

Raymond P. Ward proposes the following substitute bill:

Small Lots and Starter Homes Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Raymond P. Ward

Senate Sponsor: Lincoln Fillmore

LONG TITLE

General Description:

This bill deals with regulation of certain land uses in residential zones.

Highlighted Provisions:

This bill:

- defines terms;
- provides that a person may make a request to a municipality or county in regard to a proposed land use that conforms with a preferred land use regulation;
- requires a municipality or county to determine if a request conforms with a preferred land use regulation and provide notice of the determination to the applicant;
- authorizes a planning commission or legislative body to deny a request, under certain conditions, that conforms with a preferred land use regulation;
- provides that if a planning commission or legislative body does not deny a request that conforms with a preferred land use regulation within 30 days, the request becomes a permitted use;
- provides that a municipality's or county's determination that a request does not meet statutory requirements for a preferred land use regulation is an administrative act;
- provides that a planning commission's decision to deny a request that conforms with a preferred land use regulation is an administrative act;
- provides that a legislative body's decision to deny a request that conforms with a preferred land use regulation is a legislative act; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

10-21-304, Utah Code Annotated 1953**17-80-304**, Utah Code Annotated 1953

*Be it enacted by the Legislature of the state of Utah:*Section 1. Section **10-21-304** is enacted to read:**10-21-304 . Definitions -- Conformity with a preferred land use regulation a permitted use under certain circumstances.**(1) As used in this section:(a) "Application" means a land use application.(b) "Area mean purchase price" means the mean purchase price of a single-family residential unit sold in a county, as determined by the county or a municipality in the county based on publicly available data, during:(i) the immediately preceding calendar year; or(ii) the calendar year immediately before the calendar year described in Subsection (1)(b)(i).(c) "Preferred land use regulation" means a regulation described in Subsection (2):(i) that the Legislature finds:(A) would advance the state's objective of lowering the average cost of housing by enabling the construction of homes that are smaller and less expensive;(B) allows for some permitting of individual projects that are unlikely to adversely affect nearby property owners, the public, or the communities in which the projects are built; and(C) maintains the local land use authority's jurisdiction over which projects are permitted to be built within the local land use authority's boundaries; and(ii) that, as applied to a property owner in a municipality, is not a permitted use under the municipality's zoning regulations, land use ordinances, or building standards.(d) "Request" means a written submission from a property owner, or a person acting on a property owner's behalf, seeking that a municipality accept a preferred land use regulation on a specific parcel as part of a simultaneous or upcoming application.(e) "Setback" means the required distance between the property line of a lot or parcel and the location where a structure is allowed to be placed under an adopted land use regulation.

(f) "Starter home" means a single-family residential unit that:

(i) is sold to an initial owner-occupier for an amount equal to or less than the area mean purchase price of a single-family residential unit;

(ii) is deed restricted to be owner-occupied for two years following the day on which the unit is first sold;

(iii) has a minimum of two parking spots, covered or uncovered; and

(iv) is built:

(A) on a lot of any size;

(B) without meeting a minimum number of livable square feet;

(C) with any floor area ratio;

(D) with any setbacks, if the setbacks meet minimum safety codes; and

(E) with any building materials of any appearance, if the building materials meet minimum safety codes.

(2) The following are preferred land use regulations in an area zoned for residential use:

(a) regulations that permit a person to build a starter home; or

(b) for lot size requirements, a minimum of 5,400 square feet.

(3)(a) A person may submit a request that a municipality accept a preferred land use regulation, notwithstanding a conflicting municipal regulation, as part of an application or an upcoming application to develop a specific residential property as described in this Subsection (3).

(b) A request shall include:

(i) a written description or drawn sketch describing the anticipated development plan; and

(ii) a specific reference to the preferred land use regulation the person is seeking.

(c) A municipality may require supporting information from a person making a request only as strictly necessary to determine whether the request meets the requirements of this section.

(d) A municipality may not require a person making a request to:

(i) submit engineering plans, drawings, plats, or will-serve letters; or

(ii) conform with all other municipal regulations or standards that the municipality normally requires to accept or process a complete land use application.

(4)(a) No later than five business days after the day on which a municipality receives a request, municipal staff shall determine if the request conforms with Subsection (3) regardless of whether the request conforms with the applicable land use regulation

otherwise governing the parcel at issue.

(b) If a request conforms with Subsection (3), the municipality shall, within one business day, provide notice of the determination to the applicant.

(5)(a) If a municipality determines that a request does not conform with Subsection (3), or if the request lacks information the municipality requires under Subsection (3)(c), the municipality shall no later than five business days after the day on which the municipality receives the request, deny the request and provide to the applicant:

(i) notice of the determination and denial; and

(ii) the reasoning for the determination.

(b) The municipality may not use the person's failure to submit a complete land use application as the basis to deny a request.

(c) A denial and determination under this Subsection (5) is an administrative act.

(d) A person that receives a denial and determination under this Subsection (5) may submit a new request that addresses the reasoning for the denial, which shall begin a new 30-day time period.

(6) A planning commission or legislative body may, within 30 calendar days of the day on which a person submits a request that is not timely denied under Subsection (5), act to deny the request:

(a) if the planning commission or legislative body determines, for any reason, that the benefit to the person and community would be outweighed by the negative effect to others in the community;

(b) if the planning commission or legislative body makes a finding on the record regarding the determination described in Subsection (6)(a);

(c) in a public meeting of the planning commission or legislative body; and

(d) by majority vote.

(7)(a) A denial under Subsection (6) does not affect any other rights of the applicant under this chapter.

(b) If a planning commission denies an application under Subsection (6), the denial is an administrative act.

(c) If a municipal legislative body denies an application under Subsection (6), the denial is a legislative act.

(8) If a planning commission or municipal legislative body expressly approves or does not deny a request as described in Subsection (6), regardless of whether the municipality fails to make a timely determination under Subsection (4) or a timely denial under

Subsection (5)(a):

- (a) the preferred land use described in the request becomes a vested permitted use as to the property and as to the use described in the request 31 days after the day on which the person submitted the request to the municipality;
- (b) the preferred land use regulation is considered a legislatively adopted land use regulation for that property and development; and
- (c) approval of the request or the failure to deny the request does not constitute approval of the entire land use application.

(9) In considering a preferred land use regulation legislatively adopted under Subsection (8)(b), the municipality is not required to:

- (a) amend municipal zoning regulations, land use ordinances, or building standards; or
- (b) apply the preferred land use regulation to other land use applications for the same residential zone.

Section 2. Section **17-80-304** is enacted to read:

17-80-304 . Definitions -- Conformity with a preferred land use regulation a permitted use under certain circumstances.

(1) As used in this section:

- (a) "Application" means a land use application.
- (b) "Area mean purchase price" means the mean purchase price of a single-family residential unit sold in a county, as determined by the county based on publicly available data, during:
 - (i) the immediately preceding calendar year; or
 - (ii) the calendar year immediately before the calendar year described in Subsection (1)(b)(i).
- (c) "Preferred land use regulation" means a regulation described in Subsection (2):
 - (i) that the Legislature finds:
 - (A) advances the state's objective of lowering the average cost of housing by enabling the construction of homes that are smaller and less expensive;
 - (B) allows for some permitting of individual projects that are unlikely to adversely affect nearby property owners, the public, or the communities in which the projects are built; and
 - (C) maintains the local land use authority's jurisdiction over which projects are permitted to be built within the local land use authority's boundaries; and
 - (ii) that, as applied to a property owner in an unincorporated county, is not a

- 165 permitted use under the county's zoning regulations, land use ordinances, or
166 building standards.
- 167 (d) "Request" means a written submission from a property owner, or a person acting on
168 a property owner's behalf, seeking that a county accept a preferred land use
169 regulation on a specific parcel as part of a simultaneous or upcoming application.
- 170 (e) "Setback" means the required distance between the property line of a lot or parcel
171 and the location where a structure is allowed to be placed under an adopted land use
172 regulation.
- 173 (f) "Starter home" means a single-family residential unit that:
- 174 (i) is sold to an initial owner-occupier for an amount equal to or less than the area
175 mean purchase price of a single-family residential unit;
- 176 (ii) is deed restricted to be owner-occupied for two years following the day on which
177 the unit is first sold;
- 178 (iii) has a minimum of two parking spots, covered or uncovered; and
- 179 (iv) is built:
- 180 (A) on a lot of any size;
- 181 (B) without meeting a minimum number of livable square feet;
- 182 (C) with any floor area ratio;
- 183 (D) with any setbacks, if the setbacks meet minimum safety codes; and
- 184 (E) with any building materials of any appearance, if the building materials meet
185 minimum safety codes.
- 186 (2) The following are preferred land use regulations in an area zoned for residential use:
- 187 (a) regulations that permit a person to build a starter home; or
- 188 (b) for lot size requirements, a minimum of 5,400 square feet.
- 189 (3)(a) A person may submit a request that a county accept a preferred land use
190 regulation, notwithstanding a conflicting county regulation, as part of an application
191 or an upcoming application to develop a specific residential property as described in
192 this Subsection (3).
- 193 (b) A request shall include:
- 194 (i) a written description or drawn sketch describing the anticipated development plan;
195 and
- 196 (ii) a specific reference to the preferred land use regulation the person is seeking.
- 197 (c) A county may require supporting information from a person making a request only as
198 strictly necessary to determine whether the request meets the requirements of this

section.

(d) A county may not require a person making a request to:

(i) submit engineering plans, drawings, plats, or will-serve letters; or

(ii) conform with all other county regulations or standards that the county normally requires to accept or process a complete land use application.

(4)(a) No later than five business days after the day on which a county receives a

request, county staff shall determine if the request conforms with Subsection (3)

regardless of whether the request conforms with the applicable land use regulation

otherwise governing the parcel at issue.

(b) If a request conforms with Subsection (3), the county shall, within one business day, provide notice of the determination to the applicant.

(5)(a) If a county determines that a request does not conform with Subsection (3), or if

the request lacks information the county requires under Subsection (3)(c), the county

shall no later than five business days after the day on which the county receives the

request, deny the request and provide to the applicant:

(i) notice of the determination and denial; and

(ii) the reasoning for the determination.

(b) The county may not use the person's failure to submit a complete land use application as the basis to deny a request.

(c) A denial and determination under this Subsection (5) is an administrative act.

(d) A person that receives a denial and determination under this Subsection (5) may submit a new request that addresses the reasoning for the denial, which shall begin a new 30-day time period.

(6) A planning commission or legislative body may, within 30 calendar days of the day on which a person submits a request that is not timely denied under Subsection (5), act to deny the request:

(a) if the planning commission or legislative body determines, for any reason, that the benefit to the person and community would be outweighed by the negative effect to others in the community;

(b) if the planning commission or legislative body makes a finding on the record regarding the determination described in Subsection (6)(a);

(c) in a public meeting of the planning commission or legislative body; and

(d) by majority vote.

(7)(a) A denial under Subsection (6) does not affect any other rights of the applicant

under this chapter.

(b) If a planning commission denies an application under Subsection (6), the denial is an administrative act.

(c) If a county legislative body denies an application under Subsection (6), the denial is a legislative act.

(8) If a planning commission or county legislative body expressly approves or does not deny a request as described in Subsection (6), regardless of whether the county fails to make a timely determination under Subsection (4) or a timely denial under Subsection (5)(a):

(a) the preferred land use described in the request becomes a vested permitted use as to the property and as to the use described in the request 31 days after the day on which the person submitted the request to the county;

(b) the preferred land use regulation is considered a legislatively adopted land use regulation for that property and development; and

(c) approval of the request or the failure to deny the request does not constitute approval of the entire land use application.

(9) In considering a preferred land use regulation legislatively adopted under Subsection (8)(b), the county is not required to:

(a) amend county zoning regulations, land use ordinances, or building standards; or

(b) apply the preferred land use regulation to other land use applications for the same residential zone.

Section 3. **Effective Date.**

This bill takes effect on May 6, 2026.