordinator with an annual accounting of
 4064 how the money the entity received from the fund has been spent.
- 4065 (3) The ~~[executive director]~~ housing coordinator shall make an annual report to the board
 4066 accounting for the expenditures authorized by the board.
- 4067 (4) The board shall submit a report to the ~~[department]~~ office for inclusion in the annual
 4068 written report described in Section ~~[35A-1-109]~~ 63N-1a-306:
- 4069 (a) accounting for expenditures authorized by the board; and
- 4070 (b) evaluating the effectiveness of the program.

4071 Section 54. Section **63N-22-310**, which is renumbered from Section 35A-8-509 is renumbered
 4072 and amended to read:

4073 **[35A-8-509] 63N-22-310 (Effective 07/01/26). Economic Revitalization and**

4074 **Investment Fund.**

- 4075 (1) There is created an enterprise fund known as the "Economic Revitalization and
4076 Investment Fund."
- 4077 (2) The Economic Revitalization and Investment Fund consists of money from the
4078 following:
- 4079 (a) money appropriated to the account by the Legislature;
 - 4080 (b) private contributions;
 - 4081 (c) donations or grants from public or private entities; and
 - 4082 (d) money returned to the [department] division under [~~Subsection 35A-8-512(3)(a)~~
4083 Section 63N-22-314].
- 4084 (3) The Economic Revitalization and Investment Fund shall earn interest, which shall be
4085 deposited into the Economic Revitalization and Investment Fund.
- 4086 (4) The [~~executive director~~] housing coordinator may distribute money from the Economic
4087 Revitalization and Investment Fund to one or more projects that:
- 4088 (a) include affordable housing units for households whose income is no more than 30%
4089 of the area median income for households of the same size in the county or
4090 municipality where the project is located; and
 - 4091 (b) have been approved by the board in accordance with Section [~~35A-8-510~~]
4092 63N-22-312.
- 4093 (5)(a) A housing sponsor may apply to the [department] division to receive a distribution
4094 in accordance with Subsection (4).
- 4095 (b) The application shall include:
 - 4096 (i) the location of the project;
 - 4097 (ii) the number, size, and tenant income requirements of affordable housing units
4098 described in Subsection (4)(a) that will be included in the project; and
 - 4099 (iii) a written commitment to enter into a deed restriction that reserves for a period of
4100 30 years the affordable housing units described in Subsection (5)(b)(ii) or [~~their~~]
4101 the affordable housing unit equivalent for occupancy by households that meet the
4102 income requirements described in Subsection (5)(b)(ii).
 - 4103 (c) The commitment in Subsection (5)(b)(iii) shall be considered met if a housing unit is:
 - 4104 (i) occupied or reserved for occupancy by a household whose income is no more than
4105 30% of the area median income for households of the same size in the county or
4106 municipality where the project is located; or
 - 4107 (ii) occupied by a household whose income is no more than 60% of the area median

4108 income for households of the same size in the county or municipality where the
 4109 project is located if that household met the income requirement described in
 4110 Subsection (4)(a) when the household originally entered into the lease agreement
 4111 for the housing unit.

4112 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [
 4113 ~~department~~] division may make additional rules providing procedures for a person to
 4114 apply to the [~~department~~] division to receive a distribution described in Subsection (4).

4115 (6) The [~~executive director~~] housing coordinator may expend up to 3% of the revenues of
 4116 the Economic Revitalization and Investment Fund, including any appropriation to the
 4117 Economic Revitalization and Investment Fund, to offset [~~department~~] division or board
 4118 administrative expenses.

4119 Section 55. Section **63N-22-311**, which is renumbered from Section 35A-8-509.5 is renumbered
 4120 and amended to read:

4121 **[35A-8-509.5] 63N-22-311 (Effective 07/01/26). Rural Housing Fund.**

4122 (1) There is created an enterprise fund known as the "Rural Housing Fund."

4123 (2) The Rural Housing Fund consists of money from the following:

- 4124 (a) money appropriated to the account by the Legislature;
- 4125 (b) private contributions;
- 4126 (c) donations or grants from public or private entities; and
- 4127 (d) money returned to the [~~department~~] division under [~~Subsection 35A-8-512(3)(b)]~~
 4128 Section 63N-22-314.

4129 (3) The Rural Housing Fund shall earn interest, which shall be deposited into the Rural
 4130 Housing Fund.

4131 (4) Subject to appropriation, the [~~executive director~~] housing coordinator may expend funds
 4132 in the Rural Housing Fund to provide loans for projects that:

- 4133 (a) are located within:
 - 4134 (i) a county of the third, fourth, fifth, or sixth class; or
 - 4135 (ii) a municipality in a county of the second class with a population of 10,000 or less;
- 4136 (b) include moderate income housing units; and
- 4137 (c) have been approved by the board in accordance with Section [~~35A-8-510~~] 63N-22-312.

4138 (5)(a) A housing sponsor may apply to the [~~department~~] division to receive a loan under
 4139 this section.

4140 (b) An application under Subsection (5)(a) shall specify:

- 4141 (i) the location of the project;

4142 (ii) the number, size, and income requirements of moderate income housing units that
4143 will be included in the project; and

4144 (iii) a written commitment to enter into a deed restriction that reserves for a period of
4145 50 years the moderate income housing units described in Subsection (5)(b)(ii).

4146 (c) A commitment under Subsection (5)(b)(iii) shall be considered satisfied if a housing
4147 unit is occupied by a household that met the income requirement for moderate
4148 income housing when the household originally entered into the lease agreement for
4149 the housing unit.

4150 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [
4151 ~~department~~] division may make rules establishing procedures and requirements for
4152 housing sponsors to apply for and receive loans under this section.

4153 (6) The [~~executive director~~] housing coordinator may expend up to 3% of the revenues of
4154 the Rural Housing Fund, including any appropriation to the Rural Housing Fund, to
4155 offset [~~department~~] division or board administrative expenses.

4156 Section 56. Section **63N-22-312**, which is renumbered from Section 35A-8-510 is renumbered
4157 and amended to read:

4158 **~~[35A-8-510]~~ 63N-22-312 (Effective 07/01/26). Housing loan fund board approval.**

4159 (1) The board shall review the project applications described in [~~Subsections 35A-8-509(5)~~
4160 ~~and 35A-8-509.5(5)] Sections 63N-22-310 and 63N-22-311.~~

4161 (2)(a) The board may approve a project that meets the requirements of [~~Subsections~~
4162 ~~35A-8-509(4) and (5)] Section 63N-22-310 to receive funds from the Economic
4163 Revitalization and Investment Fund.~~

4164 (b) The board may approve a project that meets the requirements of [~~Subsections~~
4165 ~~35A-8-509.5(4) and (5)] Section 63N-22-311 to receive funds from the Rural Housing
4166 Fund.~~

4167 (3) The board shall give preference to projects:

4168 (a) that include significant additional or matching funds from an individual, private
4169 organization, or local government entity;

4170 (b) that include significant contributions by the applicant to total project costs, including
4171 contributions secured by the applicant from other sources such as professional, craft,
4172 and trade services and lender interest rate subsidies;

4173 (c) with significant local government contributions in the form of infrastructure,
4174 improvements, or other assistance;

4175 (d) where the applicant has demonstrated the ability, stability, and resources to complete

- 4176 the project;
- 4177 (e) that will serve the greatest need;
- 4178 (f) that promote economic development benefits;
- 4179 (g) that allow integration into a local government housing plan;
- 4180 (h) that would mitigate or correct existing health, safety, or welfare concerns; or
- 4181 (i) that remedy a gap in the supply of and demand for affordable housing.

4182 Section 57. Section **63N-22-313**, which is renumbered from Section 35A-8-511 is renumbered
 4183 and amended to read:

4184 **~~[35A-8-511]~~ 63N-22-313 (Effective 07/01/26). Activities authorized to receive**
 4185 **account money.**

4186 The ~~[executive director]~~ housing coordinator may distribute funds from the Economic
 4187 Revitalization and Investment Fund and the Rural Housing Fund for any of the following
 4188 activities undertaken as part of an approved project:

- 4189 (1) the acquisition, rehabilitation, or new construction of a building that includes moderate
 4190 income housing units;
- 4191 (2) the purchase of land for the construction of a building that will include moderate income
 4192 housing units; or
- 4193 (3) pre-development work, including planning, studies, design, and site work for a building
 4194 that will include moderate income housing units.

4195 Section 58. Section **63N-22-314**, which is renumbered from Section 35A-8-512 is renumbered
 4196 and amended to read:

4197 **~~[35A-8-512]~~ 63N-22-314 (Effective 07/01/26). Repayment of funds.**

- 4198 (1) Upon the earlier of 30 years from the date an approved project is placed in service or the
 4199 sale or transfer of the affordable housing units acquired, constructed, or rehabilitated as
 4200 part of an approved project funded under Subsection ~~[35A-8-511(1)]~~ 63N-22-313(1), the
 4201 housing sponsor shall remit to the ~~[department]~~ division:
 4202 (a) the total amount of money distributed by the ~~[department]~~ division to the housing
 4203 sponsor for the project; and
 4204 (b) an additional amount of money determined by contract with the ~~[department]~~ division
 4205 prior to the initial disbursement of money.
- 4206 (2) Any claim arising under Subsection (1) is a lien against the real property funded under
 4207 this chapter.
- 4208 (3)(a) Any money returned to the ~~[department]~~ division under Subsection (1) from a
 4209 housing sponsor that received funds from the Economic Revitalization and

4210 Investment Fund shall be deposited in the Economic Revitalization and Investment
4211 Fund.

4212 (b) Any money returned to the [~~department~~] division under Subsection (1) from a
4213 housing sponsor that received funds from the Rural Housing Fund shall be deposited
4214 in the Rural Housing Fund.

4215 Section 59. Section **63N-22-315**, which is renumbered from Section 35A-8-513 is renumbered
4216 and amended to read:

4217 **[35A-8-513] 63N-22-315 (Effective 07/01/26). Annual accounting.**

4218 (1) The [~~executive director~~] housing coordinator shall monitor the activities of recipients of
4219 funds from the Economic Revitalization and Investment Fund and the Rural Housing
4220 Fund on a yearly basis to ensure compliance with the terms and conditions imposed on
4221 the recipient by the [~~executive director~~] housing coordinator with the approval of the
4222 board.

4223 (2)(a) A housing sponsor that receives funds from the Economic Revitalization and
4224 Investment Fund shall provide the [~~executive director~~] housing coordinator with an
4225 annual accounting of how the money the entity received from the Economic
4226 Revitalization and Investment Fund has been spent and evidence that the
4227 commitment described in [~~Subsection 35A-8-509(5)~~] Section 63N-22-310 has been
4228 met.

4229 (b) A housing sponsor that receives funds from the Rural Housing Fund shall provide
4230 the [~~executive director~~] housing coordinator with an annual accounting of how the
4231 money the entity received from the Rural Housing Fund has been spent and evidence
4232 that the commitment described in [~~Subsection 35A-8-509.5(5)~~] Section 63N-22-311
4233 has been met.

4234 (3) The [~~executive director~~] housing coordinator shall make an annual report to the board
4235 accounting for the expenditures authorized by the board under the Economic
4236 Revitalization and Investment Fund and the Rural Housing Fund.

4237 (4) The board shall submit a report to the [~~department~~] office for inclusion in the annual
4238 written report described in Section [~~35A-1-109~~] 63N-1a-306 that includes:

4239 (a) an accounting for expenditures authorized by the board; and

4240 (b) an evaluation of the effectiveness of each program.

4241 Section 60. Section **63N-22-316**, which is renumbered from Section 35A-8-2401 is renumbered
4242 and amended to read:

4243 **[35A-8-2401] 63N-22-316 (Effective 07/01/26). Pass-through funding agreements**

- 4244 -- **Accounting for expenditures of a housing organization.**
- 4245 (1) As used in this section:
- 4246 (a) "Housing organization" means an entity that:
- 4247 (i) manages a portfolio of investments;
- 4248 (ii) is dedicated to the preservation, enhancement, improvement, and rehabilitation of
- 4249 affordable housing through property investment; and
- 4250 (iii) is controlled by a registered nonprofit.
- 4251 (b) "Pass-through funding" means state money appropriated by the Legislature to the [
- 4252 department] division with the intent that the [department] division grant or otherwise
- 4253 disburse the state money to a third party.
- 4254 (c) "Rural" means the same as that term is defined in Section [~~35A-8-501~~] 63N-22-301.
- 4255 (2)(a) This section applies to funds appropriated by the Legislature to the [department]
- 4256 division for pass-through to a housing organization.
- 4257 (b) The [department] division shall ensure that pass-through funding granted or
- 4258 distributed before May 1, 2024 to a housing organization is subject to an agreement
- 4259 as described in this section, either through amending existing agreements or
- 4260 canceling existing agreements and issuing new agreements.
- 4261 (3)(a) The [department] division shall create agreements governing the use of
- 4262 pass-through funding as described in this section.
- 4263 (b) Before a housing organization may accept pass-through funding [~~pursuant to~~] in
- 4264 accordance with this section, the entity shall enter into an agreement with the [
- 4265 department] division governing the use of pass-through funding.
- 4266 (4) An agreement for pass-through funding shall require, at a minimum:
- 4267 (a) the housing organization match pass-through funding with private funding at no less
- 4268 than a 70% private, 30% state split;
- 4269 (b) all pass-through funding be used by the housing organization to invest in housing
- 4270 units that are rented at rates affordable to households with an annual income at or
- 4271 below 80% of the area median income for a family within the county in which the
- 4272 housing is located;
- 4273 (c) that 50% of pass-through funding be used by the housing organization to invest in
- 4274 housing units that are rented at rates affordable to households with an annual income
- 4275 at or below 50% of the area median income for a family within the county in which
- 4276 the housing is located;
- 4277 (d) that at least 30% of pass-through funding be used by the housing organization to

- 4278 invest in housing units that are located in a rural county;
- 4279 (e) that any property purchased with pass-through funding be subject to a deed
- 4280 restriction for a minimum of 40 years to ensure the property remains a rental property
- 4281 affordable to households as described in Subsection (4)(b);
- 4282 (f) that returns on investment generated by pass-through funding shall be reinvested by
- 4283 the housing organization the same as if the returns on investment are pass-through
- 4284 funding; and
- 4285 (g) that the housing organization shall provide the division with the following
- 4286 information at the end of each fiscal year:
- 4287 (i) the housing organization's annual audit, including:
- 4288 (A) a third-party independent auditor's findings on the housing organization's
- 4289 compliance with this section and the terms of the housing organization's
- 4290 agreement for pass-through funding; and
- 4291 (B) the audited financial statements for a legal entity used by the housing
- 4292 organization to carry out activities authorized by this section;
- 4293 (ii) allocation of pass-through funds by county and housing type;
- 4294 (iii) progress and status of funded projects; and
- 4295 (iv) impact of pass-through funds on the availability of affordable housing across the
- 4296 state and by region.
- 4297 (5) The ~~[department]~~ division shall include in the annual written report described in Section [
- 4298 ~~35A-1-109]~~ 63N-1a-306 a report accounting for the expenditures authorized by a housing
- 4299 organization ~~[pursuant to]~~ in accordance with an agreement with the ~~[department]~~ division.
- 4300 Section 61. Section **63N-22-401**, which is renumbered from Section 35A-8-2102 is renumbered
- 4301 and amended to read:

4302 **Part 4. Private Activity Bonds**

4303 **~~[35A-8-2102]~~ 63N-22-401 (Effective 07/01/26). Definitions.**

4304 As used in this part:

- 4305 (1) "Allocated volume cap" means a volume cap for which:
- 4306 (a) a certificate of allocation is in effect; or
- 4307 (b) bonds have been issued.
- 4308 (2) "Allotment accounts" means the various accounts created in Section ~~[35A-8-2106]~~
- 4309 63N-22-405.
- 4310 (3) "Board of review" means the Private Activity Bond Review Board created in Section [
- 4311 ~~35A-8-2103]~~ 63N-22-402.

- 4312 (4) "Bond" means any obligation for which an allocation of volume cap is required by the
4313 code.
- 4314 (5) "Code" means the Internal Revenue Code of 1986, as amended, and any related Internal
4315 Revenue Service regulations.
- 4316 (6) "Form 8038" means the Department of the Treasury tax form 8038 (OMB No.
4317 1545-0720) or any other federal tax form or other method of reporting required by the
4318 Department of the Treasury under Section 149(e) of the code.
- 4319 (7) "Issuing authority" means:
- 4320 (a) any county, city, or town in the state;
- 4321 (b) any not-for-profit corporation or joint agency, or other entity acting on behalf of one
4322 or more counties, cities, towns, or any combination of these;
- 4323 (c) the state; or
- 4324 (d) any other entity authorized to issue bonds under state law.
- 4325 (8) "State" means the state of Utah and any ~~[of its]~~ state agencies, institutions, and divisions
4326 authorized to issue bonds or certificates under state law.
- 4327 (9) "Volume cap" means the private activity bond volume cap for the state as computed
4328 under Section 146 of the code.
- 4329 (10) "Year" means each calendar year.

4330 Section 62. Section **63N-22-402**, which is renumbered from Section 35A-8-2103 is renumbered
4331 and amended to read:

4332 **~~[35A-8-2103] 63N-22-402 (Effective 07/01/26). Private Activity Bond Review~~**
4333 **Board.**

- 4334 (1) There is created within the ~~[department]~~ division the Private Activity Bond Review
4335 Board, composed of the following 11 members:
- 4336 (a)(i) ~~[the executive director of the department or the executive director's designee]~~
4337 the housing coordinator or the housing coordinator's designee;
- 4338 (ii) the executive director ~~[of the Governor's Office of Economic Opportunity]~~ or the
4339 executive director's designee;
- 4340 (iii) the state treasurer or the state treasurer's designee;
- 4341 (iv) the chair of the Utah Board of Higher Education or the chair's designee; and
- 4342 (v) the chair of the Utah Housing Corporation or the chair's designee; and
- 4343 (b) six local government members who are:
- 4344 (i) three elected or appointed county officials, nominated by the Utah Association of
4345 Counties and appointed or reappointed by the governor with the advice and

- 4346 consent of the Senate and in accordance with Title 63G, Chapter 24, Part 2,
 4347 Vacancies; and
- 4348 (ii) three elected or appointed municipal officials, nominated by the Utah League of
 4349 Cities and Towns and appointed or reappointed by the governor with the advice
 4350 and consent of the Senate and in accordance with Title 63G, Chapter 24, Part 2,
 4351 Vacancies.
- 4352 (2)(a) Except as required by Subsection (2)(b), the terms of office for the local
 4353 government members of the board of review shall be four-year terms.
- 4354 (b) Notwithstanding the requirements of Subsection (2)(a), the governor shall, at the
 4355 time of appointment or reappointment, adjust the length of terms to ensure that the
 4356 terms of board of review members are staggered so that approximately half of the
 4357 board of review is appointed every two years.
- 4358 (c) Members may be reappointed only once.
- 4359 (3)(a) If a local government member ceases to be an elected or appointed official of the
 4360 city or county the member is appointed to represent, that membership on the board of
 4361 review terminates immediately and there shall be a vacancy in the membership.
- 4362 (b) When a vacancy occurs in the local government membership for any reason:
- 4363 (i) the Utah Association of Counties or the Utah League of Cities and Towns shall,
 4364 within 30 days after the date of the vacancy, nominate an official described in
 4365 Subsection (1)(b)(i) or (ii), as applicable, to fill the vacancy; and
- 4366 (ii) the governor shall, with the advice and consent of the Senate in accordance with
 4367 Title 63G, Chapter 24, Part 2, Vacancies, appoint the nominee for the unexpired
 4368 term.
- 4369 (4)(a) The chair of the board of review is the [~~executive director of the department or the~~
 4370 ~~executive director's-~~] housing coordinator or the housing coordinator's designee.
- 4371 (b) The chair is [~~nonvoting except in the case of a tie vote~~] a nonvoting member, except
 4372 that the chair may vote to break a tie vote between the voting members.
- 4373 (5) Six members of the board of review constitute a quorum.
- 4374 (6) Formal action by the board of review requires a majority vote of a quorum.
- 4375 (7) A member may not receive compensation or benefits for the member's service, but may
 4376 receive per diem and travel expenses in accordance with:
- 4377 (a) Section 63A-3-106;
- 4378 (b) Section 63A-3-107; and
- 4379 (c) rules made by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

4380 (8) The chair of the board of review serves as the state official designated under state law to
 4381 make certifications required to be made under Section 146 of the code including the
 4382 certification required by Section 149(e)(2)(F) of the code.

4383 (9) A member appointed to fill a position described in Subsection (1)(b) shall comply with
 4384 the conflict of interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of
 4385 Interest.

4386 Section 63. Section **63N-22-403**, which is renumbered from Section 35A-8-2104 is renumbered
 4387 and amended to read:

4388 **[35A-8-2104] 63N-22-403 (Effective 07/01/26). Powers, functions, and duties of**
 4389 **the board of review.**

4390 The board of review shall:

- 4391 (1) make, subject to the limitations of the code, allocations of volume cap to issuing
 4392 authorities;
- 4393 (2) determine the amount of volume cap to be allocated with respect to approved
 4394 applications;
- 4395 (3) maintain a record of all applications filed by issuing authorities under Section [
 4396 35A-8-2105] 63N-22-404 and all certificates of allocation issued under Section [
 4397 35A-8-2107] 63N-22-406;
- 4398 (4) maintain a record of all bonds issued by issuing authorities during each year;
- 4399 (5) determine the amount of volume cap to be treated as a carryforward under Section
 4400 146(f) of the code and allocate this carryforward to one or more qualified carryforward
 4401 purposes;
- 4402 (6) make available upon reasonable request a certified copy of all or any part of the records
 4403 maintained by the board of review under this part or a summary of them, including
 4404 information relating to the volume cap for each year and any amounts available for
 4405 allocation under this part;
- 4406 (7) make rules for the allocation of volume cap under this part; and
- 4407 (8) charge reasonable fees for the performance of duties prescribed by this part, including
 4408 application, filing, and processing fees.

4409 Section 64. Section **63N-22-404**, which is renumbered from Section 35A-8-2105 is renumbered
 4410 and amended to read:

4411 **[35A-8-2105] 63N-22-404 (Effective 07/01/26). Allocation of volume cap.**

4412 (1)(a) Subject to Subsection (1)(b), the volume cap for each year shall be distributed by
 4413 the board of review to the allotment accounts as described in Section [35A-8-2106]

- 4414 63N-22-405.
- 4415 (b) The board of review may distribute up to 50% of each increase in the volume cap for
4416 use in development that occurs in quality growth areas, depending upon the board's
4417 analysis of the relative need for additional volume cap between development in
4418 quality growth areas and the allotment accounts under Section [~~35A-8-2106~~]
4419 63N-22-405.
- 4420 (2) To obtain an allocation of the volume cap, issuing authorities shall submit to the board
4421 of review an application containing information required by the procedures and
4422 processes of the board of review.
- 4423 (3)(a) The board of review shall establish criteria for making allocations of volume cap
4424 that are consistent with the purposes of the code and this part.
- 4425 (b) In making an allocation of volume cap the board of review shall consider the
4426 following:
- 4427 (i) the principal amount of the bonds proposed to be issued;
- 4428 (ii) the nature and the location of the project or the type of program;
- 4429 (iii) the likelihood that the bonds will be sold and the timeframe of bond issuance;
- 4430 (iv) whether the project or program could obtain adequate financing without an
4431 allocation of volume cap;
- 4432 (v) the degree to which an allocation of volume cap is required for the project or
4433 program to proceed or continue;
- 4434 (vi) the social, health, economic, and educational effects of the project or program on
4435 the local community and state as a whole;
- 4436 (vii) the anticipated economic development created or retained within the local
4437 community and the state as a whole;
- 4438 (viii) the anticipated number of jobs, both temporary and permanent, created or
4439 retained within the local community and the state as a whole; and
- 4440 (ix) if the project is a residential rental project, the degree to which the residential
4441 rental project:
- 4442 (A) targets lower income populations; and
- 4443 (B) is accessible housing.
- 4444 (4) The board of review shall provide evidence of an allocation of volume cap by issuing a
4445 certificate in accordance with Section [~~35A-8-2107~~] 63N-22-406.
- 4446 (5)(a) Subject to Subsection (5)(c), from January 1 to June 30 of each year, the board of
4447 review shall set aside at least 50% of the Small Issue Bond Account that may only be

4448 allocated to manufacturing projects.

4449 (b) Subject to Subsection (5)(c), from July 1 to August 15 of each year, the board of
4450 review shall set aside at least 50% of the Pool Account that may only be allocated to
4451 manufacturing projects.

4452 (c) The board of review is not required to set aside any unused volume cap under
4453 Subsection [35A-8-2106(2)(e)] 65N-22-45(2)(c) to satisfy the requirements of
4454 Subsection (5)(a) or (b).

4455 Section 65. Section **63N-22-405**, which is renumbered from Section 35A-8-2106 is renumbered
4456 and amended to read:

4457 **[35A-8-2106] 63N-22-405 (Effective 07/01/26). Allotment accounts.**

4458 (1) There are created the following allotment accounts:

4459 (a) the Single Family Housing Account, for which eligible issuing authorities are those
4460 authorized under the code and state statute to issue qualified mortgage bonds under
4461 Section 143 of the code;

4462 (b) the Student Loan Account, for which eligible issuing authorities are those authorized
4463 under the code and state statute to issue qualified student loan bonds under Section
4464 144(b) of the code;

4465 (c) the Small Issue Bond Account, for which eligible issuing authorities are those
4466 authorized under the code and state statute to issue:

4467 (i) qualified small issue bonds under Section 144(a) of the code;

4468 (ii) qualified exempt facility bonds for qualified residential rental projects under
4469 Section 142(d) of the code; or

4470 (iii) qualified redevelopment bonds under Section 144(c) of the code;

4471 (d) the Exempt Facilities Account, for which eligible issuing authorities are those
4472 authorized under the code and state statute to issue any bonds requiring an allocation
4473 of volume cap other than for purposes described in Subsection (1)(a), (b), or (c);

4474 (e) the Pool Account, for which eligible issuing authorities are those authorized under
4475 the code and state statute to issue any bonds requiring an allocation of volume cap;
4476 and

4477 (f) the Carryforward Account, for which eligible issuing authorities are those with
4478 projects or programs qualifying under Section 146(f) of the code.

4479 (2)(a) The volume cap shall be distributed to the allotment accounts on January 1 of
4480 each year on the following basis:

4481 (i) 42% to the Single Family Housing Account;

- 4482 (ii) 33% to the Student Loan Account;
- 4483 (iii) 1% to the Exempt Facilities Account; and
- 4484 (iv) 24% to the Small Issue Bond Account.
- 4485 (b) From July 1 to September 30 of each year, the board of review may transfer any
- 4486 unallocated volume cap from the Exempt Facilities Account or the Small Issue Bond
- 4487 Account to the Pool Account.
- 4488 (c) Upon written notification by the issuing authorities eligible for volume cap allocation
- 4489 from the Single Family Housing Account or the Student Loan Account that all or a
- 4490 portion of volume cap distributed into that allotment account will not be used, the
- 4491 board of review may transfer the unused volume cap to any other allotment account.
- 4492 (d) From October 1 to the third Friday of December of each year, the board of review
- 4493 shall transfer all unallocated volume cap into the Pool Account.
- 4494 (e) On the third Saturday of December of each year, the board of review shall transfer
- 4495 uncollected volume cap, or allocated volume cap for which bonds have not been
- 4496 issued prior to the third Saturday of December, into the Carryforward Account.
- 4497 (f) If the authority to issue bonds designated in any allotment account is rescinded by
- 4498 amendment to the code, the board of review may transfer any unallocated volume cap
- 4499 from that allotment account to any other allotment account.

4500 Section 66. Section **63N-22-406**, which is renumbered from Section 35A-8-2107 is renumbered

4501 and amended to read:

4502 **[35A-8-2107] 63N-22-406 (Effective 07/01/26). Certificates of allocation.**

- 4503 (1)(a) After an allocation of volume cap for a project or program is approved by the
- 4504 board of review, the board of review shall issue a numbered certificate of allocation
- 4505 stating the amount of the allocation, the allotment account for which the allocation is
- 4506 being made, and the expiration date of the allocation.
- 4507 (b) The certificates of allocation shall be mailed to the issuing authority within 10
- 4508 working days of the date of approval.
- 4509 (c) Bonds are not entitled to any allocation of the volume cap unless the issuing
- 4510 authority received a certificate of allocation with respect to the bonds.
- 4511 (d)(i) Certificates of allocation shall remain in effect for a period of 90 days from the
- 4512 date of approval.
- 4513 (ii) If bonds for which a certificate has been approved are not issued within the
- 4514 90-day period, the certificate of allocation is void and volume cap shall be
- 4515 returned to the applicable allotment account for reallocation by the board of

4516 review.

4517 (2)(a) An issuing authority receiving an allocation of volume cap from the Carryforward
4518 Account shall receive a certificate of allocation similar to the certificates of allocation
4519 described in Subsection (1) from the board of review stating the amount of allocation
4520 from the Carryforward Account that has been allocated to the issuing authority and
4521 the expiration of the allocation.

4522 (b)(i) If in the judgment of the board of review an issuing authority or a person or
4523 entity responsible for a project or program receiving an allocation from the
4524 Carryforward Account does not proceed with diligence in providing for the
4525 issuance of the bonds with respect to the project or program, and because of the
4526 lack of diligence the volume cap cannot be used, the board of review may exclude
4527 from the board of review's consideration for a given period of time, determined by
4528 the board of review, an application of the issuing authority, person, or entity.

4529 (ii) The board of review may, at any time, review and modify the board of review's
4530 decisions relating to the exclusion described in this Subsection (2)(b).

4531 Section 67. Section **63N-22-407**, which is renumbered from Section 35A-8-2108 is renumbered
4532 and amended to read:

4533 **[35A-8-2108] 63N-22-407 (Effective 07/01/26). Issuing authorities -- Limitations**
4534 **-- Duties.**

4535 (1)(a) Notwithstanding any law to the contrary, an issuing authority issuing bonds
4536 without a certificate of allocation issued under Section [35A-8-2107] 63N-22-406, or
4537 an issuing authority issuing bonds after the expiration of a certificate of allocation, is
4538 not entitled to an allocation of the volume cap for those bonds.

4539 (b) An issuing authority issuing bonds in excess of the amount set forth in the related
4540 certificate of allocation is not entitled to an allocation of the volume cap for the
4541 excess.

4542 (2) Each issuing authority shall:

4543 (a) advise the board of review, within 15 days after the issuance of bonds, of the
4544 principal amount of bonds issued under each certificate of allocation by delivering to
4545 the board of review a copy of the Form 8038 that was delivered or shall be delivered
4546 to the Internal Revenue Service in connection with the bonds, or, if no Form 8038 is
4547 required to be delivered to the Internal Revenue Service, a completed copy of a Form
4548 8038 prepared for the board of review with respect to the bonds; and

4549 (b) if all or a stated portion of the bonds for which a certificate of allocation was

4550 received will not be issued, advise the board of review in writing, within 15 days of
4551 the earlier of:

- 4552 (i) the final decision not to issue all or a stated portion of the bonds; or
4553 (ii) the expiration of the certificate of allocation.

4554 (3) Failure by an issuing authority to notify the board of review under Subsection (2),
4555 including failure to timely deliver a Form 8038, may, in the sole discretion of the board
4556 of review, result in the board of review denying further consideration of applications
4557 from the issuing authority.

4558 Section 68. Section **63N-22-408**, which is renumbered from Section 35A-8-2109 is renumbered
4559 and amended to read:

4560 **[35A-8-2109] 63N-22-408 (Effective 07/01/26). Procedures -- Adjudicative**
4561 **proceedings.**

4562 The board of review shall comply with the procedures and requirements of Title 63G,
4563 Chapter 4, Administrative Procedures Act, in the board of review's adjudicative proceedings.

4564 Section 69. Section **63N-22-409**, which is renumbered from Section 35A-8-2110 is renumbered
4565 and amended to read:

4566 **[35A-8-2110] 63N-22-409 (Effective 07/01/26). Duties of the division.**

4567 (1) The [~~department~~] division is recognized as an issuing authority, as defined in Section [
4568 35A-8-2102] 63N-22-401, entitled to issue bonds from the Small Issue Bond Account
4569 created in Subsection [~~35A-8-2106(1)(e)~~] 63N-22-405(1)(c) as a part of the state's private
4570 activity bond volume cap authorized by the Internal Revenue Code and computed under
4571 Section 146, Internal Revenue Code.

4572 (2) To promote and encourage the issuance of bonds from the Small Issue Bond Account
4573 for manufacturing projects, the [~~department~~] division may:

- 4574 (a) develop campaigns and materials that inform qualified small manufacturing
4575 businesses about the existence of the program and the application process;
4576 (b) assist small businesses in applying for and qualifying for these bonds; and
4577 (c) develop strategies to lower the cost to small businesses of applying for and
4578 qualifying for these bonds, including making arrangements with financial advisors,
4579 underwriters, bond counsel, and other professionals involved in the issuance process
4580 to provide services at a reduced rate when the [~~department~~] division can provide such
4581 service providers with a high volume of applicants or issues.

4582 Section 70. Section **63N-22-501**, which is renumbered from Section 35A-8-301 is renumbered
4583 and amended to read:

Part 5. Community Impact Fund

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~~[35A-8-301]~~ 63N-22-501 (Effective 07/01/26). Legislative policy.

- (1) Funds received by the state from federal mineral lease revenues under Section 59-21-2, bonus payments on federal oil shale lease tracts U-A and U-B, and all other bonus payments on federal mineral leases are to be used for planning, construction and maintenance of public facilities, and provision of public service, subject to the limitations provided for in Section 35 of the Mineral Leasing Act of 1920 (41 Stat. 450, 30 U.S.C. Sec. 191).
- (2) To the extent allowed under the Mineral Leasing Act, any ambiguity as to whether a particular use of the lease revenue and bonus payments described in Subsection (1) is a permissible use under this part shall be resolved in favor of upholding the use.
- (3) Priority for the use of the funds described in Subsection (1) shall be given to those communities designated as impacted by the development of natural resources covered by the Mineral Leasing Act.
- (4) The policy of this state is to promote cooperation and coordination between the state and the state's agencies and political subdivisions with individuals, firms, and business organizations engaged in the development of the natural resources of this state.

Section 71. Section **63N-22-502**, which is renumbered from Section 35A-8-302 is renumbered and amended to read:

~~[35A-8-302]~~ 63N-22-502 (Effective 07/01/26). Definitions.

As used in this part:

- (1) "Bonus payments" means that portion of the bonus payments received by the United States government under the Leasing Act paid to the state under Section 35 of the Leasing Act, 30 U.S.C. Sec. 191, together with any interest that had accrued on those payments.
- (2) "Impact board" means the Permanent Community Impact Fund Board created under Section ~~[35A-8-304]~~ 63N-22-504.
- (3) "Impact fund" means the Permanent Community Impact Fund established by this chapter.
- (4) "Interlocal agency" means a legal or administrative entity created by a subdivision or combination of subdivisions under the authority of Title 11, Chapter 13, Interlocal Cooperation Act.
- (5) "Leasing Act" means the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec. 181 et seq.
- (6) "Qualifying sales and use tax distribution reduction" means that, for the calendar year

4618 beginning on January 1, 2008, the total sales and use tax distributions a city received
4619 under Section 59-12-205 were reduced by at least 15% from the total sales and use tax
4620 distributions the city received under Section 59-12-205 for the calendar year beginning
4621 on January 1, 2007.

4622 (7)(a) "Planning" means any of the following performed by or on behalf of the state, a
4623 subdivision, or an interlocal agency:

- 4624 (i) a study, analysis, plan, or survey; or
- 4625 (ii) activities necessary to obtain a permit or land use approval, including review to
4626 determine the need, cost, or feasibility of obtaining a permit or land use approval.

4627 (b) "Planning" includes:

- 4628 (i) the preparation of maps and guidelines;
- 4629 (ii) land use planning;
- 4630 (iii) a study or analysis of:
 - 4631 (A) the social or economic impacts associated with natural resource development;
 - 4632 (B) the demand for the transportation of individuals or goods;
 - 4633 (C) state, regional, and local development and growth;
 - 4634 (D) population and employment;
 - 4635 (E) development related to natural resources; and
 - 4636 (F) as related to any other activity described in this Subsection (7), engineering,
4637 financial analysis, legal analysis, or any other analysis helpful to the state,
4638 subdivision, or interlocal agency; and
- 4639 (iv) any activity described in this Subsection (7) regardless of whether the activity is
4640 for a public facility or a public service.

4641 (8) "Public facility" means a facility:

- 4642 (a) in whole or in part, owned, controlled, or operated by the state, a subdivision, or an
4643 interlocal agency; and
- 4644 (b) that serves a public purpose.

4645 (9)(a) "Public service" means a service that:

- 4646 (i) is provided, in whole or in part, by or on behalf of the state, a subdivision, or an
4647 interlocal agency; and
- 4648 (ii) serves a public purpose.

4649 (b) "Public service" includes:

- 4650 (i) a service described in Subsection (9)(a) regardless of whether the service is
4651 provided in connection with a public facility;

- 4652 (ii) the cost of providing a service described in Subsection (9)(a), including
 4653 administrative costs, wages, and legal fees; and
 4654 (iii) a contract with a public postsecondary institution to fund research, education, or
 4655 a public service program.

4656 (10) "Subdivision" means a county, city, town, county service area, special service district,
 4657 special improvement district, water conservancy district, water improvement district,
 4658 sewer improvement district, housing authority, building authority, school district, or
 4659 public postsecondary institution organized under the laws of this state.

4660 (11)(a) "Throughput infrastructure project" means the following facilities, whether
 4661 located within, partially within, or outside of the state:

- 4662 (i) a bulk commodities ocean terminal;
 4663 (ii) a pipeline for the transportation of liquid or gaseous hydrocarbons;
 4664 (iii) electric transmission lines and ancillary facilities;
 4665 (iv) a shortline freight railroad and ancillary facilities;
 4666 (v) a plant or facility for storing, distributing, or producing hydrogen, including the
 4667 liquification of hydrogen, for use as a fuel in zero emission motor vehicles, for
 4668 electricity generation, or for industrial use;
 4669 (vi) a plant for the production of zero emission hydrogen fueled trucks; or
 4670 (vii) a mining facility described in Subsection [~~35A-8-309(9)~~] 63N-22-508(9).

4671 (b) "Throughput infrastructure project" includes:

- 4672 (i) an ownership interest or a joint or undivided ownership interest in a facility;
 4673 (ii) a membership interest in the owner of a facility; or
 4674 (iii) a contractual right, whether secured or unsecured, to use all or a portion of the
 4675 throughput, transportation, or transmission capacity of a facility.

4676 Section 72. Section **63N-22-503**, which is renumbered from Section 35A-8-303 is renumbered
 4677 and amended to read:

4678 **[~~35A-8-303~~] 63N-22-503 (Effective 07/01/26). Permanent Community Impact**
 4679 **Fund -- Deposits and contents -- Use of fund money.**

4680 (1) There is created an enterprise fund entitled the "Permanent Community Impact Fund."

4681 (2) The fund consists of:

- 4682 (a) all amounts appropriated to the impact fund under Section 59-21-2;
 4683 (b) bonus payments deposited to the impact fund under Subsection 59-21-1(2);
 4684 (c) all amounts appropriated to the impact fund under Section 53C-3-203;
 4685 (d) all amounts received for the repayment of loans made by the impact board under this

- 4686 chapter; and
- 4687 (e) all other money appropriated or otherwise made available to the impact fund by the
- 4688 Legislature.
- 4689 (3) The state treasurer shall:
- 4690 (a) invest the money in the impact fund by following the procedures and requirements of
- 4691 Title 51, Chapter 7, State Money Management Act; and
- 4692 (b) deposit all interest or other earnings derived from those investments into the impact
- 4693 fund.
- 4694 (4) The amounts in the impact fund available for loans, grants, administrative costs, or other
- 4695 purposes of this part shall be limited to that which the Legislature appropriates for these
- 4696 purposes.
- 4697 (5) Federal mineral lease revenue received by the state under the Leasing Act that is
- 4698 deposited into the impact fund shall be used:
- 4699 (a) in a manner consistent with the provisions of:
- 4700 (i) the Leasing Act; and
- 4701 (ii) this part; and
- 4702 (b) for loans, grants, or both to state agencies or subdivisions that are socially or
- 4703 economically impacted by the leasing of minerals under the Leasing Act.
- 4704 (6) The money described in Subsection (2)(c) shall be used for grants to political
- 4705 subdivisions of the state to mitigate the impacts resulting from the development or use of
- 4706 school and institutional trust lands.

4707 Section 73. Section **63N-22-504**, which is renumbered from Section 35A-8-304 is renumbered

4708 and amended to read:

4709 **~~[35A-8-304]~~ 63N-22-504 (Effective 07/01/26). Permanent Community Impact**

4710 **Fund Board.**

- 4711 (1) There is created within the [~~department~~] division the Permanent Community Impact
- 4712 Fund Board composed of 11 members as follows:
- 4713 (a) the state treasurer or the state treasurer's designee;
- 4714 (b) the chair of the Transportation Commission or the chair's designee;
- 4715 (c) the executive director of the Governor's Office of Planning and Budget or the
- 4716 executive director's designee;
- 4717 (d) a locally elected official who resides in Carbon, Emery, Grand, or San Juan County;
- 4718 (e) a locally elected official who resides in Juab, Millard, Sanpete, Sevier, Piute, or
- 4719 Wayne County;

- 4720 (f) a locally elected official who resides in Duchesne, Daggett, or Uintah County;
- 4721 (g) a locally elected official who resides in Beaver, Iron, Washington, Garfield, or Kane
- 4722 County;
- 4723 (h) a locally elected official from the county that:
- 4724 (i) produced the most mineral lease money related to oil extraction during the
- 4725 four-year period immediately preceding the term of appointment, as determined
- 4726 by the [department] division at the end of each term; and
- 4727 (ii) does not already have a representative on the impact board;
- 4728 (i) a locally elected official from the county that:
- 4729 (i) produced the most mineral lease money related to natural gas extraction during the
- 4730 four-year period immediately preceding the term of appointment, as determined
- 4731 by the [department] division at the end of each term; and
- 4732 (ii) does not already have a representative on the impact board;
- 4733 (j) a locally elected official from the county that:
- 4734 (i) produced the most mineral lease money related to coal extraction during the
- 4735 four-year period immediately preceding the term of appointment, as determined
- 4736 by the [department] division at the end of each term; and
- 4737 (ii) does not already have a representative on the impact board; and
- 4738 (k) an individual who resides in a county of the third, fourth, fifth, or sixth class,
- 4739 appointed by the governor with the advice and consent of the Senate in accordance
- 4740 with Title 63G, Chapter 24, Part 2, Vacancies.
- 4741 (2)(a) The members specified under Subsections (1)(d) through (j) may not reside in the
- 4742 same county and shall be:
- 4743 (i) nominated by the Board of Directors of the Southeastern Association of Local
- 4744 Governments, the Six County Association of Governments, the Uintah Basin
- 4745 Association of Governments, and the Five County Association of Governments,
- 4746 respectively, except that the members specified under Subsections (1)(h) through
- 4747 (j) shall be nominated by the Board of Directors of the Association of
- 4748 Governments from the region of the state in which the county is located; and
- 4749 (ii) appointed by the governor with the advice and consent of the Senate in
- 4750 accordance with Title 63G, Chapter 24, Part 2, Vacancies.
- 4751 (b) Except as required by Subsection (2)(c), as terms of current board members expire,
- 4752 the governor shall appoint each new member or reappointed member to a four-year
- 4753 term.

- 4754 (c) Notwithstanding the requirements of Subsection (2)(b), the governor shall, at the
 4755 time of appointment or reappointment, adjust the length of terms to ensure that the
 4756 terms of board members are staggered so that approximately half of the board is
 4757 appointed every two years.
- 4758 (d) When a vacancy occurs in the membership for any reason, the replacement shall be
 4759 appointed for the unexpired term.
- 4760 (3) When the governor makes a new appointment or reappointment under Subsection (2)(b),
 4761 or a vacancy appointment under Subsection (2)(d), the governor's new appointment,
 4762 reappointment, or vacancy appointment shall be made with the advice and consent of the
 4763 Senate in accordance with Title 63G, Chapter 24, Part 2, Vacancies.
- 4764 (4) The terms of office for the members specified under Subsections (1)(a) through (c) shall
 4765 run concurrently with the term of office for the commission, department, or office from
 4766 which each member comes.
- 4767 (5)(a) The member specified under Subsection (1)(k) is the chair of the impact board.
 4768 (b) The chair of the impact board is responsible for the call and conduct of meetings.
- 4769 (6) A member may not receive compensation or benefits for the member's service, but may
 4770 receive per diem and travel expenses in accordance with:
 4771 (a) Section 63A-3-106;
 4772 (b) Section 63A-3-107; and
 4773 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
 4774 63A-3-107.
- 4775 (7) A member described in Subsections (1)(d) through (k) shall comply with the conflict of
 4776 interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.
- 4777 (8)(a) A majority of the members of the impact board constitutes a quorum.
 4778 (b) Action by a majority vote of a quorum of the impact board constitutes action by the
 4779 impact board.
- 4780 (9) The [department] division shall provide staff support to the impact board.
 4781 Section 74. Section **63N-22-505**, which is renumbered from Section 35A-8-305 is renumbered
 4782 and amended to read:
 4783 **[35A-8-305] 63N-22-505 (Effective 07/01/26). Powers, functions, and duties of the**
 4784 **impact board.**
- 4785 (1) The impact board shall:
 4786 (a) [make-] award grants and loans from the amounts appropriated by the Legislature out
 4787 of the impact fund to state agencies, subdivisions, and interlocal agencies that are or

- 4788 may be socially or economically impacted, directly or indirectly, by mineral resource
 4789 development for:
- 4790 (i) planning;
 - 4791 (ii) construction and maintenance of public facilities; and
 - 4792 (iii) provision of public services;
- 4793 (b) establish the criteria by which the loans and grants will be ~~made~~ awarded;
- 4794 (c) determine the order in which projects will be funded;
- 4795 (d) in ~~conjunction~~ cooperation with other agencies of the state, subdivisions, or
 4796 interlocal agencies, conduct studies, investigations, and research into the effects of
 4797 proposed mineral resource development projects upon local communities;
- 4798 (e) sue and be sued in accordance with applicable law;
- 4799 (f) qualify for, accept, and administer grants, gifts, loans, or other funds from:
- 4800 (i) the federal government; and
 - 4801 (ii) other sources, public or private; and
- 4802 (g) perform other duties ~~assigned to it~~ required under Sections 11-13-306 and 11-13-307.
- 4803 (2)(a) ~~Money,~~ Subject to Subsection (2)(b), money, including all loan repayments
 4804 and interest, in the impact fund ~~derived~~ received from bonus payments may be used
 4805 for any ~~of the purposes set forth~~ purpose described in Subsection (1)(a).
- 4806 (b) ~~but~~ Money received under Subsection (2)(a) may only be given in the form of
 4807 interest bearing loans to be paid back into the impact fund by the agency,
 4808 subdivision, or interlocal agency.
- 4809 (3) The impact board may ~~make~~ award a grant or loan under Subsection (1) ~~regardless of~~
 4810 whether the activity results in more than one impact or outcome, including an increase in
 4811 natural resource development or an increase in economic development.
- 4812 (4) If the public service described in Subsection (1)(a) is a contract with a public
 4813 postsecondary institution described in Subsection ~~[35A-8-302(9)(b)(iii)]~~
 4814 63N-22-502(9)(b)(iii), the contract shall be:
- 4815 (a) based on an application to the impact board from the impacted county; and
 - 4816 (b) approved by the county legislative body.
- 4817 (5) The impact board may:
- 4818 (a) appoint, when appropriate, a hearing examiner or administrative law judge with
 4819 authority to conduct hearings, make determinations, and enter appropriate findings of
 4820 facts, conclusions of law, and orders under authority of the impact board in
 4821 accordance with Sections 11-13-306 and 11-13-307;

- 4822 (b) appoint additional professional and administrative staff necessary to perform the
 4823 impact board's duties under Sections 11-13-306 and 11-13-307;
 4824 (c) make independent studies regarding matters submitted to the impact board under
 4825 Sections 11-13-306 and 11-13-307 that the impact board, in the impact board's
 4826 discretion, considers necessary, which studies shall be made a part of the record and
 4827 may be considered in the impact board's determination; and
 4828 (d) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
 4829 Rulemaking Act, to implement this part.

4830 Section 75. Section **63N-22-506**, which is renumbered from Section 35A-8-307 is renumbered
 4831 and amended to read:

4832 **[35A-8-307] 63N-22-506 (Effective 07/01/26). Impact fund administered by**
 4833 **impact board -- Eligibility for assistance -- Review by board -- Administration costs --**
 4834 **Annual report.**

4835 (1)(a) The impact board shall:

- 4836 (i) administer the impact fund in a manner that will keep a portion of the impact fund
 4837 revolving;
 4838 (ii) determine provisions for repayment of loans;
 4839 (iii) establish criteria for determining eligibility for assistance under this part; and
 4840 (iv) consider recommendations from the School and Institutional Trust Lands
 4841 Administration when awarding a grant described in Subsection [35A-8-303(6)]
 4842 63N-22-503(6).

4843 (b)(i) The criteria for awarding loans or grants made from funds described in
 4844 Subsection [35A-8-303(5)-] 63N-22-503(5) shall be consistent with the
 4845 requirements of Subsection [35A-8-303(5)] 63N-22-503(5).

4846 (ii) The criteria for awarding grants made from funds described in Subsection [
 4847 35A-8-303(2)(e)] 63N-22-503(2)(c) shall be consistent with the requirements of
 4848 Subsection [35A-8-303(6)] 63N-22-503(6).

4849 (c) In order to receive assistance under this part, subdivisions and interlocal agencies
 4850 shall submit formal applications containing the information [~~that the impact board~~
 4851 ~~requires] required by the impact board.~~

4852 (2) In determining eligibility for loans and grants under this part, the impact board shall
 4853 consider the following:

- 4854 (a) the subdivision's or interlocal agency's current mineral lease production;
 4855 (b) the feasibility of the actual development or the increased development of a resource

- 4856 that may impact the subdivision or interlocal agency directly or indirectly;
- 4857 (c) current taxes being paid by the subdivision's or interlocal agency's residents;
- 4858 (d) the borrowing capacity of the subdivision or interlocal agency, including:
- 4859 (i) the subdivision's or interlocal agency's ability and willingness to sell bonds or
- 4860 other securities in the open market; and
- 4861 (ii) the subdivision's or interlocal agency's current and authorized indebtedness;
- 4862 (e) all possible additional sources of state and local revenue, including utility user
- 4863 charges;
- 4864 (f) the availability of federal assistance funds;
- 4865 (g) probable growth of population due to actual or prospective natural resource
- 4866 development in an area;
- 4867 (h) existing public facilities and services;
- 4868 (i) the extent of the expected direct or indirect impact upon public facilities and public
- 4869 services of the actual or prospective natural resource development in an area; and
- 4870 (j) the extent of industry participation in an impact alleviation plan, either as [specified]
- 4871 described in Title 63M, Chapter 5, Resource Development Act, or otherwise.
- 4872 (3) The impact board may not fund an education project that [~~could otherwise~~] may have
- 4873 reasonably been funded by a school district through a program of annual budgeting,
- 4874 capital budgeting, bonded indebtedness, or special assessments.
- 4875 (4) The impact board may restructure all or part of the agency's or subdivision's liability to
- 4876 repay loans for extenuating circumstances.
- 4877 (5) The impact board shall:
- 4878 (a) review the proposed uses of the impact fund for loans or grants before approving [
- 4879 ~~them~~] the loan or grant and may condition [~~its~~] approval on whatever assurances the
- 4880 impact board considers necessary to ensure that proceeds of the loan or grant will be
- 4881 used in accordance with the Leasing Act and this part; and
- 4882 (b) ensure that each loan specifies the terms for repayment and is evidenced by general
- 4883 obligation, special assessment, or revenue bonds, notes, or other obligations of the
- 4884 appropriate subdivision or interlocal agency issued to the impact board [~~under~~
- 4885 ~~whatever authority for the issuance of those bonds, notes, or obligations exists at the~~
- 4886 ~~time of the loan~~] by the appropriate authorizing authority that existed at the time of
- 4887 the loan.
- 4888 (6) The impact board shall allocate from the impact fund to the [~~department~~] division those
- 4889 funds that are appropriated by the Legislature for the administration of the impact fund, [

4890 ~~but this amount may not]~~ not to exceed 2% of the annual receipts to the impact fund.

4891 (7) ~~[The department shall include in the annual written report described in Section~~
 4892 ~~35A-1-109, the number and type of loans and grants made as well as a list of~~
 4893 ~~subdivisions and interlocal agencies that received this assistance.]~~ The division shall
 4894 submit a report to the office for inclusion in the annual written report described in
 4895 Section 63N-1a-306, the number and type of loan or grant awarded and the subdivision
 4896 or interlocal agency that received a loan or grant award under this section.

4897 Section 76. Section **63N-22-507**, which is renumbered from Section 35A-8-308 is renumbered
 4898 and amended to read:

4899 **~~[35A-8-308] 63N-22-507 (Effective 07/01/26). Throughput Infrastructure Fund.~~**

4900 (1) There is created an enterprise fund known as the "Throughput Infrastructure Fund."

4901 (2) The fund consists of money generated from the following revenue sources:

4902 (a) amounts transferred to the fund by statute;

4903 (b) ~~[any-]~~voluntary contributions received;

4904 (c) appropriations made to the fund by the Legislature;

4905 (d) the amounts received from the repayment of loans made by the impact board under
 4906 Section ~~[35A-8-309] 63N-22-508~~; and

4907 (e) interest or other earnings deposited under Subsection (3).

4908 (3) The state treasurer shall:

4909 (a) invest the money in the fund ~~[by following the procedures and requirements of]~~ in
 4910 accordance with Title 51, Chapter 7, State Money Management Act; and

4911 (b) deposit the interest or other earnings ~~[derived from those investments into the fund]~~
 4912 into the fund that are received from the investments described in Subsection (3)(a).

4913 Section 77. Section **63N-22-508**, which is renumbered from Section 35A-8-309 is renumbered
 4914 and amended to read:

4915 **~~[35A-8-309] 63N-22-508 (Effective 07/01/26). Throughput Infrastructure Fund~~**
 4916 **administered by impact board -- Uses -- Review by board -- Annual report -- First**
 4917 **project.**

4918 (1) The impact board shall:

4919 (a) make grants and loans from the Throughput Infrastructure Fund created in Section [
 4920 ~~35A-8-308] 63N-22-507 for a throughput infrastructure project;~~

4921 (b) use money transferred to the Throughput Infrastructure Fund in accordance with
 4922 statute to provide a loan or grant to finance the cost of acquisition or construction of a
 4923 throughput infrastructure project to one or more local political subdivisions,

- 4924 including a Utah interlocal agency created under Title 11, Chapter 13, Interlocal
4925 Cooperation Act;
- 4926 (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion of
4927 the fund revolving;
- 4928 (d) determine provisions for repayment of loans;
- 4929 (e) establish criteria for awarding loans and grants; and
- 4930 (f) establish criteria for determining eligibility for assistance under this section.
- 4931 (2) The cost of acquisition or construction of a throughput infrastructure project includes
4932 amounts for working capital, reserves, transaction costs, and other amounts determined
4933 by the impact board to be allocable to a throughput infrastructure project.
- 4934 (3) The impact board may restructure or forgive all or part of a local political subdivision's
4935 or interlocal agency's obligation to repay loans for extenuating circumstances.
- 4936 (4) To receive assistance under this section, a local political subdivision or an interlocal
4937 agency shall submit a formal application containing the information [~~that the impact~~
4938 ~~board requires~~] required by the impact board.
- 4939 (5)(a) The impact board shall:
- 4940 (i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant
4941 before approving the loan or grant and may condition [~~its~~] approval on whatever
4942 assurances the impact board considers necessary to ensure that proceeds of the
4943 loan or grant will be used in accordance with this section;
- 4944 (ii) ensure that each loan specifies terms for interest deferments, accruals, and
4945 scheduled principal repayment; and
- 4946 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations
4947 of the appropriate local political subdivision or interlocal agency issued to the
4948 impact board and payable from the net revenues of a throughput infrastructure
4949 project.
- 4950 (b) An instrument described in Subsection (5)(a)(iii) may be:
- 4951 (i) non-recourse to the local political subdivision or interlocal agency; and
- 4952 (ii) limited to a pledge of the net revenues from a throughput infrastructure project.
- 4953 (6)(a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate from
4954 the Throughput Infrastructure Fund to the board those amounts that are appropriated
4955 by the Legislature for the administration of the Throughput Infrastructure Fund.
- 4956 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual receipts
4957 to the Throughput Infrastructure Fund.

- 4958 (7) ~~[The board shall include in the annual written report described in Section 35A-1-109:]~~
4959 ~~[(a) the number and type of loans and grants made under this section; and]~~
4963 ~~[(b) a list of local political subdivisions or interlocal agencies that received assistance~~
4964 ~~under this section.]~~ The impact board
shall submit a
4960 report to the office for inclusion in the annual written report described in Section
4961 63N-1a-306, the number and type of loan or grant awarded and the subdivision or
4962 interlocal agency that received a loan or grant award under this section.
- 4965 (8)(a) The first throughput infrastructure project funded by the impact board shall be a
4966 bulk commodities ocean terminal project financed through a mixture of grant and
4967 loans, of which no less than 20% of the project costs funded by the impact board is
4968 grants.
- 4969 (b) Upon receipt of an application from an interlocal agency for a bulk commodities
4970 ocean terminal project, the impact board shall:
- 4971 (i) grant up to 2% of the money in the Throughput Infrastructure Fund to the
4972 interlocal agency to pay or reimburse costs incurred by the interlocal agency
4973 preliminary to [its] the interlocal agency's acquisition of the throughput
4974 infrastructure project; and
- 4975 (ii) fund the interlocal agency's application if the application meets all criteria
4976 established by the impact board.
- 4977 (9) Notwithstanding Subsection (8) and following the procedures of this section, the impact
4978 board may issue a grant or loan for a throughput infrastructure project other than a bulk
4979 commodities ocean terminal project if the throughput infrastructure project:
- 4980 (a) is funded from the interest or other earnings deposited into the Throughput
4981 Infrastructure Fund;
- 4982 (b) is applied for by a political subdivision or interlocal agency to be distributed to a
4983 private entity described in Subsection (9)(c); and
- 4984 (c) is engaged in by a private entity if the private entity:
- 4985 (i) has the required permits to engage in mining fluorspar or gallium;
- 4986 (ii) will engage in the mining activity in a community within the state that is
4987 economically impacted by the Leasing Act;
- 4988 (iii) will draw money from the loan or grant by no later than two years from the day
4989 on which the impact board awards the loan or grant; and
- 4990 (iv) agrees to reimburse the Throughput Infrastructure Fund in staggered payments

4991 during a period beginning three years from the day on which the impact board
 4992 approves the loan or grant and ending seven years from the day on which the
 4993 impact board approves the loan or grant.

4994 Section 78. Section **63N-22-509**, which is renumbered from Section 35A-8-310 is renumbered
 4995 and amended to read:

4996 **[35A-8-310] 63N-22-509 (Effective 07/01/26). Application -- Retroactivity.**

- 4997 (1) The provisions of Laws of Utah 2021, Chapter 339, apply to any claim for which a court
 4998 of competent jurisdiction has not issued a final unappealable judgment or order.
 4999 (2) The Legislature finds that the provisions of Laws of Utah 2021, Chapter 339:
 5000 (a) do not enlarge, eliminate, or destroy vested rights; and
 5001 (b) clarify application of the law.

5002 Section 79. Section **63N-22-601**, which is renumbered from Section 35A-8-1601 is renumbered
 5003 and amended to read:

5004 **Part 6. Uintah Basin Revitalization Fund**

5005 **[35A-8-1601] 63N-22-601 (Effective 07/01/26). Definitions.**

5006 As used in this part:

- 5007 (1) "Board" means the Uintah Basin Revitalization Fund Board.
 5008 (2) "Capital projects" means expenditures for land, improvements on the land, and
 5009 equipment intended to have long-term beneficial use.
 5010 (3) "County" means:
 5011 (a) Duchesne County; or
 5012 (b) Uintah County.
 5013 (4) "Division" means the [~~Housing and Community Development Division~~] Division of
 5014 Housing and Community Development within the Governor's Office of Economic
 5015 Opportunity.
 5016 (5) "Revitalization Fund" means the Uintah Basin Revitalization Fund.
 5017 (6) "Tribe" means the Ute Indian Tribe of the Uintah and Ouray Reservation.

5018 Section 80. Section **63N-22-602**, which is renumbered from Section 35A-8-1602 is renumbered
 5019 and amended to read:

5020 **[35A-8-1602] 63N-22-602 (Effective 07/01/26). Uintah Basin Revitalization Fund.**

- 5021 (1) In order to maximize the long-term benefit of severance taxes derived from lands held
 5022 in trust by the United States for the Tribe and the Tribe's members by fostering funding
 5023 mechanisms that will, consistent with sound financial practices, result in the greatest use
 5024 of financial resources for the greatest number of citizens of the Uintah Basin, and in

5025 order to promote cooperation and coordination between the state, [its] the state's political
 5026 subdivisions, Indian tribes, and individuals, firms, and business organizations engaged in
 5027 the development of oil and gas interests held in trust for the Tribe and the Tribe's
 5028 members, there is created an expendable special revenue fund entitled the "Uintah Basin
 5029 Revitalization Fund."

5030 (2) The fund consists of all money deposited [tø] into the Revitalization Fund under this part
 5031 and Section 59-5-116.

5032 (3)(a) The Revitalization Fund shall earn interest.

5033 (b) All interest earned on fund money shall be deposited into the fund.

5034 (4)(a) Money required to be deposited into the Uintah Basin Revitalization Fund under
 5035 Section 59-5-116 shall be deposited into the Uintah Basin Revitalization Fund if a
 5036 business or activity fee or tax based on gross receipts has not been imposed by a
 5037 county or the Tribe on oil and gas activities.

5038 (b) Nothing in this section prohibits a county from imposing a charge described in this
 5039 Subsection (4) with respect to any gathering, transmission, or local distribution
 5040 pipeline in which the county owns an interest.

5041 (c) Nothing in this section prohibits the Tribe from imposing a charge described in this
 5042 Subsection (4) with respect to any gathering, transmission, or local distribution
 5043 pipeline in which the Tribe owns an interest.

5044 Section 81. Section **63N-22-603**, which is renumbered from Section 35A-8-1603 is renumbered
 5045 and amended to read:

5046 **[35A-8-1603] 63N-22-603 (Effective 07/01/26). Uintah Basin Revitalization Fund**
 5047 **Board.**

5048 (1) There is created within the division the Revitalization Board composed of five members
 5049 as follows:

5050 (a) the governor or his designee;

5051 (b) a Uintah County commissioner;

5052 (c) a Duchesne County commissioner; and

5053 (d) two representatives of the Business Committee of the Tribe.

5054 (2) The terms of office for the members of the board shall run concurrently with the terms
 5055 of office for the governor, commissioners, and Business Committee of the Tribe.

5056 (3) The governor, or [his] the governor's designee, shall be the chair of the board.

5057 (4) Four board members are a quorum.

5058 (5) All decisions of the board require four affirmative votes.

5059 (6) A member may not receive compensation or benefits for the member's service, but may
5060 receive per diem and travel expenses in accordance with:

5061 (a) Section 63A-3-106;

5062 (b) Section 63A-3-107; and

5063 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
5064 63A-3-107.

5065 Section 82. Section **63N-22-604**, which is renumbered from Section 35A-8-1604 is renumbered
5066 and amended to read:

5067 **[35A-8-1604] 63N-22-604 (Effective 07/01/26). Powers, functions, and duties of**
5068 **the revitalization fund board.**

5069 (1) The board shall:

5070 (a) subject to the other provisions of this part and an agreement entered into under Title
5071 11, Chapter 13, Interlocal Cooperation Act, among the state, the counties, and the
5072 Tribe, make recommendations to the division for grants and loans from the
5073 revitalization fund to county agencies and the Tribe that are or may be socially or
5074 economically impacted, directly or indirectly, by mineral resource development;

5075 (b) establish procedures for application for and award of grants and loans including:

5076 (i) eligibility criteria;

5077 (ii) subject to Subsection [35A-8-1606(2)(b)] 63N-22-605(2)(b), a preference that
5078 capital projects, including subsidized and low-income housing, and other one-time
5079 need projects and programs have priority over other projects;

5080 (iii) a preference for projects and programs that are associated with the geographic
5081 area where the oil and gas were produced; and

5082 (iv) coordination of projects and programs with other projects and programs funded
5083 by federal, state, and local governmental entities;

5084 (c) determine the order in which projects will be funded;

5085 (d) allocate the amount to be distributed from the revitalization fund for grants or loans
5086 to each county and the Tribe during a fiscal year as follows:

5087 (i) up to and including the first \$3,000,000 that is approved for distribution by the
5088 board during a fiscal year, the board may allocate the amount in accordance with
5089 the interlocal agreement described by Subsection (1)(a), except that the board may
5090 not allocate less than 75% of the amount under the interlocal agreement to the
5091 Tribe unless the interlocal agreement is further modified by statute; and

5092 (ii) beginning with fiscal year 2007-08, any amount approved for distribution by the

- 5093 board during that fiscal year in excess of \$3,000,000 shall be allocated equally
 5094 amongst each county and the Tribe so that each receives [~~1/3~~] one-third of the
 5095 amount approved for distribution by the board in excess of \$3,000,000;
- 5096 (e) qualify for, accept, and administer grants, gifts, loans, or other funds from the federal
 5097 government and from other sources, public or private; [~~and~~]
- 5098 (f) perform other duties assigned to [it] the board under the interlocal agreement
 5099 described in Subsection (1)(a) that are not prohibited by law or otherwise modified
 5100 by this part[-] ; and
- 5101 (g) comply with the procedures and requirements of Title 51, Chapter 7, State Money
 5102 Management Act, and Title 52, Chapter 4, Open and Public Meetings Act.
- 5103 (2) The board shall ensure that loan repayments and interest are deposited into the
 5104 revitalization fund.
- 5105 (3) The interlocal agreement described in Subsection (1)(a) shall be consistent with[~~the~~
 5106 ~~following statutes, including any subsequent amendments to those statutes~~]:
- 5107 (a) this part;
- 5108 (b) Title 11, Chapter 13, Interlocal Cooperation Act;
- 5109 (c) Section 59-5-116; and
- 5110 (d) any other applicable provision of [~~this Utah Code~~] state law.
- 5111 (4) The board may:
- 5112 (a) appoint a hearing examiner or administrative law judge with authority to conduct any
 5113 hearings, make determinations, and enter appropriate findings of facts, conclusions of
 5114 law, and orders in accordance with Title 11, Chapter 13, Interlocal Cooperation Act;
 5115 and
- 5116 (b) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
 5117 Rulemaking Act, to implement this part.
- 5118 Section 83. Section **63N-22-605**, which is renumbered from Section 35A-8-1606 is renumbered
 5119 and amended to read:
- 5120 **[~~35A-8-1606~~] 63N-22-605 (Effective 07/01/26). Eligibility for assistance --**
 5121 **Applications -- Review by board -- Terms -- Security.**
- 5122 (1) [~~Counties or the Tribe that wish to receive loans or grants from the board shall submit~~
 5123 ~~formal applications to the board containing the information required by the board.] To
 5124 receive a loan or grant under this part, a county or the Tribe shall submit an application
 5125 to the board that contains the information required by the board.~~
- 5126 (2) The board may not fund:

- 5127 (a) start-up or operational costs of private business ventures; and
 5128 (b) general operating budgets of the counties or the Tribe, except that the Tribe may use
 5129 a grant or loan to fund costs associated with the management and administration of
 5130 energy or mineral development on:
 5131 (i) lands held in trust by the United States for the Tribe and [its] the Tribe's members;
 5132 or
 5133 (ii) lands owned by the Tribe.
- 5134 (3)(a) The board shall review each application for a loan or grant before approving [it] a
 5135 loan or grant application.
- 5136 (b) The board may approve a loan or grant [applications] application subject to the
 5137 applicant's compliance with [~~ertain~~] the conditions established by the board.
- 5138 (c) The board shall:
 5139 (i) ensure that each loan specifies the terms for repayment; and
 5140 (ii) secure the loans by proceeds from any general obligation, special assessment, or
 5141 revenue bonds, notes, or other obligations of the appropriate subdivision.

5142 Section 84. Section **63N-22-606**, which is renumbered from Section 35A-8-1607 is renumbered
 5143 and amended to read:

5144 **[35A-8-1607] 63N-22-606 (Effective 07/01/26). Division to distribute money --**
 5145 **Annual report -- Administration costs.**

- 5146 (1) The division shall distribute loan and grant money if the loan or grant is approved by the
 5147 board.
- 5148 (2) [~~The division shall provide an annual report to the department concerning the number~~
 5149 ~~and type of loans and grants made as well as a list of recipients of this assistance for~~
 5150 ~~inclusion in the department's annual written report described in Section 35A-1-109] The
 5151 division shall submit a report to the office for inclusion in the annual written report
 5152 described in Section 63N-1a-306, the number and type of loan or grant awarded and a
 5153 list of recipients that received a loan or grant award under this part.~~
- 5154 (3) The division, with board approval, may use fund money for the administration of the
 5155 fund, [~~but this amount may~~] not to exceed 2% of the annual receipts to the fund.

5156 Section 85. Section **63N-22-701**, which is renumbered from Section 35A-8-1702 is renumbered
 5157 and amended to read:

5158 **Part 7. Navaho Revitalization Fund**

5159 **[35A-8-1702] 63N-22-701 (Effective 07/01/26). Definitions.**

5160 As used in this part:

- 5161 (1) "Board" means the Navajo Revitalization Fund Board.
- 5162 (2) "Capital project" means an expenditure for land, improvements on the land, or
5163 equipment intended to have long-term beneficial use.
- 5164 (3) "Division" means the [~~Housing and Community Development Division~~] Division of
5165 Housing and Community Development within the Governor's Office of Economic
5166 Opportunity.
- 5167 (4) "Eligible entity" means:
- 5168 (a) the Navajo Nation;
- 5169 (b) a department or division of the Navajo Nation;
- 5170 (c) a Utah Navajo Chapter;
- 5171 (d) the Navajo Utah Commission;
- 5172 (e) an agency of the state or a political subdivision of the state; or
- 5173 (f) a nonprofit corporation.
- 5174 (5) "Navajo Utah Commission" means the commission created by Resolution
5175 IGRJN-134-92 of the Intergovernmental Relations Committee of the Navajo Nation
5176 Council.
- 5177 (6) "Revitalization fund" means the Navajo Revitalization Fund.
- 5178 (7) "Utah Navajo Chapter" means any of the following chapters of the Navajo Nation:
- 5179 (a) Aneth Chapter;
- 5180 (b) Dennehotso Chapter;
- 5181 (c) Mexican Water Chapter;
- 5182 (d) Navajo Mountain Chapter;
- 5183 (e) Oljato Chapter;
- 5184 (f) Red Mesa Chapter; and
- 5185 (g) Teec Nos Pos Chapter.

5186 Section 86. Section **63N-22-702**, which is renumbered from Section 35A-8-1703 is renumbered
5187 and amended to read:

5188 **[35A-8-1703] 63N-22-702 (Effective 07/01/26). Purpose.**

5189 The purpose of this part is to:

- 5190 (1) maximize the long-term benefit of state severance taxes derived from lands in Utah held
5191 in trust by the United States for the Navajo Nation and [~~its~~] the Navajo Nation members
5192 by fostering funding mechanisms that will, consistent with sound financial practices,
5193 result in the greatest use of financial resources for the greatest number of citizens of San
5194 Juan County; and

5195 (2) promote cooperation and coordination between the state, [its] the state's political
 5196 subdivisions, Indian tribes, and individuals, firms, and business organizations engaged in
 5197 the development of oil and gas interests in Utah held in trust by the United States for the
 5198 Navajo Nation and [its] the Navajo Nation members.

5199 Section 87. Section **63N-22-703**, which is renumbered from Section 35A-8-1704 is renumbered
 5200 and amended to read:

5201 **~~[35A-8-1704]~~ 63N-22-703 (Effective 07/01/26). Navajo Revitalization Fund.**

5202 (1)(a) There is created an expendable special revenue fund called the "Navajo
 5203 Revitalization Fund."

5204 (b) The revitalization fund shall consist of:

5205 (i) money deposited to the revitalization fund under this part;

5206 (ii) money deposited to the revitalization fund under Section 59-5-119; and

5207 (iii) any loan repayment or interest on a loan issued under this part.

5208 (2)(a) The revitalization fund shall earn interest.

5209 (b) The interest earned on revitalization fund money shall be deposited into the fund.

5210 (3) Beginning for fiscal year 2010-11, the division may use revitalization fund money for
 5211 the administration of the revitalization fund, [~~but this amount may not~~] not to exceed 4%
 5212 of the annual receipts to the revitalization fund.

5213 (4) The fund:

5214 (a) consists of state severance tax money to be spent at the discretion of the state; and

5215 (b) does not constitute a trust fund.

5216 Section 88. Section **63N-22-704**, which is renumbered from Section 35A-8-1705 is renumbered
 5217 and amended to read:

5218 **~~[35A-8-1705]~~ 63N-22-704 (Effective 07/01/26). Navajo Revitalization Fund**

5219 **Board.**

5220 (1) There is created within the division the Navajo Revitalization Fund Board composed of
 5221 five members as follows:

5222 (a) the governor or the governor's designee;

5223 (b) the two members of the San Juan County commission whose districts include
 5224 portions of the Navajo Reservation;

5225 (c) the chair of the Navajo Utah Commission or a member of the commission designated
 5226 by the chair of the Navajo Utah Commission; and

5227 (d) beginning July 1, 2008, a president of a Utah Navajo Chapter or an individual
 5228 designated by the president under an annual rotation system of Utah Navajo Chapters

5229 as follows:

- 5230 (i) the president of a Utah Navajo Chapter shall serve for one year;
- 5231 (ii) the Utah Navajo Chapter is rotated in alphabetical order as provided in
- 5232 Subsection [~~35A-8-1702(7)~~] 63N-22-701(7), except that the rotation will begin on
- 5233 July 1, 2008, with the Dennehotso Chapter; and
- 5234 (iii) if the president of a Utah Navajo Chapter under Subsection (1)(d)(ii) is the same
- 5235 individual as the individual listed in Subsection (1)(c):
- 5236 (A) that Utah Navajo Chapter is skipped as part of [~~that~~] the annual rotation; and
- 5237 (B) the president of the next Utah Navajo Chapter in the alphabetical rotation shall
- 5238 serve on the board.
- 5239 (2) The term of office for a member of the board described in Subsections (1)(a) through (c)
- 5240 runs concurrently with the term of office for the governor, county commissioner, or
- 5241 member of the Navajo Utah Commission.
- 5242 (3)(a) The governor, or the governor's designee, [~~is~~] shall be the chair of the board.
- 5243 (b) The chair shall call necessary meetings.
- 5244 (4) A member may not receive compensation or benefits for the member's service, but may
- 5245 receive per diem and travel expenses in accordance with:
- 5246 (a) Section 63A-3-106;
- 5247 (b) Section 63A-3-107; and
- 5248 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
- 5249 63A-3-107.
- 5250 (5) The per diem and travel expenses permitted under Subsection (4) may be included as
- 5251 costs of administration of the revitalization fund.
- 5252 (6) Four board members are a quorum.
- 5253 (7) An affirmative vote of each member of the board present at a meeting when a quorum is
- 5254 present is required for a board decision related to money in or disbursed from the
- 5255 revitalization fund.

5256 Section 89. Section **63N-22-705**, which is renumbered from Section 35A-8-1706 is renumbered

5257 and amended to read:

5258 **[~~35A-8-1706~~] 63N-22-705 (Effective 07/01/26). Powers, functions, and duties of**

5259 **the revitalization fund board.**

- 5260 (1) The board shall:
- 5261 (a) direct the division regarding grants and loans from the revitalization fund to eligible
- 5262 entities to serve persons that are or may be socially or economically impacted,

- 5263 directly or indirectly, by mineral resource development;
- 5264 (b) establish procedures for application for an award of grants and loans including
- 5265 eligibility criteria;
- 5266 (c) coordinate projects and programs with other projects and programs funded by
- 5267 federal, state, and local government entities;
- 5268 (d) determine the order in which projects will be funded; and
- 5269 (e) be subject to the procedures and requirements under Title 52, Chapter 4, Open and
- 5270 Public Meetings Act.

5271 (2) The board may:

- 5272 (a) qualify for, accept, and administer grants, gifts, loans, or other funds from the federal
- 5273 government and from other sources, public or private; and
- 5274 (b) make rules, ~~[under]~~ in accordance with Title 63G, Chapter 3, Utah Administrative
- 5275 Rulemaking Act, ~~[if necessary to perform its responsibilities]~~ to implement this part.

5276 Section 90. Section **63N-22-706**, which is renumbered from Section 35A-8-1707 is renumbered

5277 and amended to read:

5278 **~~[35A-8-1707]~~ 63N-22-706 (Effective 07/01/26). Revitalization fund administered**

5279 **by board -- Eligibility for assistance -- Review by board -- Restrictions on loans and**

5280 **grants -- Division to distribute money -- Annual report.**

5281 (1)(a) ~~[If an eligible entity wishes to receive a loan or grant from the board, the eligible-]~~

5282 To receive a loan or grant under this part, an eligible entity shall [file an application

5283 ~~with the board-] submit an application to the board that contains the information~~

5284 required by the board.

5285 (b) The board shall review an application for a loan or grant ~~[filed]~~ submitted under

5286 Subsection (1)(a) before approving the loan or grant.

5287 (c) The board may approve a loan or grant application subject to the applicant's

5288 compliance with the one or more conditions established by the board.

5289 (2) In determining whether an eligible entity may receive a loan or grant, the board shall

5290 give priority to:

5291 (a) a capital project or infrastructure, including:

5292 (i) electrical power;

5293 (ii) water; and

5294 (iii) a one time need project;

5295 (b) a housing project that consists of:

5296 (i) the purchase of new housing;

- 5297 (ii) the construction of new housing; or
5298 (iii) a significant remodeling of existing housing; or
5299 (c) a matching educational endowment that:
5300 (i) promotes economic development within the Utah portion of the Navajo
5301 Reservation;
5302 (ii) promotes the preservation of Navajo culture, history, and language; or
5303 (iii) supports a postsecondary educational opportunity for a Navajo student enrolled
5304 in a course or program taught within the Utah portion of the Navajo Reservation.
- 5305 (3) A loan or grant issued under this part may not fund:
5306 (a) a start-up or operational cost of a private business venture;
5307 (b) a general operating budget of an eligible entity; or
5308 (c) a project that will operate or be located outside of the Navajo Reservation in San
5309 Juan County, Utah, except for an educational endowment approved by the board
5310 under Subsection (2)(c).
- 5311 (4)(a) The board may not approve a loan unless the loan:
5312 (i) specifies the terms for repayment; and
5313 (ii) is secured by proceeds from a general obligation, special assessment, or revenue
5314 bond, note, or other obligation.
- 5315 (b) The division shall deposit a loan repayment or interest on a loan issued under this
5316 part into the revitalization fund.
- 5317 (5) The board shall give a priority to a loan or grant if the loan or grant includes matching
5318 money or in-kind services from:
5319 (a) the Navajo Nation;
5320 (b) San Juan County;
5321 (c) the state;
5322 (d) the federal government;
5323 (e) a Utah Navajo Chapter; or
5324 (f) other private or public organization.
- 5325 (6) The division shall distribute loan and grant money:
5326 (a) if the loan or grant is approved by the board;
5327 (b) in accordance with the instructions of the board, except that the board may not
5328 instruct that money be distributed in a manner:
5329 (i) inconsistent with this part; or
5330 (ii) in violation of a rule or procedure of the department; and

5331 (c) ~~[in the case of a loan]~~ if the distribution is a loan, in accordance with Section
5332 63A-3-205.

5333 (7) The division shall submit a report to the office for inclusion in the annual written report
5334 described in Section 63N-1a-306, the number and type of loan or grant awarded and a
5335 list of recipients that received a loan or grant award under this part.

5336 Section 91. Section **63N-22-801**, which is renumbered from Section 35A-16-601 is renumbered
5337 and amended to read:

5338 **Part 8. Homeless Housing and Services Grant Program**

5339 **~~[35A-16-601]~~ 63N-22-801 (Effective 07/01/26). Definitions.**

5340 As used in this part:

5341 (1) "COVID-19" means:

5342 (a) severe acute respiratory syndrome coronavirus 2; or

5343 (b) the disease caused by severe acute respiratory syndrome coronavirus 2.

5344 (2) "COVID-19 emergency" means the spread of COVID-19 that the World Health
5345 Organization declared a pandemic on March 11, 2020.

5346 (3) "Grant program" means the COVID-19 Homeless Housing and Services Grant Program
5347 established in Section ~~[35A-16-602]~~ 63N-22-802.

5348 Section 92. Section **63N-22-802**, which is renumbered from Section 35A-16-602 is renumbered
5349 and amended to read:

5350 **~~[35A-16-602]~~ 63N-22-802 (Effective 07/01/26). COVID-19 Homeless Housing and**
5351 **Services Grant Program.**

5352 (1) There is established the COVID-19 Homeless Housing and Services Grant Program, a
5353 competitive grant program administered by the office and funded in accordance with 42
5354 U.S.C. Sec. 802.

5355 (2) The office shall distribute money to fund one or more projects that:

5356 (a) include affordable housing units for households:

5357 (i) whose income is no more than 30% of the area median income for households of
5358 the same size in the county or municipality where the project is located;

5359 (ii) at rental rates no greater than 30% of the income described in Subsection (2)(a)(i)
5360 for a household of:

5361 (A) one person if the unit is an efficiency unit;

5362 (B) two people if the unit is a one-bedroom unit;

5363 (C) four people if the unit is a two-bedroom unit;

5364 (D) five people if the unit is a three-bedroom unit;

- 5365 (E) six people if the unit is a four-bedroom unit; or
 5366 (F) eight people if the unit is a five-bedroom or larger unit; and
 5367 (iii) that have been impacted by the COVID-19 emergency in accordance with 42
 5368 U.S.C. Sec. 802; and
 5369 (b) have been approved by the board.
- 5370 (3) The office shall:
- 5371 (a) administer the grant program, including:
- 5372 (i) reviewing grant applications and making recommendations to the board; and
 5373 (ii) distributing grant money to approved grant recipients; and
- 5374 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
 5375 make rules to administer the program, including:
- 5376 (i) grant application requirements;
 5377 (ii) procedures to approve a grant; and
 5378 (iii) procedures for distributing money to grant recipients.
- 5379 (4) Except as provided in Subsection (5), when reviewing an application for approval, the
 5380 board shall consider:
- 5381 (a) an applicant's rental income plan;
 5382 (b) proposed case management and service plans for households;
 5383 (c) any matching funds proposed by an applicant;
 5384 (d) proposed restrictions, including deed restrictions, and the duration of restrictions on
 5385 housing units to facilitate long-term assistance to households;
 5386 (e) whether use of funds for the proposed project complies with 42 U.S.C. Sec. 802; and
 5387 (f) any other considerations as adopted by the board.
- 5388 (5) A licensed residential, vocational and life skills program, as defined in Section
 5389 13-53-102, is exempt from the requirements described in Subsections (4)(a), (b), and (f).
- 5390 (6) A grant award under this section shall comply with the requirements of 42 U.S.C. Sec.
 5391 802.

5392 Section 93. Section **63N-22-901** is enacted to read:

5393 **Part 9. Fund Reporting Requirements**

5394 **63N-22-901 (Effective 07/01/26). State funds or state-administered federal funds**
 5395 **reporting requirements.**

5396 (1) As used in this section:

- 5397 (a) "Affordable housing project" means housing that is constructed, developed, or
 5398 rehabilitated for occupancy by low and moderate income individuals whose incomes

5399 are at or below certain income requirements.

5400 (b) "Housing sponsor" means the same as that term is defined in Section 63N-22-301.

5401 (c)(i) "Project investments" means the total amount of state funds or

5402 state-administered federal funds awarded to a housing sponsor for the purposes of

5403 an affordable housing project.

5404 (ii) "Project investments" includes:

5405 (A) a housing sponsor's matching funds or leveraged contributions for an

5406 affordable housing project if the matching funds or leveraged contributions are

5407 required as a condition for an award of state funds or state-administered federal

5408 funds for an affordable housing project;

5409 (B) housing tax incentives, administered by the Utah Housing Corporation in

5410 accordance with Title 63H, Chapter 8, Utah Housing Corporation Act, that are

5411 provided to a housing sponsor for an affordable housing project; or

5412 (C) any other type of incentive, credit, or financial assistance provided to a

5413 housing sponsor by a state agency or political subdivision for an affordable

5414 housing project.

5415 (2)(a) Except as provided in Subsection (2)(b) or (c), on or before September 1 of each

5416 year, a housing sponsor that receives state funds or state-administered federal funds

5417 for the purposes of an affordable housing project shall provide a written report to the

5418 division of:

5419 (i) a summary of the housing sponsor's project investments;

5420 (ii) the location of the affordable housing project;

5421 (iii) the number of affordable housing units built;

5422 (iv) the area median income served by the affordable housing project;

5423 (v) the number of units deed restricted, including the period of the deed restriction;

5424 and

5425 (vi) the amount of unspent state funds or state-administered federal funds.

5426 (b) If an affordable housing project is not completed before the written report described

5427 in Subsection (2)(a) is due, a housing sponsor shall provide a written report to the

5428 division on the housing sponsor's progress and status towards the affordable housing

5429 project and project investments.

5430 (c) If a housing sponsor is required to report on the housing sponsor's compliance with

5431 the terms and conditions of a state or state-administered federal affordable housing

5432 program as a condition of the receipt of program funds, the housing sponsor shall

5433 submit the required information described in this Subsection (3)(c) to the division for
 5434 inclusion in the written report described in Subsection (2)(a).

5435 (3) The division shall submit a summary of the written reports received under Subsection (2)
 5436 to the office for inclusion in the annual written report described in Section 63N-1a-306.

5437 Section 94. Section **72-1-215** is amended to read:

5438 **72-1-215 (Effective 07/01/26). Affordable housing study.**

5439 (1) As used in this section, "moderate income housing unit" means a housing unit that has
 5440 an appraised value that would allow, as estimated by the department, a household whose
 5441 income is no more than 80% of the area median income to occupy the housing unit
 5442 paying no more than 30% of the household's income for gross housing costs, including
 5443 utilities.

5444 (2) On or before September 15, the department shall provide a written report to the
 5445 Economic Development and Workforce Services Interim Committee [~~and to the~~
 5446 ~~Commission on Housing Affordability created in Section 35A-8-2201]~~ and the Political
 5447 Subdivisions Interim Committee that describes:

5448 (a) the total number of housing units that were permanently vacated or destroyed as a
 5449 result of department action in the previous fiscal year, including separate subtotals
 5450 describing the total number of housing units with one bedroom, two bedrooms, three
 5451 bedrooms, and four or more bedrooms, which were permanently vacated or destroyed
 5452 as a result of department action in the previous fiscal year; and

5453 (b) the total number of moderate income housing units that were permanently vacated or
 5454 destroyed as a result of department action in the previous fiscal year, including
 5455 separate subtotals describing the total number of moderate income housing units with
 5456 one bedroom, two bedrooms, three bedrooms, and four or more bedrooms, which
 5457 were permanently vacated or destroyed as a result of department action in the
 5458 previous fiscal year.

5459 Section 95. Section **72-1-304** is amended to read:

5460 **72-1-304 (Effective 07/01/26). Written project prioritization process for new**
 5461 **transportation capacity projects -- Rulemaking.**

5462 (1)(a) The Transportation Commission, in consultation with the department and the
 5463 metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a
 5464 written prioritization process for the prioritization of:

5465 (i) new transportation capacity projects that are or will be part of the state highway
 5466 system under Chapter 4, Part 1, State Highways;

- 5467 (ii) paved pedestrian or paved nonmotorized transportation projects described in
5468 Section 72-2-124;
- 5469 (iii) public transit projects that directly add capacity to the public transit systems
5470 within the state, not including facilities ancillary to the public transit system; and
5471 (iv) pedestrian or nonmotorized transportation projects that provide connection to a
5472 public transit system.
- 5473 (b)(i) A local government or public transit district may nominate a project for
5474 prioritization in accordance with the process established by the commission in rule.
- 5475 (ii) If a local government or public transit district nominates a project for
5476 prioritization by the commission, the local government or public transit district
5477 shall provide data and evidence to show that:
- 5478 (A) the project will advance the purposes and goals described in Section 72-1-211;
- 5479 (B) for a public transit project, the local government or public transit district has
5480 an ongoing funding source for operations and maintenance of the proposed
5481 development; and
- 5482 (C) the local government or public transit district will provide the percentage of
5483 the costs for the project as required by Subsection 72-2-124(4)(a)(viii) or
5484 72-2-124(10)(e).
- 5485 (2) The following shall be included in the written prioritization process under Subsection (1):
- 5486 (a) a description of how the strategic initiatives of the department adopted under Section
5487 72-1-211 are advanced by the written prioritization process;
- 5488 (b) a definition of the type of projects to which the written prioritization process applies;
- 5489 (c) specification of a weighted criteria system that is used to rank proposed projects and
5490 how it will be used to determine which projects will be prioritized;
- 5491 (d) specification of the data that is necessary to apply the weighted ranking criteria; and
- 5492 (e) any other provisions the commission considers appropriate, which may include
5493 consideration of:
- 5494 (i) regional and statewide economic development impacts, including improved local
5495 access to:
- 5496 (A) employment;
- 5497 (B) educational facilities;
- 5498 (C) recreation;
- 5499 (D) commerce; and
- 5500 (E) residential areas, including moderate income housing as demonstrated in the

5501 local government's or public transit district's general plan in accordance with
5502 Section 10-20-404 or 17-79-403;

5503 (ii) the extent to which local land use plans relevant to a project support and
5504 accomplish the strategic initiatives adopted under Section 72-1-211; and
5505 (iii) any matching funds provided by a political subdivision or public transit district
5506 in addition to the percentage of costs required by Subsections 72-2-124(4)(a)(viii)
5507 and 72-2-124(10)(e).

5508 (3)(a) When prioritizing a public transit project that increases capacity, the commission:

5509 (i) may give priority consideration to projects that are part of a transit-oriented
5510 development or transit-supportive development as defined in Section 17B-2a-802;
5511 and

5512 (ii) shall give priority consideration to projects that are within the boundaries of a
5513 housing and transit reinvestment zone created in accordance with Title 63N,
5514 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

5515 (b) When prioritizing a transportation project that increases capacity, the commission
5516 may give priority consideration to projects that are:

5517 (i) part of a transportation reinvestment zone created under Section 11-13-227 if:

5518 (A) the state is a participant in the transportation reinvestment zone; or

5519 (B) the commission finds that the transportation reinvestment zone provides a
5520 benefit to the state transportation system; or

5521 (ii) within the boundaries of a housing and transit reinvestment zone created pursuant
5522 to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

5523 (c) If the department receives a notice of prioritization for a municipality as described in
5524 Subsection 10-21-202(5), or a notice of prioritization for a county as described in
5525 Subsection 17-80-202(5), the commission may give priority consideration to
5526 transportation projects that are within the boundaries of the municipality or the
5527 unincorporated areas of the county until the department receives notification from the [
5528 ~~Housing and Community Development Division within the Department of Workforce~~
5529 ~~Services]~~ Division of Housing and Community Development within the Governor's
5530 Office of Economic Opportunity that the municipality or county no longer qualifies
5531 for prioritization under this Subsection (3)(c).

5532 (d) When prioritizing a transportation project described in Subsection (1)(a)(ii) or (iv),
5533 the commission may give priority consideration to projects that improve connectivity
5534 in accordance with Section 10-8-87.

- 5535 (4) In developing the written prioritization process, the commission:
5536 (a) shall seek and consider public comment by holding public meetings at locations
5537 throughout the state; and
5538 (b) may not consider local matching dollars as provided under Section 72-2-123 unless
5539 the state provides an equal opportunity to raise local matching dollars for state
5540 highway improvements within each county.
- 5541 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5542 Transportation Commission, in consultation with the department, shall make rules
5543 establishing the written prioritization process under Subsection (1).
- 5544 (6) The commission shall submit the proposed rules under this section to the Transportation
5545 Interim Committee for review before taking final action on the proposed rules or any
5546 proposed amendment to the rules described in Subsection (5).
- 5547 Section 96. Section **72-2-124** is amended to read:
5548 **72-2-124 (Effective 07/01/26). Transportation Investment Fund of 2005.**
- 5549 (1) There is created a capital projects fund entitled the Transportation Investment Fund of
5550 2005.
- 5551 (2) The fund consists of money generated from the following sources:
5552 (a) any voluntary contributions received for the maintenance, construction,
5553 reconstruction, or renovation of state and federal highways;
5554 (b) appropriations made to the fund by the Legislature;
5555 (c) registration fees designated under Section 41-1a-1201;
5556 (d) the sales and use tax revenues deposited into the fund in accordance with Section
5557 59-12-103;
5558 (e) revenues transferred to the fund in accordance with Section 72-2-106;
5559 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and
5560 (g) revenue from bond proceeds described in Section 63B-34-201.
- 5561 (3)(a) The fund shall earn interest.
5562 (b) All interest earned on fund money shall be deposited into the fund.
- 5563 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund
5564 money to pay:
5565 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
5566 federal highways prioritized by the Transportation Commission through the
5567 prioritization process for new transportation capacity projects adopted under
5568 Section 72-1-304;

- 5569 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
5570 highway projects described in Subsections 63B-18-401(2), (3), and (4);
- 5571 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in
5572 Section 72-5-401;
- 5573 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
5574 minus the costs paid from the County of the First Class Highway Projects Fund in
5575 accordance with Subsection 72-2-121(4)(e);
- 5576 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
5577 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
5578 amount certified by Salt Lake County in accordance with Subsection
5579 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the
5580 revenue bonds issued by Salt Lake County;
- 5581 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
5582 for projects prioritized in accordance with Section 72-2-125;
- 5583 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
5584 Class Highway Projects Fund created in Section 72-2-121 to be used for the
5585 purposes described in Section 72-2-121;
- 5586 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
5587 the costs needed for construction, reconstruction, or renovation of paved
5588 pedestrian or paved nonmotorized transportation for projects that:
- 5589 (A) mitigate traffic congestion on the state highway system;
- 5590 (B) are part of an active transportation plan approved by the department; and
- 5591 (C) are prioritized by the commission through the prioritization process for new
5592 transportation capacity projects adopted under Section 72-1-304;
- 5593 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
5594 reconstruction, or renovation of or improvement to the following projects:
- 5595 (A) the connector road between Main Street and 1600 North in the city of
5596 Vineyard;
- 5597 (B) Geneva Road from University Parkway to 1800 South;
- 5598 (C) the SR-97 interchange at 5600 South on I-15;
- 5599 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
5600 South Jordan Parkway;
- 5601 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 5602 (F) improvements to 1600 North in Orem from 1200 West to State Street;

- 5603 (G) widening I-15 between mileposts 6 and 8;
- 5604 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 5605 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
- 5606 in Spanish Fork Canyon;
- 5607 (J) I-15 northbound between mileposts 43 and 56;
- 5608 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
- 5609 43 and 45.1;
- 5610 (L) east Zion SR-9 improvements;
- 5611 (M) Toquerville Parkway;
- 5612 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 5613 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
- 5614 for construction of an interchange on Bangerter Highway at 13400 South; and
- 5615 (P) an environmental impact study for Kimball Junction in Summit County;
- 5616 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
- 5617 costs based upon a statement of cash flow that the local jurisdiction where the
- 5618 project is located provides to the department demonstrating the need for money
- 5619 for the project, for the following projects in the following amounts:
- 5620 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 5621 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 5622 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 5623 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
- 5624 40 between mile markers 7 and 10;
- 5625 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way
- 5626 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road
- 5627 over the railroad and to U.S. Highway 6;
- 5628 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from
- 5629 revenue deposited into the fund in accordance with Section 59-12-103, for the
- 5630 following projects:
- 5631 (A) \$3,000,000 for the department to perform an environmental study for the I-15
- 5632 Salem and Benjamin project; and
- 5633 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand
- 5634 Dunes Road project; and
- 5635 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of
- 5636 right-of-way acquisition and construction for improvements on SR-89 in a county

- 5637 of the first class.
- 5638 (b) The executive director may use fund money to exchange for an equal or greater
5639 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 5640 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
5641 not commence until a right-of-way not owned by a federal agency that is required
5642 for the realignment and extension of U-111, as described in the department's 2023
5643 environmental study related to the project, is dedicated to the department.
- 5644 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the
5645 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the
5646 department may proceed with the project, except that the project will be limited to
5647 two lanes on U-111 from Herriman Parkway to 11800 South.
- 5648 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of
5649 ineligibility for a municipality as described in Subsection 10-21-202(8), the executive
5650 director may not program fund money to a project prioritized by the commission
5651 under Section 72-1-304, including fund money from the Transit Transportation
5652 Investment Fund, within the boundaries of the municipality until the department
5653 receives notification from the [~~Housing and Community Development Division~~
5654 ~~within the Department of Workforce Services~~] Division of Housing and Community
5655 Development within the Governor's Office of Economic Opportunity that ineligibility
5656 under this Subsection (5) no longer applies to the municipality.
- 5657 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive
5658 director:
- 5659 (i) may program fund money in accordance with Subsection (4)(a) for a
5660 limited-access facility or interchange connecting limited-access facilities;
- 5661 (ii) may not program fund money for the construction, reconstruction, or renovation
5662 of an interchange on a limited-access facility;
- 5663 (iii) may program Transit Transportation Investment Fund money for a
5664 multi-community fixed guideway public transportation project; and
- 5665 (iv) may not program Transit Transportation Investment Fund money for the
5666 construction, reconstruction, or renovation of a station that is part of a fixed
5667 guideway public transportation project.
- 5668 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
5669 director before July 1, 2022, for projects prioritized by the commission under Section
5670 72-1-304.

- 5671 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of
5672 ineligibility for a county as described in Subsection 17-80-202(8), the executive
5673 director may not program fund money to a project prioritized by the commission
5674 under Section 72-1-304, including fund money from the Transit Transportation
5675 Investment Fund, within the boundaries of the unincorporated area of the county until
5676 the department receives notification from the [~~Housing and Community Development~~
5677 ~~Division within the Department of Workforce Services]~~ Division of Housing and
5678 Community Development within the Governor's Office of Economic Opportunity
5679 that ineligibility under this Subsection (6) no longer applies to the county.
- 5680 (b) Within the boundaries of the unincorporated area of a county described in Subsection
5681 (6)(a), the executive director:
- 5682 (i) may program fund money in accordance with Subsection (4)(a) for a
5683 limited-access facility to a project prioritized by the commission under Section
5684 72-1-304;
- 5685 (ii) may not program fund money for the construction, reconstruction, or renovation
5686 of an interchange on a limited-access facility;
- 5687 (iii) may program Transit Transportation Investment Fund money for a
5688 multi-community fixed guideway public transportation project; and
- 5689 (iv) may not program Transit Transportation Investment Fund money for the
5690 construction, reconstruction, or renovation of a station that is part of a fixed
5691 guideway public transportation project.
- 5692 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
5693 director before July 1, 2022, for projects prioritized by the commission under Section
5694 72-1-304.
- 5695 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
5696 any fiscal year, the department and the commission shall appear before the Executive
5697 Appropriations Committee of the Legislature and present the amount of bond
5698 proceeds that the department needs to provide funding for the projects identified in
5699 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
5700 or next fiscal year.
- 5701 (b) The Executive Appropriations Committee of the Legislature shall review and
5702 comment on the amount of bond proceeds needed to fund the projects.
- 5703 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
5704 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by

- 5705 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
5706 service or sinking fund.
- 5707 (9) The executive director may only use money in the fund for corridor preservation as
5708 described in Subsection (4)(a)(iii):
- 5709 (a) if the project has been prioritized by the commission, including the use of fund
5710 money for corridor preservation; or
- 5711 (b) for a project that has not been prioritized by the commission, if the commission:
- 5712 (i) approves the use of fund money for the corridor preservation; and
- 5713 (ii) finds that the use of fund money for corridor preservation will not result in any
5714 delay to a project that has been prioritized by the commission.
- 5715 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit
5716 Transportation Investment Fund.
- 5717 (b) The fund shall be funded by:
- 5718 (i) contributions deposited into the fund in accordance with Section 59-12-103;
- 5719 (ii) appropriations into the account by the Legislature;
- 5720 (iii) deposits of sales and use tax increment related to a housing and transit
5721 reinvestment zone as described in Section 63N-3-610;
- 5722 (iv) transfers of local option sales and use tax revenue as described in Subsection
5723 59-12-2220(11)(b) or (c);
- 5724 (v) private contributions; and
- 5725 (vi) donations or grants from public or private entities.
- 5726 (c)(i) The fund shall earn interest.
- 5727 (ii) All interest earned on fund money shall be deposited into the fund.
- 5728 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
- 5729 (i) for public transit capital development of new capacity projects and fixed guideway
5730 capital development projects to be used as prioritized by the commission through
5731 the prioritization process adopted under Section 72-1-304;
- 5732 (ii) to the department for oversight of a fixed guideway capital development project
5733 for which the department has responsibility; or
- 5734 (iii) up to \$500,000 per year, to be used for a public transit study.
- 5735 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize
5736 money from the fund for a public transit capital development project or pedestrian
5737 or nonmotorized transportation project that provides connection to the public
5738 transit system if the public transit district or political subdivision provides funds of

- 5739 equal to or greater than 30% of the costs needed for the project.
- 5740 (ii) A public transit district or political subdivision may use money derived from a
- 5741 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide
- 5742 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
- 5743 (A) the loan is approved by the commission as required in Part 2, State
- 5744 Infrastructure Bank Fund; and
- 5745 (B) the proposed capital project has been prioritized by the commission pursuant
- 5746 to Section 72-1-303.
- 5747 (f) Before July 1, 2022, the department and a large public transit district shall enter into
- 5748 an agreement for a large public transit district to pay the department \$5,000,000 per
- 5749 year for 15 years to be used to facilitate the purchase of zero emissions or low
- 5750 emissions rail engines and trainsets for regional public transit rail systems.
- 5751 (g) For any revenue transferred into the fund in accordance with Subsection
- 5752 59-12-2220(11)(b):
- 5753 (i) the commission may prioritize money from the fund for public transit projects,
- 5754 operations, or maintenance within the county of the first class; and
- 5755 (ii) Subsection (10)(e) does not apply.
- 5756 (h) For any revenue transferred into the fund in accordance with Subsection
- 5757 59-12-2220(11)(c):
- 5758 (i) the commission may prioritize public transit projects, operations, or maintenance
- 5759 in the county from which the revenue was generated; and
- 5760 (ii) Subsection (10)(e) does not apply.
- 5761 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
- 5762 the project described in Subsection (10)(e) does not apply to a public transit capital
- 5763 development project or pedestrian or nonmotorized transportation project that the
- 5764 department proposes.
- 5765 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may
- 5766 prioritize money from the fund for public transit innovation grants, as defined in
- 5767 Section 72-2-401, for public transit capital development projects requested by a
- 5768 political subdivision within a public transit district.
- 5769 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
- 5770 Canyons Transportation Investment Fund.
- 5771 (b) The fund shall be funded by:
- 5772 (i) money deposited into the fund in accordance with Section 59-12-103;

- 5773 (ii) appropriations into the account by the Legislature;
- 5774 (iii) private contributions; and
- 5775 (iv) donations or grants from public or private entities.
- 5776 (c)(i) The fund shall earn interest.
- 5777 (ii) All interest earned on fund money shall be deposited into the fund.
- 5778 (d) The Legislature may appropriate money from the fund for public transit or
- 5779 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 5780 (e) The department may use up to 2% of the revenue deposited into the account under
- 5781 Subsection 59-12-103(4)(f) to contract with local governments as necessary for
- 5782 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- 5783 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any
- 5784 sales and use tax growth over sales and use tax collections during the 2025 fiscal year
- 5785 to fund projects to provide ingress and egress for a public transit hub, including
- 5786 construction of the public transit hub, in the Big Cottonwood Canyon area.
- 5787 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
- 5788 Transportation Investment Fund.
- 5789 (b) The fund shall be funded by:
- 5790 (i) money deposited into the fund in accordance with Section 59-12-103;
- 5791 (ii) appropriations into the account by the Legislature; and
- 5792 (iii) donations or grants from public or private entities.
- 5793 (c)(i) The fund shall earn interest.
- 5794 (ii) All interest earned on fund money shall be deposited into the fund.
- 5795 (d) The executive director may only use fund money to pay the costs needed for:
- 5796 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
- 5797 paved pedestrian or paved nonmotorized trail projects that:
- 5798 (A) are prioritized by the commission through the prioritization process for new
- 5799 transportation capacity projects adopted under Section 72-1-304;
- 5800 (B) serve a regional purpose; and
- 5801 (C) are part of an active transportation plan approved by the department or the
- 5802 plan described in Subsection (12)(d)(ii);
- 5803 (ii) the development of a plan for a statewide network of paved pedestrian or paved
- 5804 nonmotorized trails that serve a regional purpose; and
- 5805 (iii) the administration of the fund, including staff and overhead costs.
- 5806 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is

- 5807 defined in Section 63N-3-602.
- 5808 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
5809 Subaccount.
- 5810 (c) The subaccount shall be funded by:
- 5811 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 5812 (ii) appropriations into the subaccount by the Legislature;
- 5813 (iii) private contributions; and
- 5814 (iv) donations or grants from public or private entities.
- 5815 (d)(i) The subaccount shall earn interest.
- 5816 (ii) All interest earned on money in the subaccount shall be deposited into the
5817 subaccount.
- 5818 (e) As prioritized by the commission through the prioritization process adopted under
5819 Section 72-1-304 or as directed by the Legislature, the department may only use
5820 money from the subaccount for projects that improve the state's commuter rail
5821 infrastructure, including the building or improvement of grade-separated crossings
5822 between commuter rail lines and public highways.
- 5823 (f) Appropriations made in accordance with this section are nonlapsing in accordance
5824 with Section 63J-1-602.1.

5825 Section 97. Section **73-10c-3** is amended to read:

5826 **73-10c-3 (Effective 07/01/26). Water Development Coordinating Council created**

5827 **-- Purpose -- Members.**

- 5828 (1)(a) There is created within the Department of Natural Resources a Water
5829 Development Coordinating Council. The council is comprised of:
- 5830 (i) the director of the Division of Water Resources;
- 5831 (ii) the executive secretary of the Water Quality Board;
- 5832 (iii) the executive secretary of the Drinking Water Board;
- 5833 (iv) the director of the [~~Housing and Community Development Division~~] Division of
5834 Community Services or the director's designee;
- 5835 (v) the state treasurer or the state treasurer's designee;
- 5836 (vi) the commissioner of the Department of Agriculture and Food, or the
5837 commissioner's designee; and
- 5838 (vii) an individual appointed by the governor with the advice and consent of the
5839 Senate who is:
- 5840 (A) familiar with water infrastructure projects, including planning, financing,

- 5841 construction, or operation; and
- 5842 (B) employed by a water conservancy district that is subject to the asset
- 5843 management criteria [øf] described in Section 17B-2a-1010.
- 5844 (b) The council shall choose a chair and vice chair from among the council's own
- 5845 members, except the chair and vice chair may not be from the same department.
- 5846 (c) A member may not receive compensation or benefits for the member's service, but
- 5847 may receive per diem and travel expenses in accordance with:
- 5848 (i) Section 63A-3-106;
- 5849 (ii) Section 63A-3-107; and
- 5850 (iii) rules made by the Division of Finance [~~pursuant to~~] in accordance with Sections
- 5851 63A-3-106 and 63A-3-107.
- 5852 (2) The purposes of the council are to:
- 5853 (a) coordinate the use and application of the money available to the state to give
- 5854 financial assistance to political subdivisions of this state so as to promote the
- 5855 conservation, development, treatment, restoration, and protection of the waters of this
- 5856 state;
- 5857 (b) promote the coordination of the financial assistance programs administered by the
- 5858 state and the use of the financing alternative most economically advantageous to the
- 5859 state and [~~its-~~] the political subdivisions of the state;
- 5860 (c) promote the consideration by the Board of Water Resources, Drinking Water Board,
- 5861 and Water Quality Board of regional solutions to the water and wastewater needs of
- 5862 individual political subdivisions of this state;
- 5863 (d) assess the adequacy and needs of the state and [~~its-~~] the political subdivisions [~~with~~
- 5864 ~~respect to~~] of the state concerning water-related infrastructures and advise the
- 5865 governor and the Legislature on those funding needs;
- 5866 (e) conduct reviews and reports on water-related infrastructure issues as directed by
- 5867 statute;
- 5868 (f) engage in planning and prioritization of water infrastructure projects in accordance
- 5869 with Chapter 10g, Part 6, Planning and Prioritization; and
- 5870 (g) expend money from the Water Infrastructure Fund in accordance with Section
- 5871 73-10g-107.

5872 Section 98. **Repealer.**

5873 This bill repeals:

5874 Section **35A-8-306, Powers.**

5875 Section **35A-8-504.5, Low-income ADU loan guarantee pilot program.**
 5876 Section **35A-8-504.6, Subordinate shared appreciation loan program.**
 5877 Section **35A-8-801, Title.**
 5878 Section **35A-8-802, Legislative policy and purpose.**
 5879 Section **35A-8-901, Assistance to domestic violence shelters -- Rulemaking authority.**
 5880 Section **35A-8-1605, Powers.**
 5881 Section **35A-8-1608, Deposits into fund.**
 5882 Section **35A-8-1708, Annual report.**
 5883 Section **35A-8-2101, Title -- Purpose.**
 5884 Section **35A-8-2201, Definitions.**
 5885 Section **35A-8-2202, Commission on Housing Affordability.**
 5886 Section **35A-8-2203, Duties of the commission.**
 5887 Section **35A-8-2204, Annual report.**
 5888 Section 99. **FY 2027 Appropriations.**

5889 The following sums of money are appropriated for the fiscal year beginning July 1,
 5890 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for
 5891 fiscal year 2027.

5892 Subsection 99(a). **Operating and Capital Budgets**

5893 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
 5894 Legislature appropriates the following sums of money from the funds or accounts indicated for
 5895 the use and support of the government of the state of Utah.

5896 ITEM 1 To Governor's Office of Economic Opportunity - Division of Housing and
 5897 Community Development

5898 From General Fund 345,000

5899 Schedule of Programs:

5900 Division of Housing and Community

5901 Development 345,000

5902 ITEM 2 To Governor's Office - Governor's Office Operations

5903 From General Fund (345,000)

5904 Schedule of Programs:

5905 Administration (345,000)

5906 Section 100. **Effective Date.**

5907 (1) Except as provided in Subsection (2), this bill takes effect July 1, 2026.

5908 (2) The actions affecting Section 63H-8-201 (**Effective 05/06/26**) take effect on May 6,

5909

2026.