

Steve Eliason proposes the following substitute bill:

Homelessness Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill addresses provisions regarding homeless services.

Highlighted Provisions:

This bill:

- ▶ modifies and defines terms;
- ▶ amends exceptions for conveyance, lease, or disposal of certain property owned by the Division of Facilities Construction and Management with the consent of the governing body of the municipality in which the property is located;
- ▶ provides funds received from a lease may be used for the operations and maintenance of the leased space;
- ▶ creates the Mitigation Fund Task Force;
- ▶ amends the name of the Shelter Cities Advisory Board to the Shelter Cities Coordinating Council;
- ▶ amends the name of the Shelter Counties Advisory Board to the Shelter Counties Coordinating Council;
- ▶ permits the office to issue future services payments to a homeless service provider under certain conditions;
- ▶ creates the Homeless Services Restricted Account (account) to assist counties regarding provisions of homelessness;
- ▶ allows the office to disburse funds from the account to certain counties for certain purposes;
- ▶ gives the office rulemaking authority under certain conditions for certain purposes;
- ▶ makes technical and conforming changes; and
- ▶ provides a special effective date.

Money Appropriated in this Bill:

29 None

30 **Other Special Clauses:**

31 This bill provides a special effective date.

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **35A-16-102 (Effective 04/01/26)**, as last amended by Laws of Utah 2025, First Special
35 Session, Chapter 16

36 **35A-16-202 (Effective 04/01/26)**, as last amended by Laws of Utah 2024, Chapters 338,
37 349

38 **35A-16-203 (Effective 04/01/26)**, as last amended by Laws of Utah 2025, Chapter 530

39 **35A-16-204 (Effective 04/01/26)**, as last amended by Laws of Utah 2025, Chapter 530

40 **35A-16-208 (Effective 04/01/26)**, as last amended by Laws of Utah 2025, Chapters 422,
41 530

42 **35A-16-210 (Effective 04/01/26)**, as enacted by Laws of Utah 2024, Chapter 338

43 **35A-16-210.1 (Effective 04/01/26)**, as enacted by Laws of Utah 2025, Chapter 530

44 **35A-16-212 (Effective 04/01/26) (Repealed 07/01/28)**, as enacted by Laws of Utah 2025,
45 Chapter 41

46 **35A-16-401 (Effective 04/01/26)**, as last amended by Laws of Utah 2024, Chapters 204,
47 338 and 438

48 **59-12-205 (Effective 04/01/26)**, as last amended by Laws of Utah 2025, Chapters 490,
49 495

50 **63A-5b-902 (Effective 04/01/26)**, as last amended by Laws of Utah 2024, Chapters 419,
51 480

52 **63I-2-235 (Effective 04/01/26)**, as last amended by Laws of Utah 2025, Chapter 277

53 ENACTS:

54 **35A-16-406 (Effective 04/01/26)**, Utah Code Annotated 1953

55 **35A-16-1101 (Effective 04/01/26)**, Utah Code Annotated 1953

56

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

58 Section 1. Section **35A-16-102** is amended to read:

59 **35A-16-102 (Effective 04/01/26). Definitions.**

60 As used in this chapter:

61 (1) "Board" means the Utah Homeless Services Board created in Section 35A-16-204.

62 (2) "Chief executive officer" means the same as that term is defined in Section 11-51-102.

- 63 (3) "Client" means an individual who is experiencing homelessness or an individual at risk
64 of becoming homeless.
- 65 (4) "Collaborative applicant" means the entity designated by a continuum of care to collect
66 and submit data and apply for funds on behalf of the continuum of care, as required by
67 the United States Department of Housing and Urban Development.
- 68 (5) "Congregate shelter" means a facility that provides temporary shelter to individuals in a
69 shared, open space with limited or no privacy.
- 70 [~~(5)~~] (6) "Continuum of care" means a regional or local planning body designated by the
71 United States Department of Housing and Urban Development to coordinate services for
72 individuals experiencing homelessness within an area of the state.
- 73 [~~(6)~~] (7) "Coordinator" means the state homelessness coordinator appointed under Section
74 63J-4-202.
- 75 [~~(7)~~] (8) "County of the first class" means the same as that term is defined in Section
76 17-60-104.
- 77 [~~(8)~~] (9) "County of the second class" means the same as that term is defined in Section
78 17-60-104.
- 79 [~~(9)~~] (10) "Eligible services" means any activities or services that mitigate the impacts of the
80 location of an eligible shelter, including direct services, public safety services, and
81 emergency services, as further defined by rule made by the office in accordance with
82 Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 83 (11)(a) "Emergency shelter" means a facility that provides immediate, temporary shelter
84 to individuals experiencing homelessness.
- 85 (b) "Emergency shelter" includes a shelter in response to:
- 86 (i) a subsequent winter response period, as defined in Section 35A-16-501; and
87 (ii) a code blue event, as defined in Section 35A-16-701.
- 88 [~~(10)~~] (12) "Executive committee" means the executive committee of the board.
- 89 [~~(11)~~] (13) "Exit destination" means:
- 90 (a) a homeless situation;
- 91 (b) an institutional situation;
- 92 (c) a temporary housing situation;
- 93 (d) a permanent housing situation; or
- 94 (e) other.
- 95 [~~(12)~~] (14) "First-tier eligible municipality" means a municipality that:
- 96 (a) is located within:

- 97 (i) a county of the first or second class, as classified in Section 17-60-104; or
98 (ii) a county of the third class, as classified in Section 17-60-104, if the municipality
99 has a population of 100,000 or more;
- 100 (b) as determined by the office, has or is proposed to have an eligible shelter within the
101 municipality's geographic boundaries within the following fiscal year;
- 102 (c) due to the location of an eligible shelter within the municipality's geographic
103 boundaries, requires eligible services; and
- 104 (d) is certified as a first-tier eligible municipality in accordance with Section 35A-16-404.
- 105 ~~[(13)]~~ (15) "Homeless Management Information System" or "HMIS" means an information
106 technology system that:
- 107 (a) is used to collect client-level data and data on the provision of housing and services
108 to homeless individuals and individuals at risk of homelessness in the state; and
- 109 (b) meets the requirements of the United States Department of Housing and Urban
110 Development.
- 111 ~~[(14)]~~ (16) "Homeless services budget" means the comprehensive annual budget and
112 overview of all homeless services available in the state described in Subsection
113 35A-16-203(1)(b).
- 114 ~~[(15)]~~ (17) "Local homeless council" means a local planning body designated by the steering
115 committee to coordinate services for individuals experiencing homelessness within an
116 area of the state.
- 117 (18) "Noncongregate shelter" means a facility in a tier-one or tier-two eligible municipality
118 that provides temporary shelter to individuals in a separate and private unit.
- 119 ~~[(16)]~~ (19) "Office" means the Office of Homeless Services.
- 120 ~~[(17)]~~ (20) "Residential, vocational and life skills program" means the same as that term is
121 defined in Section 13-53-102.
- 122 ~~[(18)]~~ (21) "Second-tier eligible municipality" means a municipality that:
- 123 (a) is located within:
- 124 (i) a county of the fourth, fifth, or sixth class; or
125 (ii) a county of the third class, if the municipality has a population of less than
126 100,000;
- 127 (b) as determined by the office, has or is proposed to have an eligible shelter within the
128 municipality's geographic boundaries within the following fiscal year;
- 129 (c) due to the location of an eligible shelter within the municipality's geographic
130 boundaries, requires eligible services; and

- 131 (d) is certified as a second-tier eligible municipality in accordance with Section
 132 35A-16-404.
- 133 ~~[(19)]~~ (22)(a) "Service provider" means a state agency, a local government, or a private
 134 organization that provides services to clients.
- 135 (b) "Service provider" includes a correctional facility and the Administrative Office of
 136 the Courts.
- 137 ~~[(20)]~~ (23) "Steering committee" means the Utah Homeless Network Steering Committee
 138 created in Section 35A-16-206.
- 139 ~~[(21)]~~ (24) "Strategic plan" means the statewide strategic plan to minimize homelessness in
 140 the state described in Subsection 35A-16-203(1)(c).
- 141 ~~[(22)]~~ (25) "Type of homelessness" means:
- 142 (a) chronic homelessness;
- 143 (b) episodic homelessness;
- 144 (c) situational homelessness; or
- 145 (d) family homelessness.
- 146 Section 2. Section **35A-16-202** is amended to read:
- 147 **35A-16-202 (Effective 04/01/26). Powers and duties of the office.**
- 148 (1) The office shall, under the direction of the coordinator:
- 149 (a) assist in providing homeless services in the state;
- 150 (b) coordinate the provision of homeless services in the state;
- 151 (c) manage, with the concurrence of continuum of care organizations approved by the
 152 United States Department of Housing and Urban Development, a Homeless
 153 Management Information System for the state that:
- 154 (i) shares client-level data between service providers in the state;
- 155 (ii) is effective as a case management system;
- 156 (iii) except for individuals receiving services who are victims of domestic violence,
 157 includes an effective authorization protocol for encouraging individuals who are
 158 provided with any homeless services in the state to provide accurate information
 159 to providers for inclusion in the HMIS; and
- 160 (iv) meets the requirements of the United States Department of Housing and Urban
 161 Development and other federal requirements;
- 162 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
 163 make rules defining "successful exit," "unsuccessful exit," and "neutral exit"; and
- 164 (e) provide support to the steering committee in developing the formula described in

165 Section 35A-16-211.

166 (2) The office may:

- 167 (a) by following the procedures and requirements of Title 63J, Chapter 5, Federal Funds
168 Procedures Act, seek federal grants, loans, or participation in federal programs; and
169 (b) for any federal program that requires the expenditure of state funds as a condition for
170 participation by the state in a fund, property, or service, with the governor's approval,
171 expend whatever funds are necessary out of the money provided by the Legislature
172 for the use of the office.

173 (3)(a) In accordance with Section 63A-5b-902, the office may accept a conveyance,

174 lease, or disposal of property owned by the Division of Facilities Construction and
175 Management, with the written consent of the governing body of the municipality in
176 which the property is located, for use as a temporary shelter to individuals
177 experiencing homelessness.

178 (b) For a conveyance of property described in Subsection (3)(a), the office, if approved
179 by the board and with the concurrence of the coordinator, may enter into a lease
180 agreement with a nonprofit service provider that the office selects to manage a
181 homeless shelter in the leased space.

182 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
183 office may make rules to establish a lease agreement template for a lease described in
184 Subsection (3) that includes:

185 (a) lease terms, including lease rates;

186 (b) homeless shelter use restrictions, including whether the homeless shelter may be
187 used as an overflow or emergency shelter;

188 (c) operational requirements for compliance with the standards described in this chapter;
189 and

190 (d) a termination clause, including cause for termination of a lease agreement if the
191 housing sponsor fails to meet the requirements under this chapter.

192 (5) Lease rates described in Subsection (4)(a) shall be set at market rate.

193 (6) Lease payments received under the lease agreement described in this section may be
194 used for the operations and maintenance of the leased space.

195 Section 3. Section **35A-16-203** is amended to read:

196 **35A-16-203 (Effective 04/01/26). Powers and duties of the coordinator.**

197 (1) The coordinator shall:

198 (a) coordinate the provision of homeless services in the state;

- 199 (b) in cooperation with the board, develop and maintain a comprehensive annual budget
200 and overview of all homeless services available in the state, which homeless services
201 budget shall receive final approval by the board;
- 202 (c) in cooperation with the board, create a statewide strategic plan to minimize
203 homelessness in the state, which strategic plan shall receive final approval by the
204 board;
- 205 (d) in cooperation with the board, oversee funding provided for the provision of
206 homeless services, which funding shall receive final approval by the board, including
207 funding from the:
- 208 (i) Pamela Atkinson Homeless Account created in Section 35A-16-301;
209 (ii) Homeless to Housing Reform Restricted Account created in Section 35A-16-303;
210 and
211 (iii) Homeless Shelter Cities Mitigation Restricted Account created in Section
212 35A-16-402;
- 213 (e) provide administrative support to and serve as a member of the board;
- 214 (f) at the governor's request, report directly to the governor on issues regarding
215 homelessness in the state and the provision of homeless services in the state; and
- 216 (g) report directly to the president of the Senate and the speaker of the House of
217 Representatives at least twice each year on issues regarding homelessness in the state
218 and the provision of homeless services in the state.
- 219 (2) The coordinator, in cooperation with the board, shall ensure that the homeless services
220 budget described in Subsection (1)(b) includes an overview and coordination plan for all
221 funding sources for homeless services in the state, including from state agencies,
222 continuum of care organizations, housing authorities, local governments, federal
223 sources, and private organizations.
- 224 (3) The coordinator, in cooperation with the board and taking into account the metrics
225 established and data reported in accordance with Section 35A-16-211, shall ensure that
226 the strategic plan described in Subsection (1)(c):
- 227 (a) outlines specific goals and measurable benchmarks for minimizing homelessness in
228 the state and for coordinating services for individuals experiencing homelessness
229 among all service providers in the state;
- 230 (b) identifies best practices or innovative strategies and recommends improvements to
231 the provision of services to individuals experiencing homelessness in the state to
232 ensure the services are provided in a safe, cost-effective, and efficient manner;

- 233 (c) identifies best practices or innovative strategies and recommends improvements in
234 coordinating the delivery of services to the variety of populations experiencing
235 homelessness in the state, including through the use of electronic databases and
236 improved data sharing among all service providers in the state;
- 237 (d) identifies gaps and recommends solutions in the delivery of services to the variety of
238 populations experiencing homelessness in the state; and
- 239 (e) takes into consideration the success of the HOME Court Pilot Program established in
240 Section 26B-5-382.
- 241 (4) In overseeing funding for the provision of homeless services as described in Subsection
242 (1)(d), the coordinator:
- 243 (a) shall prioritize the funding of programs and providers that have a documented history
244 of successfully reducing the number of individuals experiencing homelessness,
245 reducing the time individuals spend experiencing homelessness, moving individuals
246 experiencing homelessness to permanent housing, or reducing the number of
247 individuals who return to experiencing homelessness;
- 248 (b) except for a program or provider providing services to victims of domestic violence,
249 may not approve funding to a program or provider that does not enter into a written
250 agreement with the office to collect and share HMIS data regarding the provision of
251 services to individuals experiencing homelessness so that the provision of services
252 can be coordinated among state agencies, local governments, and private
253 organizations; and
- 254 (c) if the board has approved a funding formula developed by the steering committee, as
255 described in Section 35A-16-205:
- 256 (i) except as provided in Subsection (4)(c)(ii), shall utilize that funding formula in
257 disbursing funds for the provision of homeless services; and
- 258 (ii) shall ensure that any federal funds not subject to the funding formula are
259 disbursed in accordance with any applicable federal requirements.
- 260 (5) In cooperation with the board, the coordinator shall update the annual statewide budget
261 and the strategic plan described in this section on an annual basis.
- 262 (6)(a) On or before [~~October~~] November 1, the coordinator shall provide a written report
263 to the department for inclusion in the department's annual written report described in
264 Section 35A-1-109.
- 265 (b) The written report shall include:
- 266 (i) the homeless services budget;

- 267 (ii) the strategic plan;
- 268 (iii) recommendations regarding improvements to coordinating and providing
- 269 services to individuals experiencing homelessness in the state;
- 270 (iv) in coordination with the board, a complete accounting of the office's
- 271 disbursement of funds during the previous fiscal year from:
- 272 (A) the Pamela Atkinson Homeless Account created in Section 35A-16-301;
- 273 (B) the Homeless to Housing Reform Restricted Account created in Section
- 274 35A-16-303;
- 275 (C) the Homeless Shelter Cities Mitigation Restricted Account created in Section
- 276 35A-16-402;
- 277 (D) the COVID-19 Homeless Housing and Services Grant Program created in
- 278 Section 35A-16-602; and
- 279 (E) any other grant program created in statute that is administered by the office;
- 280 and
- 281 (v) the data described in Section 35A-16-211.

282 Section 4. Section **35A-16-204** is amended to read:

283 **35A-16-204 (Effective 04/01/26). Utah Homeless Services Board.**

- 284 (1) There is created within the office the Utah Homeless Services Board.
- 285 (2)(a) The board shall consist of the following members:
- 286 (i) a representative, appointed by the speaker of the House of Representatives;
- 287 (ii) a representative, appointed by the president of the Senate;
- 288 (iii) a private sector representative, appointed by the governor;
- 289 (iv) a representative, appointed by the governor;
- 290 (v) a statewide philanthropic leader, appointed by the Utah Impact Partnership or the
- 291 partnership's successor organization;
- 292 (vi) the mayor of Salt Lake City;
- 293 (vii) the chief executive officer appointed by the Shelter Cities [Advisory]
- 294 Coordinating Council in accordance with Section 35A-16-210;
- 295 (viii) an individual with lived experience of homelessness, appointed by the chair of
- 296 the board;
- 297 (ix) a representative, appointed by the Utah Association of Counties or the
- 298 association's successor organization;
- 299 (x) an individual who represents the Utah Homeless Network; and
- 300 (xi) the coordinator.

- 301 (b) The governor shall select a board member to serve as chair of the board.
- 302 (3) The following four members of the board shall serve as the executive committee:
- 303 (a) the coordinator; and
- 304 (b) three board members chosen by the board chair, which shall include one of the
- 305 members described in Subsection (2)(a)(vi) or (2)(a)(vii).
- 306 (4)(a) The board shall meet at least once per calendar quarter.
- 307 (b) The chair, the coordinator, or three of the board members may call a board meeting.
- 308 (c) The individual calling the meeting shall provide notice of the meeting to the board
- 309 members at least three calendar days in advance of the meeting.
- 310 (5) A majority of the voting members of the board constitutes a quorum of the board at any
- 311 meeting, and the action of the majority of voting members present constitutes the action
- 312 of the board.
- 313 (6)(a) A majority of members of the executive committee constitutes a quorum of the
- 314 executive committee at any meeting, and the action of the majority of members
- 315 present constitutes the action of the executive committee.
- 316 (b) The executive committee is exempt from the requirements described in Title 52,
- 317 Chapter 4, Open and Public Meetings Act.
- 318 (7)(a) Except as required by Subsection (7)(c):
- 319 (i) each appointed member of the board, other than a board member described in
- 320 Subsection (2)(a)(vii), shall serve a four-year term; and
- 321 (ii) the board member appointed in accordance with Subsection (2)(a)(vii) shall serve
- 322 a two-year term.
- 323 (b) A board member may serve more than one term.
- 324 (c) The appointing authority, at the time of appointment or reappointment, may adjust
- 325 the length of terms to ensure that the terms of board members are staggered so that
- 326 approximately half of the appointed board members are appointed every two years.
- 327 (8) When a vacancy occurs in the appointed membership for any reason, the replacement is
- 328 appointed for the unexpired term.
- 329 (9)(a) Except as described in Subsection (9)(b), a member may not receive
- 330 compensation or benefits for the member's service but may receive per diem and
- 331 travel expenses in accordance with:
- 332 (i) Section 63A-3-106;
- 333 (ii) Section 63A-3-107; and
- 334 (iii) rules made by the Division of Finance in accordance with Sections 63A-3-106

335 and 63A-3-107.

336 (b) Compensation and expenses of a board member who is a legislator are governed by
337 Section 36-2-2 and Legislative Joint Rules, Title 5, Legislative Compensation and
338 Expenses.

339 (10) The office shall provide staff and administrative support to the board.

340 Section 5. Section **35A-16-208** is amended to read:

341 **35A-16-208 (Effective 04/01/26). Reporting requirements -- Outcome measures.**

342 (1)(a) The office shall report, for the state and for each local homeless council:

343 (i) the state's year-to-date progress toward reaching a functional zero level of
344 homelessness for each type of homelessness and subpopulation, including:
345 (A) the number of individuals who are homeless for the first time;
346 (B) the number of individuals who returned to homelessness after having exited
347 homelessness within the two previous years;
348 (C) the number of individuals who remained homeless since the last report;
349 (D) the number of individuals experiencing homelessness since the last report by
350 household type;
351 (E) the number of individuals who exited by exit destination; and
352 (F) the number of individuals who are experiencing homelessness for the first time
353 plus the number of individuals who are returning to homelessness minus the
354 number of individuals who are exiting homelessness;

355 (ii) the percentage of individuals experiencing homelessness who:

356 (A) have a mental health disorder;
357 (B) have a substance use disorder;
358 (C) have a chronic health condition;
359 (D) have a physical disability;
360 (E) have a developmental disability;
361 (F) have HIV/AIDS;
362 (G) are survivors of domestic violence;
363 (H) are veterans; and
364 (I) are unaccompanied youth 24 years old or younger;

365 (iii) the number of individuals who exited homeless services since the last report by:

366 (A) type of homelessness;
367 (B) subpopulation; and
368 (C) exit destination;

- 369 (iv) the progress, by project type, on each goal established in accordance with
 370 Subsection (3); and
- 371 (v) the data provided by the homeless services provider ombudsman as described in
 372 Section 35A-16-1002.
- 373 (b) The reports described in this Subsection (1) shall contain aggregated, de-identified
 374 information.
- 375 (2) The office shall report the data described in Subsection (1):
- 376 (a) in the annual report required by Section 35A-16-203; and
 377 ~~[(b) on or before October 1 of each year, through an oral presentation to the Economic~~
 378 ~~Development and Workforce Services Interim Committee; and]~~
- 379 ~~[(e)]~~ (b) on a data dashboard for the public with specific additional data points
 380 recommended by the board.
- 381 (3) The board and the local homeless councils shall jointly establish quarterly goals for
 382 each project type.
- 383 (4) The board and the local homeless councils shall jointly make annual progress reports
 384 identifying:
- 385 (a) the percentage of clients:
- 386 (i) screened for social needs; and
- 387 (ii) referred for services that match the clients' social needs;
- 388 (b) the percentage of clients subsequently referred to community-based providers who
 389 can:
- 390 (i) address the client's needs;
- 391 (ii) follow-up on status of addressing the client's needs; and
- 392 (iii) report back to the referring entity;
- 393 (c) the number of youth receiving parent or guardian bereavement support services; and
- 394 (d) the number of clients with:
- 395 (i) a successful exit;
- 396 (ii) an unsuccessful exit;
- 397 (iii) a neutral exit; and
- 398 (iv) continued enrollment in the project.

399 Section 6. Section **35A-16-210** is amended to read:

400 **35A-16-210 (Effective 04/01/26). Shelter Cities Coordinating Council.**

- 401 (1) There is established the Shelter Cities ~~[Advisory Board]~~ Coordinating Council.
- 402 (2) The Shelter Cities ~~[Advisory Board]~~ Coordinating Council shall consist of the following

- 403 members:
- 404 (a) the chief executive officer of each first-tier eligible municipality, or the chief
405 executive officer's designee; and
- 406 (b) the chief executive officer of each second-tier eligible municipality, or the chief
407 executive officer's designee.
- 408 (3)(a) The Shelter Cities [~~Advisory Board~~] Coordinating Council shall appoint, in
409 accordance with this section, one chief executive officer representing a municipality
410 as a member to the board.
- 411 (b) The members of the Shelter Cities [~~Advisory Board~~] Coordinating Council shall
412 make an appointment, or fill a vacancy, by a majority vote of all members of the
413 Shelter Cities [~~Advisory Board~~] Coordinating Council who are present at the meeting
414 during which an appointment is made.
- 415 (c) The Shelter Cities [~~Advisory Board~~] Coordinating Council may not appoint the chief
416 executive officer described in Subsection 35A-16-204(2)(a)(vi).
- 417 (d) Section 35A-16-204 governs other terms of appointment.
- 418 (4) The Shelter Cities [~~Advisory Board~~] Coordinating Council may make recommendations
419 to the board regarding improvements to coordinating and providing services to
420 individuals experiencing homelessness in the state.
- 421 (5) The office and an association representing at least two municipalities in the state shall
422 jointly provide staff and administrative support to the Shelter Cities [~~Advisory Board~~]
423 Coordinating Council.

424 Section 7. Section **35A-16-210.1** is amended to read:

425 **35A-16-210.1 (Effective 04/01/26). Shelter Counties Coordinating Council.**

- 426 (1) There is established the Shelter Counties [~~Advisory Board~~] Coordinating Council.
- 427 (2) The Shelter Counties [~~Advisory Board~~] Coordinating Council shall consist of the chief
428 executive officer of each county that maintains a homeless shelter year round, or the
429 chief executive officer's designee.
- 430 (3) The Shelter Counties [~~Advisory Board~~] Coordinating Council may make
431 recommendations to the board regarding improvements to coordinating and providing
432 services to individuals experiencing homelessness in the state.
- 433 (4) The office and an association representing at least two counties in the state shall jointly
434 provide staff and administrative support to the Shelter Counties [~~Advisory Board~~]
435 Coordinating Council.

436 Section 8. Section **35A-16-212** is amended to read:

437 **35A-16-212 (Effective 04/01/26) (Repealed 07/01/28). Property Loss Related to**
438 **Homelessness Compensation Enterprise Fund.**

- 439 (1) As used in this part:
- 440 (a) "Fund" means the Property Loss Related to Homelessness Compensation Enterprise
441 Fund created in Subsection (3).
- 442 (b) "Homeless services facility" means an eligible shelter under Subsection [
443 ~~35A-16-401(5)(a) or (5)(b)~~] 35A-16-401(5)(a), (b), or (c).
- 444 (c) "Property loss" means:
- 445 (i) documented damage to or theft of personal property; or
- 446 (ii) documented cost of cleaning, sanitizing, repairing, or restoring real property.
- 447 (2) Documentation required for Subsection (1)(c) shall include closed insurance claim
448 information with any settlement amount.
- 449 (3) There is created an enterprise fund known as the Property Loss Related to
450 Homelessness Compensation Enterprise Fund.
- 451 (4) The fund shall consist of:
- 452 (a) gifts, grants, donations, and loan repayments or any other conveyance of money that
453 may be made to the fund from private sources; and
- 454 (b) additional amounts as appropriated by the Legislature.
- 455 (5) The fund shall be administered by the office.
- 456 (6) Funds may be used to:
- 457 (a) provide a no-interest loan to a business that:
- 458 (i) meets the requirements of Subsection (6)(b); and
- 459 (ii) enters into an agreement with the department to:
- 460 (A) use loan funds for documented costs for property loss or for documented costs
461 to mitigate property loss as a direct result of the presence of the homeless
462 services facility; and
- 463 (B) repay the loan no later than one year from the day on which the loan is
464 disbursed to the business;
- 465 (b) except as provided in Subsection (12), compensate a business that:
- 466 (i) is located within 1/5 of a mile of a homeless services facility; and
- 467 (ii) experiences property loss as a direct result of the presence of the homeless
468 services facility; or
- 469 (c) compensate an individual who:
- 470 (i) lives within 1/5 of a mile from a homeless services facility; and

- 471 (ii) experiences property loss as a direct result of the presence of the homeless
472 services facility.
- 473 (7) An individual who receives compensation from the fund shall:
- 474 (a) be a resident of Utah; and
475 (b) have a need that meets the requirements of this section.
- 476 (8)(a) A business that receives compensation or a loan from the fund shall be in good
477 standing with the State Tax Commission and Department of Commerce.
- 478 (b) The State Tax Commission and Department of Commerce may charge a business
479 described in Subsection (8)(a) a nominal fee to obtain a certificate of good standing
480 to meet the requirements under this section.
- 481 (9)(a) The fund may not duplicate or supplant a service or support mechanism provided
482 to an individual or business by another government entity or private agency.
- 483 (b) The fund may supplement a service or support mechanism provided to an individual
484 or business by another government entity or private agency, if the service or support
485 mechanism does not fully cover the cost of the individual's or business's property loss.
- 486 (10) Administrative and operating expenses for the fund shall be paid from the fund.
- 487 (11) The executive director may expend up to 4% of the revenues of the fund, including any
488 appropriations to the fund, for administrative expenses.
- 489 (12) A business located at parcel record number 15-26-326-016-0000 is not eligible to
490 receive compensation for property loss as a direct result of the presence of a homeless
491 services facility.
- 492 (13) The office shall:
- 493 (a) administer the loan program, including:
- 494 (i) in each calendar year that money is available from the fund for distribution by the
495 office, announcing, at least once in that year, a loan application period by sending
496 notice to interested persons;
- 497 (ii) accepting applications received in a timely manner;
- 498 (iii) reviewing loan applications;
- 499 (iv) determining eligibility in accordance with this section; and
500 (v) distributing loan money to an approved loan recipient; and
- 501 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
502 make rules to administer the program, including:
- 503 (i) loan application requirements;
504 (ii) procedures to approve a loan;

- 505 (iii) procedures for distributing money to loan recipients;
- 506 (iv) criteria for confirming the amount of property loss; and
- 507 (v) criteria prioritizing disbursements in the event of limited funds.
- 508 (14) The office may do any act necessary or convenient to the exercise of the powers
- 509 granted by this part or reasonably implied from those granted powers, including:
- 510 (a) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the
- 511 servicing of loans made by the fund;
- 512 (b) make or execute contracts and other instruments necessary or convenient for the
- 513 performance of the office's duties and exercise of the office's powers and functions
- 514 under this part, including contracts or agreements for the servicing and originating of
- 515 loans; and
- 516 (c) selling, at a public or private sale, with public bidding, an obligation held by the fund.
- 517 (15) Any money returned to the department under this section from a person that received a
- 518 loan from the fund shall be deposited into the fund.

519 Section 9. Section **35A-16-401** is amended to read:

520 **35A-16-401 (Effective 04/01/26). Definitions.**

521 As used in this part:

- 522 (1) "Account" means the Homeless Shelter Cities Mitigation Restricted Account created in
- 523 Section 35A-16-402.
- 524 (2) "Authorized provider" means a nonprofit provider of homeless services that is
- 525 authorized by a third-tier eligible municipality to operate a temporary [~~winter response~~
- 526 emergency shelter within the municipality[~~in accordance with Part 5, Winter Response~~
- 527 Plan Requirements].
- 528 (3) "Eligible municipality" means:
- 529 (a) a first-tier eligible municipality;
- 530 (b) a second-tier eligible municipality; or
- 531 (c) a third-tier eligible municipality.
- 532 (4) "Eligible services" means any activities or services that mitigate the impacts of the
- 533 location of an eligible shelter, including direct services, public safety services, and
- 534 emergency services, as further defined by rule made by the office in accordance with
- 535 Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 536 (5) "Eligible shelter" means:
- 537 (a) for a first-tier eligible municipality, a homeless shelter that:
- 538 (i) has the capacity to provide temporary shelter to at least 80 individuals per night,

- 539 as verified by the office;
- 540 (ii) operates year-round; and
- 541 (iii) is not subject to restrictions that limit the hours, days, weeks, or months of
- 542 operation;
- 543 (b) for a second-tier municipality, a homeless shelter that:
- 544 (i) has the capacity to provide temporary shelter to at least 25 individuals per night,
- 545 as verified by the office;
- 546 (ii) operates year-round; and
- 547 (iii) is not subject to restrictions that limit the hours, days, weeks, or months of
- 548 operation;~~and]~~
- 549 (c) an eligible shelter under Subsection (5)(a) or (b), if the homeless shelter operates for
- 550 more than 365 continuous days, regardless of whether the homeless shelter is
- 551 intended to operate as an emergency shelter, as long as the homeless shelter meets the
- 552 requirements of an eligible shelter defined in Subsection (5)(a) or (b); and
- 553 ~~(e)] (d) for a third-tier eligible municipality, a homeless shelter that:~~
- 554 ~~[(i)(A) has the capacity to provide temporary shelter to at least 50 individuals per~~
- 555 ~~night, as verified by the office; and]~~
- 556 ~~[(B) operates for no less than three months during the period beginning October 1~~
- 557 ~~and ending April 30 of the following year; or]~~
- 558 ~~[(ii)(A) meets the definition of a homeless shelter under Section 35A-16-501; and]~~
- 559 ~~[(B) contains beds that are utilized as part of a county's winter response plan under~~
- 560 ~~Section 35A-16-502.]~~
- 561 (i) has the capacity to provide temporary shelter to at least 50 individuals per night,
- 562 as verified by the office; and
- 563 (ii) operates for no less than three months during the period beginning October 1 and
- 564 ending April 30 of the following year.
- 565 (6) "Homeless shelter" means a facility that provides or is proposed to provide temporary
- 566 shelter to individuals experiencing homelessness.
- 567 (7) "Municipality" means a city or town.
- 568 (8) "Public safety services" means law enforcement, emergency medical services, or fire
- 569 protection.
- 570 (9) "Third-tier eligible municipality" means a municipality that:
- 571 (a) as determined by the office, has or is proposed to have an eligible shelter within the
- 572 municipality's geographic boundaries within the following fiscal year; and

573 (b) due to the location of an eligible shelter within the municipality's geographic
574 boundaries, requires eligible services.

575 Section 10. Section **35A-16-406** is enacted to read:

576 **35A-16-406 (Effective 04/01/26). Mitigation Fund Task Force.**

577 (1) As used in this section:

578 (a) "Eligible shelter" means the same as that term is defined in Section 35A-16-401.

579 (b) "Task force" means the Mitigation Fund Task Force created in this section.

580 (2) There is created within the office the Mitigation Fund Task Force consisting of the
581 following seven voting members:

582 (a) the coordinator or the coordinator's designee;

583 (b) three members, one each, from a municipality that hosts a qualifying homeless
584 shelter, selected by the board of directors of the Utah League of Cities and Towns as
585 recommended by the Shelter Cities Coordinating Council; and

586 (c) three members, one each, from a municipality that does not host a qualifying
587 homeless shelter, selected by the board of directors of the Utah League of Cities and
588 Towns.

589 (3) In addition to the seven voting members, a representative from the Utah League of
590 Cities and Towns shall serve on the task force in a nonvoting capacity.

591 (4) The coordinator, or the coordinator's designee, shall serve as the chair of the task force.

592 (5)(a) If a vacancy occurs in the membership of the task force, the member shall be
593 replaced in the same manner in which the original selection was made.

594 (b) A member shall serve until the member's successor is appointed.

595 (6)(a) The chair is responsible for the call and conduct of task force meetings.

596 (b) The chair shall call and conduct meetings of the task force as the chair determines
597 appropriate during the 2026 legislative interim period.

598 (7)(a) A majority of the members of the task force constitutes a quorum.

599 (b) The action of a majority of a quorum constitutes an action of the task force.

600 (8) A member of the task force may not receive compensation or benefits for the member's
601 service, but may receive per diem and travel expenses in accordance with:

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

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

604 (c) rules made by the Division of Finance in accordance with Sections 63A-3-106 and
605 63A-3-107.

606 (9) The office shall provide staff support to the task force.

- 607 (10) The task force shall:
- 608 (a) assess public safety costs incurred by a municipality that hosts an eligible shelter;
- 609 (b) develop best practices for identifying, documenting, and categorizing mitigation
- 610 expenses incurred by a municipality related to hosting an eligible shelter;
- 611 (c) evaluate and recommend a mitigation funding formula for an eligible shelter that:
- 612 (i) accounts for system capacity and utilization; and
- 613 (ii) adjusts over time based on measurable system metrics;
- 614 (d) make recommendations regarding distributions from the mitigation fund to a
- 615 municipality that hosts an eligible shelter, including consideration of:
- 616 (i) for a congregate shelter, the number of beds and bed occupancy rates for the
- 617 eligible shelter; and
- 618 (ii) for a noncongregate shelter, the number of rooms and room occupancy rates for
- 619 the eligible shelter;
- 620 (e) make recommendations regarding contributions to the mitigation fund by a
- 621 municipality that does not host an eligible shelter; and
- 622 (f) make recommendations regarding qualifying offsets against required mitigation fund
- 623 contributions from a municipality, including consideration of:
- 624 (i) site-based crisis shelters, as defined by the United States Department of Housing
- 625 and Urban Development;
- 626 (ii) site-based supported living programs for people with a serious mental illness as
- 627 defined by the United States Department of Housing and Urban Development; and
- 628 (iii) site-based transitional housing, as defined by the United States Department of
- 629 Housing and Urban Development.
- 630 (11) On or before November 1, 2026, the task force shall report the task force's findings and
- 631 recommendations described in Subsection (10) to the office.

632 Section 11. Section **35A-16-1101** is enacted to read:

633 **Part 11. Homeless Services Provider Payments**

634 **35A-16-1101 (Effective 04/01/26). Advance payments to homeless services**

635 **providers -- Requirements.**

636 (1) As used in this section:

- 637 (a) "Contract" means a homeless services agreement between the office and a homeless
- 638 services provider that describes the scope of work, performance goals, funding terms,
- 639 and other provisions related to providing services to individuals experiencing
- 640 homelessness.

- 641 (b) "Future services payment" means an advance payment made by the office to a
642 homeless services provider for services to be provided to individuals experiencing
643 homelessness.
- 644 (2)(a) Beginning on July 1, 2026, and subject to Subsection (2)(b), the office may issue a
645 future services payment to each service provider that requests a future services
646 payment, as allowed by the funding source for the contract.
- 647 (b) The amount of the future services payment described in Subsection (2)(a), for a
648 given month, shall be equal to the service provider's total award amount divided by
649 the term of the service provider's current contract in months.
- 650 (3)(a) Under the terms of the contract, a service provider shall submit an invoice for the
651 actual services provided for the month for which the service provider receives a
652 future services payment.
- 653 (b) If the office determines that a service provider's actual expenses are less than the
654 amount of the most recent future services payment, the office may subtract the
655 overpaid amount from the next future services payment to the service provider.
- 656 (c) If the service provider's actual expenses are greater than the amount of the most
657 recent future services payment, the office may add the underpaid amount to the next
658 future services payment to the service provider.
- 659 (d) If a service provider fails to submit a required invoice or is otherwise out of
660 compliance with the service provider's contract or state law, the office may hold any
661 future services payments to the service provider until the service provider comes into
662 compliance.
- 663 (4) The office may ensure that an extension of a contract is executed no later than 30 days
664 before the last day on which an existing contract ends.
- 665 (5) Nothing in this section prohibits the office from taking additional contractual or
666 administrative action authorized by state law.
- 667 (6) The office may make rules in accordance with Title 63G, Chapter 3, Utah
668 Administrative Rulemaking Act, to implement the procedures, documentation
669 requirements, and payment schedules described in this section.

670 Section 12. Section **59-12-205** is amended to read:

671 **59-12-205 (Effective 04/01/26). Ordinances to conform with statutory**
672 **amendments -- Distribution of tax revenue -- Determination of population.**

- 673 (1) To maintain in effect sales and use tax ordinances adopted [~~pursuant to~~] in accordance
674 with Section 59-12-204, a county, city, or town shall adopt amendments to the county's,

- 675 city's, or town's sales and use tax ordinances:
- 676 (a) within 30 days of the day on which the state makes an amendment to an applicable
677 provision of Part 1, Tax Collection; and
- 678 (b) as required to conform to the amendments to Part 1, Tax Collection.
- 679 (2)(a) Except as provided in Subsections (3), (4), and (5) and subject to Subsection (6):
- 680 (i) 50% of each dollar collected from the sales and use tax authorized by this part
681 shall be distributed to each county, city, and town on the basis of the percentage
682 that the population of the county, city, or town bears to the total population of all
683 counties, cities, and towns in the state; and
- 684 (ii)(A) except as provided in Subsections (2)(a)(ii)(B), (C), (D), (E), and (F), 50%
685 of each dollar collected from the sales and use tax authorized by this part shall
686 be distributed to each county, city, and town on the basis of the location of the
687 transaction as determined under Sections 59-12-211 through 59-12-215;
- 688 (B) except as provided in Subsections (10) through (13), 50% of each dollar
689 collected from the sales and use tax authorized by this part within a project
690 area described in a project area plan adopted by the military installation
691 development authority under Title 63H, Chapter 1, Military Installation
692 Development Authority Act, shall be distributed to the military installation
693 development authority created in Section 63H-1-201;
- 694 (C) except as provided in Subsections (10) through (13), beginning July 1, 2024,
695 20% of each dollar collected from the sales and use tax authorized by this part
696 within a project area under Title 11, Chapter 58, Utah Inland Port Authority
697 Act, shall be distributed to the Utah Inland Port Authority, created in Section
698 11-58-201;
- 699 (D) except as provided in Subsections (10) through (13), 50% of each dollar
700 collected from the sales and use tax authorized by this part within the lake
701 authority boundary, as defined in Section 11-65-101, shall be distributed to the
702 Utah Lake Authority, created in Section 11-65-201, beginning the next full
703 calendar quarter following the creation of the Utah Lake Authority; and
- 704 (E) except as provided in Subsections (10) through (13), beginning January 1,
705 2026, 50% of each dollar collected from the sales and use tax authorized by
706 this part within the boundary of an eligible basic special district, as that term is
707 defined in Section 17B-1-1405, and if applicable, the boundary of a public
708 infrastructure district created by the eligible basic special district, shall be

- 709 distributed to the eligible basic special district.
- 710 (F) except as provided in Subsections (10) through (13), beginning the first day of
711 a calendar quarter after the sales and use tax boundary for a major sporting
712 event venue zone is established, the commission, at least annually, shall
713 transfer an amount equal to 50% of the sales and use tax increment, as defined
714 in Section 63N-3-1701, from the sales and use tax imposed under this part on
715 transactions occurring within a sales and use tax boundary, as Section
716 63N-3-1710, to the creating entity of the major sporting event venue zone.
- 717 (b) Subsection (2)(a)(ii)(C) does not apply to sales and use tax revenue collected before
718 July 1, 2022.
- 719 (3) Beginning no sooner than January 1, 2026, and before application of Subsections (2), (4),
720 (5), and (6), and except as provided in Subsections (8) and (9), and as described in
721 Section 63N-3-610.1, beginning the first day of a calendar quarter after the year set in
722 the proposal and after the sales and use tax boundary for a convention center
723 reinvestment zone is established under Title 63N, Chapter 3, Part 6, Housing and Transit
724 Reinvestment Zone Act, the commission, at least annually, shall transfer an amount
725 equal to 100% of the sales and use tax increment, as defined in Section 63N-3-602, from
726 the sales and use tax imposed under this part on transactions occurring within an
727 established sales and use tax boundary, as defined in Section 63N-3-602, to the entity
728 specified in the convention center reinvestment zone proposal submitted~~[pursuant to]~~ in
729 accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone
730 Act.
- 731 (4)(a) As used in this Subsection (4):
- 732 (i) "Eligible county, city, or town" means a county, city, or town that:
- 733 (A) for fiscal year 2012-13, received a tax revenue distribution under Subsection
734 (4)(b) equal to the amount described in Subsection (4)(b)(ii); and
- 735 (B) does not impose a sales and use tax under Section 59-12-2103 on or before
736 July 1, 2016.
- 737 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue
738 distributions an eligible county, city, or town received from a tax imposed in
739 accordance with this part for fiscal year 2004-05.
- 740 (b) An eligible county, city, or town shall receive a tax revenue distribution for a tax
741 imposed in accordance with this part equal to the greater of:
- 742 (i) the payment required by Subsection (2); or

- 743 (ii) the minimum tax revenue distribution.
- 744 (c) For an eligible county, city, or town that qualifies to receive a distribution described
745 in this Subsection (4), the commission shall apply the provisions of this Subsection
746 (4) after the commission applies the provisions of Subsection (3).
- 747 (5)(a) For purposes of this Subsection (5):
- 748 (i)(A) "Annual local contribution" means, for a fiscal year beginning on July 1,
749 2026, the lesser of \$316,250 or an amount equal to 2.93% of the participating
750 local government's tax revenue distribution amount under Subsection (2)(a)(i)
751 for a previous fiscal year.
- 752 (B) "Annual local contribution" means, for a fiscal year beginning on or after July
753 1, 2027, the lesser of [~~\$275,000~~] \$500,000 or an amount equal to [~~2.55%~~] 5%
754 of the participating local government's tax revenue distribution amount under
755 Subsection (2)(a)(i) for the previous fiscal year.
- 756 (ii) "Participating local government" means a county or municipality, as defined in
757 Section 10-1-104, that is not an eligible municipality certified in accordance with
758 Section 35A-16-404.
- 759 (b) For revenue collected from the tax authorized by this part that is distributed on or
760 after January 1, 2019, the commission, before making a tax revenue distribution
761 under Subsection (2)(a)(i) to a participating local government, shall:
- 762 (i) adjust a participating local government's tax revenue distribution under Subsection
763 (2)(a)(i) by:
- 764 (A) subtracting an amount equal to one-twelfth of the annual local contribution for
765 each participating local government from the participating local government's
766 tax revenue distribution; and
- 767 (B) if applicable, reducing the amount described in Subsection (5)(b)(i)(A) by an
768 amount equal to one-twelfth of \$250 for each bed that is available at all
769 homeless shelters located within the boundaries of the participating local
770 government, as reported to the commission by the Office of Homeless Services
771 in accordance with Section 35A-16-405; and
- 772 (ii) deposit the resulting amount described in Subsection (5)(b)(i) into the Homeless
773 Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.
- 774 (c) For a participating local government that qualifies to receive a distribution described
775 in Subsection (4), the commission shall apply the provisions of this Subsection (5)
776 after the commission applies the provisions of Subsections (3) and (4).

- 777 (6)(a) As used in this Subsection (6):
- 778 (i) "Annual dedicated sand and gravel sales tax revenue" means an amount equal to
- 779 the total revenue an establishment described in NAICS Code 327320, Ready-Mix
- 780 Concrete Manufacturing, of the 2022 North American Industry Classification
- 781 System of the federal Executive Office of the President, Office of Management
- 782 and Budget, collects and remits under this part for a calendar year.
- 783 (ii) "Sand and gravel" means sand, gravel, or a combination of sand and gravel.
- 784 (iii) "Sand and gravel extraction site" means a pit, quarry, or deposit that:
- 785 (A) contains sand and gravel; and
- 786 (B) is assessed by the commission in accordance with Section 59-2-201.
- 787 (iv) "Ton" means a short ton of 2,000 pounds.
- 788 (v) "Tonnage ratio" means the ratio of:
- 789 (A) the total amount of sand and gravel, measured in tons, sold during a calendar
- 790 year from all sand and gravel extraction sites located within a county, city, or
- 791 town; to
- 792 (B) the total amount of sand and gravel, measured in tons, sold during the same
- 793 calendar year from sand and gravel extraction sites statewide.
- 794 (b) For purposes of calculating the ratio described in Subsection (6)(a)(v), the
- 795 commission shall:
- 796 (i) use the gross sales data provided to the commission as part of the commission's
- 797 property tax valuation process; and
- 798 (ii) if a sand and gravel extraction site operates as a unit across municipal or county
- 799 lines, apportion the reported tonnage among the counties, cities, or towns based on
- 800 the percentage of the sand and gravel extraction site located in each county, city,
- 801 or town, as approximated by the commission.
- 802 (c)(i) Each July, the commission shall distribute from total collections under this part
- 803 an amount equal to the annual dedicated sand and gravel sales tax revenue for the
- 804 preceding calendar year to each county, city, or town in the same proportion as the
- 805 county's, city's, or town's tonnage ratio for the preceding calendar year.
- 806 (ii) The commission shall ensure that the revenue distributed under this Subsection
- 807 (6)(c) is drawn from each jurisdiction's collections in proportion to the
- 808 jurisdiction's share of total collections for the preceding 12-month period.
- 809 (d) A county, city, or town shall use revenue described in Subsection (6)(c) for class B
- 810 or class C roads.

- 811 (7)(a) Population figures for purposes of this section shall be based on, to the extent not
812 otherwise required by federal law:
- 813 (i) the most recent estimate from the Utah Population Committee created in Section
814 63C-20-103; or
- 815 (ii) if the Utah Population Committee estimate is not available for each municipality
816 and unincorporated area, the adjusted sub-county population estimate provided by
817 the Utah Population Committee in accordance with Section 63C-20-104.
- 818 (b) The population of a county for purposes of this section shall be determined only
819 from the unincorporated area of the county.
- 820 (8)(a) As used in Subsections (8) and (9):
- 821 (i) "Applicable percentage" means, for a convention center reinvestment zone created
822 under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act,
823 for sales occurring within the qualified development zone described in Subsection
824 (8)(a)(ii), 100% of the sales and use tax increment, as that term is defined in
825 Section 63N-3-602, from the sales and use tax:
- 826 (A) imposed by a city of the first class in a county of the first class under this part;
827 (B) imposed by a city of the first class in a county of the first class under Section
828 59-12-402.1;
- 829 (C) imposed by a county of the first class under Section 59-12-1102; and
830 (D) imposed by a county of the first class under Part 22, Local Option Sales and
831 Use Taxes for Transportation Act.
- 832 (ii) "Qualified development zone" means the sales and use tax boundary of a
833 convention center reinvestment zone created under Title 63N, Chapter 3, Part 6,
834 Housing and Transit Reinvestment Zone Act.
- 835 (iii) "Qualifying construction materials" means construction materials that are:
- 836 (A) delivered to a delivery outlet within a qualified development zone; and
837 (B) intended to be permanently attached to real property within the qualified
838 development zone.
- 839 (b) For a sale of qualifying construction materials, the commission shall distribute the
840 product calculated in Subsection (8)(c) to a qualified development zone if the seller
841 of the construction materials:
- 842 (i) establishes a delivery outlet with the commission within the qualified development
843 zone;
- 844 (ii) reports the sales of the construction materials to the delivery outlet described in

- 845 Subsection (8)(b)(i); and
- 846 (iii) does not report the sales of the construction materials on a simplified electronic
- 847 return.
- 848 (c) For the purposes of Subsection (8)(b), the product is equal to:
- 849 (i) the sales price or purchase price of the qualifying construction materials; and
- 850 (ii) the applicable percentage.
- 851 (9)(a) As used in this Subsection (9), "Schedule J sale" means a sale reported on State
- 852 Tax Commission Form TC-62M, Schedule J, or a substantially similar form as
- 853 designated by the commission.
- 854 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
- 855 qualified development zone shall be distributed into the jurisdiction that would have
- 856 received the revenue in the absence of the qualified development zone.
- 857 (10)(a) As used in this Subsection (10):
- 858 (i) "Applicable percentage" means:
- 859 (A) for a project area adopted by the military installation development authority
- 860 under Title 63H, Chapter 1, Military Installation Development Authority Act,
- 861 for sales occurring within a qualified development zone described in
- 862 Subsection (10)(a)(iii)(A):
- 863 (I) 50% of the revenue from the sales and use tax imposed under this part;
- 864 (II) 100% of the revenue from the sales and use tax imposed by the military
- 865 installation development authority under Section 59-12-401; and
- 866 (III) 100% of the revenue from the sales and use tax imposed by the military
- 867 installation development authority under Section 59-12-402; and
- 868 (B) for a project area under Title 11, Chapter 58, Utah Inland Port Authority Act,
- 869 for sales occurring within a qualified development zone described in
- 870 Subsection (10)(a)(iii)(B), 20% of the revenue from the sales and use tax under
- 871 this part;
- 872 (C) for the lake authority boundary, as defined in Section 11-65-101, for sales
- 873 occurring within the qualified development zone described in Subsection
- 874 (10)(a)(ii)(C), 50% of the revenue from the sales and use tax under this part;
- 875 (D) for the Utah Fairpark Area Investment and Restoration District, created in
- 876 Section 11-70-201, for sales occurring within the qualified development zone
- 877 described in Subsection (10)(a)(iii)(D), 100% of the revenue from the sales and
- 878 use tax imposed by the Utah Fairpark Area Investment and Restoration District

- 879 under Sections 59-12-401 and 59-12-402;
- 880 (E) for an eligible basic special district created under Title 17B, Chapter 1, Part
881 14, Basic Special District, for sales occurring within a qualified development
882 zone described in Subsection (10)(a)(iii)(E), 50% of the revenue from the sales
883 and use tax imposed under this part;
- 884 (ii) "Eligible basic special district" means the same as that term is defined in Section
885 17B-1-1405.
- 886 (iii) "Qualified development zone" means the sales and use tax boundary of:
- 887 (A) a project area adopted by the military installation development authority under
888 Title 63H, Chapter 1, Military Installation Development Authority Act;
- 889 (B) a project area under Title 11, Chapter 58, Utah Inland Port Authority Act;
- 890 (C) the lake authority boundary, as defined in Section 11-65-101;
- 891 (D) the Utah Fairpark Investment and Restoration District, created in Section
892 11-70-201; or
- 893 (E) the area within the boundary of an eligible basic special district, and if
894 applicable, the boundary of a public infrastructure district created by the basic
895 special district;
- 896 (iv) "Qualifying construction materials" means construction materials that are:
- 897 (A) delivered to a delivery outlet within a qualified development zone; and
898 (B) intended to be permanently attached to real property within the qualified
899 development zone.
- 900 (b) For a sale of qualifying construction materials, the commission shall distribute the
901 product calculated in Subsection (10)(c) to a qualified development zone if the seller
902 of the construction materials:
- 903 (i) establishes a delivery outlet with the commission within the qualified development
904 zone;
- 905 (ii) reports the sales of the construction materials to the delivery outlet described in
906 Subsection (10)(b)(i); and
- 907 (iii) does not report the sales of the construction materials on a simplified electronic
908 return; or
- 909 (c) For the purposes of Subsection (10)(b), the product is equal to:
- 910 (i) the sales price or purchase price of the qualifying construction materials; and
911 (ii) the applicable percentage.
- 912 (11)(a) As used in this Subsection (11):

- 913 (i) "Applicable percentage" means the same as that term is defined in Subsection (10).
914 (ii) "Qualified development zone" means the same as that term is defined in
915 Subsection (10).
916 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form
917 TC-62M, Schedule J or a substantially similar form as designated by the
918 commission.
- 919 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
920 qualified development zone shall be distributed to the jurisdiction that would have
921 received the revenue in the absence of the qualified development zone.
- 922 (12)(a) As used in this Subsection (12):
- 923 (i) "Applicable percentage" means, for a major sporting event venue zone created
924 under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, for
925 sales occurring within the qualified development zone described in Subsection
926 (12)(a)(ii):
- 927 (A) 50% of the sales and use tax increment, as that term is defined in Section
928 63N-3-601, from the sales and use tax imposed under this part;
- 929 (B) 100% of the revenue from the sales and use tax imposed by the creating entity
930 of a major sporting event venue zone under Section 59-12-401; and
- 931 (C) 100% of the revenue from the sales and use tax imposed by the creating entity
932 of a major sporting event venue zone under Section 59-12-402.
- 933 (ii) "Qualified development zone" means the sales and use tax boundary, as described
934 in Section 63N-3-1710, of a major sporting event venue zone created under Title
935 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.
- 936 (iii) "Qualifying construction materials" means construction materials that are:
- 937 (A) delivered to a delivery outlet within a qualified development zone; and
938 (B) intended to be permanently attached to real property within the qualified
939 development zone.
- 940 (b) For a sale of qualifying construction materials, the commission shall distribute the
941 product calculated in Subsection (12)(c) to the creating entity of a qualified
942 development zone if the seller of the construction materials:
- 943 (i) establishes a delivery outlet with the commission within the qualified development
944 zone;
- 945 (ii) reports the sales of the construction materials to the delivery outlet described in
946 Subsection (12)(b)(i); and

947 (iii) does not report the sales of the construction materials on a simplified electronic
948 return; or

949 (c) For the purposes of Subsection (12)(b), the product is equal to:

950 (i) the sales price or purchase price of the qualifying construction materials; and

951 (ii) the applicable percentage.

952 (13)(a) As used in this Subsection (13):

953 (i) "Applicable percentage" means the same as that term is defined in Subsection (12).

954 (ii) "Qualified development zone" means the same as that term is defined in
955 Subsection (12).

956 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form
957 TC-62M, Schedule J or a substantially similar form as designated by the
958 commission.

959 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
960 qualified development zone shall be distributed to the jurisdiction that would have
961 received the revenue in the absence of the qualified development zone.

962 Section 13. Section **63A-5b-902** is amended to read:

963 **63A-5b-902 (Effective 04/01/26). Application of part.**

964 (1) Except as [stated] provided in Subsection (1)(d), the provisions of this part, other than
965 this section, do not apply to:

966 (a) the division's disposal or lease of division-owned property that would otherwise be
967 subject to this part, if the division-owned property has a value under \$500,000, as
968 estimated by the division;

969 (b) a conveyance, lease, or disposal of division-owned property in connection with:

970 (i) the establishment of a state store, as defined in Section 32B-1-102; or

971 (ii) the construction of student housing;

972 (c) a conveyance, lease, or disposal of any part of the point of the mountain state land, as
973 defined in Section 11-59-102, by the Point of the Mountain State Land Authority
974 created in Section 11-59-201;

975 (d) a conveyance, lease, or disposal of division-owned property for fair market value, as
976 determined by the division, under Subsection 63A-5b-303(1)(a)(viii), except that the
977 following sections apply:

978 (i) Section 63A-5b-907.5;

979 (ii) Section 63A-5b-908;

980 (iii) Section 63A-5b-910;

- 981 (iv) Section 63A-5b-911; and
 982 (v) Section 63A-5b-912; or
 983 (e) a conveyance, lease, or disposal of any state-owned land, as defined in Section
 984 11-70-101, by the Utah Fairpark Area Investment and Restoration District, created in
 985 Section 11-70-201[-] ; or
 986 (f) a conveyance, lease, or disposal of division-owned property to the Office of
 987 Homeless Services to carry out the purposes described in Title 35A, Chapter 16, Part
 988 2, Office of Homeless Services.
 989 (2) Nothing in Subsection (1)(a), (b), [~~or (d) may be construed to~~] (d), or (f) shall diminish
 990 or eliminate the division's responsibility to manage division-owned property in the best
 991 interests of the state.

992 Section 14. Section **63I-2-235** is amended to read:

993 **63I-2-235 (Effective 04/01/26). Repeal dates: Title 35A.**

994 [~~Section 35A-3-212, Use of COVID-19 relief funds -- Grants to child care providers --~~

995 ~~Reporting requirements, is repealed June 30, 2025.]~~

996 Section 35A-16-406, Mitigation Fund Task Force, is repealed January 1, 2027.

997 Section 15. **Effective Date.**

998 This bill takes effect:

999 (1) except as provided in Subsection (2), May 6, 2026; or

1000 (2) if approved by two-thirds of all members elected to each house, the later of:

1001 (a) April 1, 2026; or

1002 (b)(i) upon approval by the governor;

1003 (ii) without the governor's approval, the day following the constitutional time limit of
 1004 Utah Constitution, Article VII, Section 8; or

1005 (iii) with the governor's veto and a vote of the Legislature to override the veto, the
 1006 date of veto override.