

Housing Policy Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Raymond P. Ward

LONG TITLE**General Description:**

This bill modifies provisions relating to moderate income housing reports and municipal zoning.

Highlighted Provisions:

This bill:

- defines terms;
- amends the required frequency of a moderate income housing progress report;
- provides that an affordable house is a permitted use in a residential zone of an urban municipality;
- describes requirements that an urban municipality may and may not impose on an affordable house built in a residential zone;
- provides that an accessory dwelling unit, internal or external, on a lot containing a detached single family dwelling is a permitted use in an urban municipality; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

10-9a-408, as last amended by Laws of Utah 2024, Chapters 413, 438

10-9a-505, as last amended by Laws of Utah 2015, Chapter 327

17-27a-408, as last amended by Laws of Utah 2024, Chapters 381, 413

ENACTS:

10-9a-505.1, Utah Code Annotated 1953

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

Section 1. Section **10-9a-408** is amended to read:

32 **10-9a-408 . Moderate income housing report -- Contents -- Prioritization for**
33 **funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

34 (1) As used in this section:

35 (a) "Division" means the Housing and Community Development Division within the
36 Department of Workforce Services.

37 (b) "Implementation plan" means the implementation plan adopted as part of the
38 moderate income housing element of a specified municipality's general plan as
39 provided in Subsection 10-9a-403(2)(c).

40 (c) "Initial report" or "initial moderate income housing report" means the one-time report
41 described in Subsection (2).

42 (d) "Moderate income housing strategy" means a strategy described in Subsection
43 10-9a-403(2)(b)(iii).

44 (e) "Report" means an initial report or a subsequent progress report.

45 (f) "Specified municipality" means:

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

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

49 (g) "Subsequent progress report" means the [~~annual~~] triannual report described in
50 Subsection (3).

51 (2)(a) The legislative body of a specified municipality shall submit an initial report to
52 the division.

53 (b)(i) This Subsection (2)(b) applies to a municipality that is not a specified
54 municipality as of January 1, 2023.

55 (ii) As of January 1, if a municipality described in Subsection (2)(b)(i) changes from
56 one class to another or grows in population to qualify as a specified municipality,
57 the municipality shall submit an initial plan to the division on or before August 1
58 of the first calendar year beginning on January 1 in which the municipality
59 qualifies as a specified municipality.

60 (c) The initial report shall:

61 (i) identify each moderate income housing strategy selected by the specified
62 municipality for continued, ongoing, or one-time implementation, restating the
63 exact language used to describe the moderate income housing strategy in
64 Subsection 10-9a-403(2)(b)(iii); and

65 (ii) include an implementation plan.

- 66 (3)(a) After the division approves a specified municipality's initial report under this
67 section, the specified municipality shall, as an administrative act, [~~annually~~] submit
68 to the division a subsequent progress report on or before August 1 of each third year
69 after the year in which the specified municipality is required to submit the initial
70 report.
- 71 (b) The subsequent progress report shall include:
- 72 (i) subject to Subsection (3)(c), a description of each action, whether one-time or
73 ongoing, taken by the specified municipality during the previous [~~12~~] 36-month
74 period to implement the moderate income housing strategies identified in the
75 initial report for implementation;
- 76 (ii) a description of each land use regulation or land use decision made by the
77 specified municipality during the previous [~~12~~] 36-month period to implement the
78 moderate income housing strategies, including an explanation of how the land use
79 regulation or land use decision supports the specified municipality's efforts to
80 implement the moderate income housing strategies;
- 81 (iii) a description of any barriers encountered by the specified municipality in the
82 previous [~~12~~] 36-month period in implementing the moderate income housing
83 strategies;
- 84 (iv) information regarding the number of internal and external or detached accessory
85 dwelling units located within the specified municipality for which the specified
86 municipality:
- 87 (A) issued a building permit to construct; or
88 (B) issued a business license or comparable license or permit to rent;
- 89 (v) the number of residential dwelling units that have been entitled that have not
90 received a building permit as of the submission date of the progress report;
- 91 (vi) shapefiles, or website links if shapefiles are not available, to current maps and
92 tables related to zoning;
- 93 (vii) a description of how the market has responded to the selected moderate income
94 housing strategies, including the number of entitled moderate income housing
95 units or other relevant data; and
- 96 (viii) any recommendations on how the state can support the specified municipality
97 in implementing the moderate income housing strategies.
- 98 (c) For purposes of describing actions taken by a specified municipality under
99 Subsection (3)(b)(i), the specified municipality may include an ongoing action taken

- 100 by the specified municipality prior to the [12] 36-month reporting period applicable to
101 the subsequent progress report if the specified municipality:
- 102 (i) has already adopted an ordinance, approved a land use application, made an
103 investment, or approved an agreement or financing that substantially promotes the
104 implementation of a moderate income housing strategy identified in the initial
105 report; and
 - 106 (ii) demonstrates in the subsequent progress report that the action taken under
107 Subsection (3)(c)(i) is relevant to making meaningful progress towards the
108 specified municipality's implementation plan.
- 109 (d) A specified municipality's report shall be in a form:
- 110 (i) approved by the division; and
 - 111 (ii) made available by the division on or before May 1 of the year in which the report
112 is required.
- 113 (4) Within 90 days after the day on which the division receives a specified municipality's
114 report, the division shall:
- 115 (a) post the report on the division's website;
 - 116 (b) send a copy of the report to the Department of Transportation, the Governor's Office
117 of Planning and Budget, the association of governments in which the specified
118 municipality is located, and, if the specified municipality is located within the
119 boundaries of a metropolitan planning organization, the appropriate metropolitan
120 planning organization; and
 - 121 (c) subject to Subsection (5), review the report to determine compliance with this section.
- 122 (5)(a) An initial report does not comply with this section unless the report:
- 123 (i) includes the information required under Subsection (2)(c);
 - 124 (ii) demonstrates to the division that the specified municipality made plans to
125 implement:
 - 126 (A) three or more moderate income housing strategies if the specified
127 municipality does not have a fixed guideway public transit station; or
 - 128 (B) subject to Subsection 10-9a-403(2)(b)(iv), five or more moderate income
129 housing strategies if the specified municipality has a fixed guideway public
130 transit station; and
 - 131 (iii) is in a form approved by the division.
- 132 (b) A subsequent progress report does not comply with this section unless the report:
- 133 (i) demonstrates to the division that the specified municipality made plans to

- 134 implement:
- 135 (A) three or more moderate income housing strategies if the specified
- 136 municipality does not have a fixed guideway public transit station; or
- 137 (B) subject to the requirements of Subsection 10-9a-403(2)(a)(iii)(D), five or more
- 138 moderate income housing strategies if the specified municipality has a fixed
- 139 guideway public transit station;
- 140 (ii) is in a form approved by the division; and
- 141 (iii) provides sufficient information for the division to:
- 142 (A) assess the specified municipality's progress in implementing the moderate
- 143 income housing strategies;
- 144 (B) monitor compliance with the specified municipality's implementation plan;
- 145 (C) identify a clear correlation between the specified municipality's land use
- 146 regulations and land use decisions and the specified municipality's efforts to
- 147 implement the moderate income housing strategies;
- 148 (D) identify how the market has responded to the specified municipality's selected
- 149 moderate income housing strategies; and
- 150 (E) identify any barriers encountered by the specified municipality in
- 151 implementing the selected moderate income housing strategies.
- 152 (6)(a) A specified municipality qualifies for priority consideration under this Subsection
- 153 (6) if the specified municipality's report:
- 154 (i) complies with this section; and
- 155 (ii) demonstrates to the division that the specified municipality made plans to
- 156 implement:
- 157 (A) five or more moderate income housing strategies if the specified municipality
- 158 does not have a fixed guideway public transit station; or
- 159 (B) six or more moderate income housing strategies if the specified municipality
- 160 has a fixed guideway public transit station.
- 161 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
- 162 give priority consideration to transportation projects located within the boundaries of
- 163 a specified municipality described in Subsection (6)(a) until the Department of
- 164 Transportation receives notice from the division under Subsection (6)(e).
- 165 (c) Upon determining that a specified municipality qualifies for priority consideration
- 166 under this Subsection (6), the division shall send a notice of prioritization to the
- 167 legislative body of the specified municipality and the Department of Transportation.

- 168 (d) The notice described in Subsection (6)(c) shall:
- 169 (i) name the specified municipality that qualifies for priority consideration;
- 170 (ii) describe the funds or projects for which the specified municipality qualifies to
- 171 receive priority consideration; and
- 172 (iii) state the basis for the division's determination that the specified municipality
- 173 qualifies for priority consideration.
- 174 (e) The division shall notify the legislative body of a specified municipality and the
- 175 Department of Transportation in writing if the division determines that the specified
- 176 municipality no longer qualifies for priority consideration under this Subsection (6).
- 177 (7)(a) If the division, after reviewing a specified municipality's report, determines that
- 178 the report does not comply with this section, the division shall send a notice of
- 179 noncompliance to the legislative body of the specified municipality.
- 180 (b) A specified municipality that receives a notice of noncompliance may:
- 181 (i) cure each deficiency in the report within 90 days after the day on which the notice
- 182 of noncompliance is sent; or
- 183 (ii) request an appeal of the division's determination of noncompliance within 10
- 184 days after the day on which the notice of noncompliance is sent.
- 185 (c) The notice described in Subsection (7)(a) shall:
- 186 (i) describe each deficiency in the report and the actions needed to cure each
- 187 deficiency;
- 188 (ii) state that the specified municipality has an opportunity to:
- 189 (A) submit to the division a corrected report that cures each deficiency in the
- 190 report within 90 days after the day on which the notice of compliance is sent; or
- 191 (B) submit to the division a request for an appeal of the division's determination of
- 192 noncompliance within 10 days after the day on which the notice of
- 193 noncompliance is sent; and
- 194 (iii) state that failure to take action under Subsection (7)(c)(ii) will result in the
- 195 specified municipality's ineligibility for funds under Subsection (9).
- 196 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the
- 197 action needed to cure the deficiency as described by the division requires the
- 198 specified municipality to make a legislative change, the specified municipality may
- 199 cure the deficiency by making that legislative change within the 90-day cure period.
- 200 (e)(i) If a specified municipality submits to the division a corrected report in
- 201 accordance with Subsection (7)(b)(i) and the division determines that the

- 202 corrected report does not comply with this section, the division shall send a
203 second notice of noncompliance to the legislative body of the specified
204 municipality within 30 days after the day on which the corrected report is
205 submitted.
- 206 (ii) A specified municipality that receives a second notice of noncompliance may
207 submit to the division a request for an appeal of the division's determination of
208 noncompliance within 10 days after the day on which the second notice of
209 noncompliance is sent.
- 210 (iii) The notice described in Subsection (7)(e)(i) shall:
- 211 (A) state that the specified municipality has an opportunity to submit to the
212 division a request for an appeal of the division's determination of
213 noncompliance within 10 days after the day on which the second notice of
214 noncompliance is sent; and
- 215 (B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the
216 specified municipality's ineligibility for funds under Subsection (9).
- 217 (8)(a) A specified municipality that receives a notice of noncompliance under
218 Subsection (7)(a) or (7)(e)(i) may request an appeal of the division's determination of
219 noncompliance within 10 days after the day on which the notice of noncompliance is
220 sent.
- 221 (b) Within 90 days after the day on which the division receives a request for an appeal,
222 an appeal board consisting of the following three members shall review and issue a
223 written decision on the appeal:
- 224 (i) one individual appointed by the Utah League of Cities and Towns;
225 (ii) one individual appointed by the Utah Homebuilders Association; and
226 (iii) one individual appointed by the presiding member of the association of
227 governments, established pursuant to an interlocal agreement under Title 11,
228 Chapter 13, Interlocal Cooperation Act, of which the specified municipality is a
229 member.
- 230 (c) The written decision of the appeal board shall either uphold or reverse the division's
231 determination of noncompliance.
- 232 (d) The appeal board's written decision on the appeal is final.
- 233 (9)(a) A specified municipality is ineligible for funds under this Subsection (9) if:
- 234 (i) the specified municipality fails to submit a report to the division;
235 (ii) after submitting a report to the division, the division determines that the report

- 236 does not comply with this section and the specified municipality fails to:
- 237 (A) cure each deficiency in the report within 90 days after the day on which the
- 238 notice of noncompliance is sent; or
- 239 (B) request an appeal of the division's determination of noncompliance within 10
- 240 days after the day on which the notice of noncompliance is sent;
- 241 (iii) after submitting to the division a corrected report to cure the deficiencies in a
- 242 previously submitted report, the division determines that the corrected report does
- 243 not comply with this section and the specified municipality fails to request an
- 244 appeal of the division's determination of noncompliance within 10 days after the
- 245 day on which the second notice of noncompliance is sent; or
- 246 (iv) after submitting a request for an appeal under Subsection (8), the appeal board
- 247 issues a written decision upholding the division's determination of noncompliance.
- 248 (b) The following apply to a specified municipality described in Subsection (9)(a) until
- 249 the division provides notice under Subsection (9)(e):
- 250 (i) the executive director of the Department of Transportation may not program funds
- 251 from the Transportation Investment Fund of 2005, including the Transit
- 252 Transportation Investment Fund, to projects located within the boundaries of the
- 253 specified municipality in accordance with Subsection 72-2-124(5);
- 254 (ii) beginning with a report submitted in 2024, the specified municipality shall pay a
- 255 fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that
- 256 the specified municipality:
- 257 (A) fails to submit the report to the division in accordance with this section,
- 258 beginning the day after the day on which the report was due; or
- 259 (B) fails to cure the deficiencies in the report, beginning the day after the day by
- 260 which the cure was required to occur as described in the notice of
- 261 noncompliance under Subsection (7); and
- 262 (iii) beginning with the report submitted in 2025, the specified municipality shall pay
- 263 a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that
- 264 the specified municipality, in a consecutive year:
- 265 (A) fails to submit the report to the division in accordance with this section,
- 266 beginning the day after the day on which the report was due; or
- 267 (B) fails to cure the deficiencies in the report, beginning the day after the day by
- 268 which the cure was required to occur as described in the notice of
- 269 noncompliance under Subsection (7).

270 (c) Upon determining that a specified municipality is ineligible for funds under this
271 Subsection (9), and is required to pay a fee under Subsection (9)(b), if applicable, the
272 division shall send a notice of ineligibility to the legislative body of the specified
273 municipality, the Department of Transportation, the State Tax Commission, and the
274 Governor's Office of Planning and Budget.

275 (d) The notice described in Subsection (9)(c) shall:

276 (i) name the specified municipality that is ineligible for funds;

277 (ii) describe the funds for which the specified municipality is ineligible to receive;

278 (iii) describe the fee the specified municipality is required to pay under Subsection
279 (9)(b), if applicable; and

280 (iv) state the basis for the division's determination that the specified municipality is
281 ineligible for funds.

282 (e) The division shall notify the legislative body of a specified municipality and the
283 Department of Transportation in writing if the division determines that the provisions
284 of this Subsection (9) no longer apply to the specified municipality.

285 (f) The division may not determine that a specified municipality that is required to pay a
286 fee under Subsection (9)(b) is in compliance with the reporting requirements of this
287 section until the specified municipality pays all outstanding fees required under
288 Subsection (9)(b) to the Olene Walker Housing Loan Fund, created under Title 35A,
289 Chapter 8, Part 5, Olene Walker Housing Loan Fund.

290 (10) In a civil action seeking enforcement or claiming a violation of this section or of
291 Subsection 10-9a-404(4)(c), a plaintiff may not recover damages but may be awarded
292 only injunctive or other equitable relief.

293 Section 2. Section **10-9a-505** is amended to read:

294 **10-9a-505 . Zoning districts.**

295 (1)(a) The legislative body may divide the territory over which it has jurisdiction into
296 zoning districts of a number, shape, and area that it considers appropriate to carry out
297 the purposes of this chapter.

298 (b) Within those zoning districts, the legislative body may, subject to Section
299 10-9a-505.1, regulate and restrict the erection, construction, reconstruction,
300 alteration, repair, or use of buildings and structures, and the use of land.

301 (c) A municipality may enact an ordinance regulating land use and development in a
302 flood plain or potential geologic hazard area to:

303 (i) protect life; and

- 304 (ii) prevent:
- 305 (A) the substantial loss of real property; or
- 306 (B) substantial damage to real property.
- 307 (2) The legislative body shall ensure that the regulations are uniform for each class or kind
- 308 of buildings throughout each zoning district, but the regulations in one zone may differ
- 309 from those in other zones.
- 310 (3)(a) There is no minimum area or diversity of ownership requirement for a zone
- 311 designation.
- 312 (b) Neither the size of a zoning district nor the number of landowners within the district
- 313 may be used as evidence of the illegality of a zoning district or of the invalidity of a
- 314 municipal decision.
- 315 (4) A municipality may by ordinance exempt from specific zoning district standards a
- 316 subdivision of land to accommodate the siting of a public utility infrastructure.

317 Section 3. Section **10-9a-505.1** is enacted to read:

318 **10-9a-505.1 . Affordable house permitted use in an urban municipality --**

319 **Accessory dwelling unit permitted.**

- 320 (1) As used in this section:
- 321 (a) "Affordable house" means a detached single family dwelling that is sold to its first
- 322 owner at a price that is less than the median detached single family dwelling price of
- 323 the county in which the detached single family dwelling is offered for sale, according
- 324 to the most recently available public data.
- 325 (b) "Urban municipality" means a municipality in a county of the first or second class.
- 326 (2) An affordable house is a permitted use in a residential zone of an urban municipality.
- 327 (3) An urban municipality may require that an affordable house:
- 328 (a) be built on a lot that is at least 3,500 square feet in size;
- 329 (b) have two off-street parking spaces;
- 330 (c) have front setbacks of up to 10 feet;
- 331 (d) have rear setbacks of up to 10 feet;
- 332 (e) have side setbacks of up to three feet; and
- 333 (f) be no more than two stories tall from ground level.
- 334 (4) An urban municipality may not require an affordable house to:
- 335 (a) be built on a lot that is larger than 3,500 square feet in size;
- 336 (b) have more than two off-street parking spaces;
- 337 (c) locate parking spaces behind or next to the single family dwelling;

- 338 (d) have setbacks greater than those described in Subsections (3)(c) through (e); or
339 (e) be part of a home owner association.
- 340 (5) An accessory dwelling unit, internal or external, is a permitted use if it is built:
341 (a) in a residential zone of an urban municipality; and
342 (b) on a lot that contains a detached single family dwelling.
- 343 (6) An urban municipality may not prohibit the use of a modular unit in a residential zone if:
344 (a) the modular unit complies with the requirements of Title 15A, Chapter 1, Part 3,
345 Factory Built Housing and Modular Units Administration Act; and
346 (b) the modular unit qualifies as an affordable house.

347 Section 4. Section **17-27a-408** is amended to read:

348 **17-27a-408 . Moderate income housing report -- Contents -- Prioritization for**
349 **funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

- 350 (1) As used in this section:
- 351 (a) "Division" means the Housing and Community Development Division within the
352 Department of Workforce Services.
- 353 (b) "Implementation plan" means the implementation plan adopted as part of the
354 moderate income housing element of a specified county's general plan as provided in
355 Subsection 17-27a-403(2)(g).
- 356 (c) "Initial report" means the one-time moderate income housing report described in
357 Subsection (2).
- 358 (d) "Moderate income housing strategy" means a strategy described in Subsection
359 17-27a-403(2)(b)(ii).
- 360 (e) "Report" means an initial report or a subsequent report.
- 361 (f) "Specified county" means a county of the first, second, or third class, which has a
362 population of more than 5,000 in the county's unincorporated areas.
- 363 (g) "Subsequent progress report" means the [~~annual~~] triannual moderate income housing
364 report described in Subsection (3).
- 365 (2)(a) The legislative body of a specified county shall [~~annually~~]submit an initial report
366 to the division.
- 367 (b)(i) This Subsection (2)(b) applies to a county that is not a specified county as of
368 January 1, 2023.
- 369 (ii) As of January 1, if a county described in Subsection (2)(b)(i) changes from one
370 class to another or grows in population to qualify as a specified county, the county
371 shall submit an initial plan to the division on or before August 1 of the first

372 calendar year beginning on January 1 in which the county qualifies as a specified
373 county.

374 (c) The initial report shall:

375 (i) identify each moderate income housing strategy selected by the specified county
376 for continued, ongoing, or one-time implementation, using the exact language
377 used to describe the moderate income housing strategy in Subsection 17-27a-403
378 (2)(b)(ii); and

379 (ii) include an implementation plan.

380 (3)(a) After the division approves a specified county's initial report under this section,
381 the specified county shall, as an administrative act, [~~annually~~]submit to the division a
382 subsequent progress report on or before August 1 of each third year after the year in
383 which the specified county is required to submit the initial report.

384 (b) The subsequent progress report shall include:

385 (i) subject to Subsection (3)(c), a description of each action, whether one-time or
386 ongoing, taken by the specified county during the previous [~~12~~] 36-month period
387 to implement the moderate income housing strategies identified in the initial
388 report for implementation;

389 (ii) a description of each land use regulation or land use decision made by the
390 specified county during the previous [~~12~~] 36-month period to implement the
391 moderate income housing strategies, including an explanation of how the land use
392 regulation or land use decision supports the specified county's efforts to
393 implement the moderate income housing strategies;

394 (iii) a description of any barriers encountered by the specified county in the previous [
395 ~~12~~] 36-month period in implementing the moderate income housing strategies;

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

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

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

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

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

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

- 406 units or other relevant data; and
- 407 (viii) any recommendations on how the state can support the specified county in
- 408 implementing the moderate income housing strategies.
- 409 (c) For purposes of describing actions taken by a specified county under Subsection
- 410 (3)(b)(i), the specified county may include an ongoing action taken by the specified
- 411 county prior to the [12] 36-month reporting period applicable to the subsequent
- 412 progress report if the specified county:
- 413 (i) has already adopted an ordinance, approved a land use application, made an
- 414 investment, or approved an agreement or financing that substantially promotes the
- 415 implementation of a moderate income housing strategy identified in the initial
- 416 report; and
- 417 (ii) demonstrates in the subsequent progress report that the action taken under
- 418 Subsection (3)(c)(i) is relevant to making meaningful progress towards the
- 419 specified county's implementation plan.
- 420 (d) A specified county's report shall be in a form:
- 421 (i) approved by the division; and
- 422 (ii) made available by the division on or before May 1 of the year in which the report
- 423 is required.
- 424 (4) Within 90 days after the day on which the division receives a specified county's report,
- 425 the division shall:
- 426 (a) post the report on the division's website;
- 427 (b) send a copy of the report to the Department of Transportation, the Governor's Office
- 428 of Planning and Budget, the association of governments in which the specified
- 429 county is located, and, if the unincorporated area of the specified county is located
- 430 within the boundaries of a metropolitan planning organization, the appropriate
- 431 metropolitan planning organization; and
- 432 (c) subject to Subsection (5), review the report to determine compliance with this section.
- 433 (5)(a) An initial report does not comply with this section unless the report:
- 434 (i) includes the information required under Subsection (2)(c);
- 435 (ii) subject to Subsection (5)(c), demonstrates to the division that the specified county
- 436 made plans to implement three or more moderate income housing strategies; and
- 437 (iii) is in a form approved by the division.
- 438 (b) A subsequent progress report does not comply with this section unless the report:
- 439 (i) subject to Subsection (5)(c), demonstrates to the division that the specified county

- 440 made plans to implement three or more moderate income housing strategies;
- 441 (ii) is in a form approved by the division; and
- 442 (iii) provides sufficient information for the division to:
- 443 (A) assess the specified county's progress in implementing the moderate income
- 444 housing strategies;
- 445 (B) monitor compliance with the specified county's implementation plan;
- 446 (C) identify a clear correlation between the specified county's land use decisions
- 447 and efforts to implement the moderate income housing strategies;
- 448 (D) identify how the market has responded to the specified county's selected
- 449 moderate income housing strategies; and
- 450 (E) identify any barriers encountered by the specified county in implementing the
- 451 selected moderate income housing strategies.
- 452 (c)(i) This Subsection (5)(c) applies to a specified county that has created a small
- 453 public transit district, as defined in Section 17B-2a-802, on or before January 1,
- 454 2022.
- 455 (ii) In addition to the requirements of Subsections (5)(a) and (b), a report for a
- 456 specified county described in Subsection (5)(c)(i) does not comply with this
- 457 section unless the report demonstrates to the division that the specified county:
- 458 (A) made plans to implement the moderate income housing strategy described in
- 459 Subsection 17-27a-403(2)(b)(ii)(Q); and
- 460 (B) is in compliance with Subsection 63N-3-603(8).
- 461 (6)(a) A specified county qualifies for priority consideration under this Subsection (6) if
- 462 the specified county's report:
- 463 (i) complies with this section; and
- 464 (ii) demonstrates to the division that the specified county made plans to implement
- 465 five or more moderate income housing strategies.
- 466 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
- 467 give priority consideration to transportation projects located within the
- 468 unincorporated areas of a specified county described in Subsection (6)(a) until the
- 469 Department of Transportation receives notice from the division under Subsection
- 470 (6)(e).
- 471 (c) Upon determining that a specified county qualifies for priority consideration under
- 472 this Subsection (6), the division shall send a notice of prioritization to the legislative
- 473 body of the specified county and the Department of Transportation.

- 474 (d) The notice described in Subsection (6)(c) shall:
- 475 (i) name the specified county that qualifies for priority consideration;
- 476 (ii) describe the funds or projects for which the specified county qualifies to receive
- 477 priority consideration; and
- 478 (iii) state the basis for the division's determination that the specified county qualifies
- 479 for priority consideration.
- 480 (e) The division shall notify the legislative body of a specified county and the
- 481 Department of Transportation in writing if the division determines that the specified
- 482 county no longer qualifies for priority consideration under this Subsection (6).
- 483 (7)(a) If the division, after reviewing a specified county's report, determines that the
- 484 report does not comply with this section, the division shall send a notice of
- 485 noncompliance to the legislative body of the specified county.
- 486 (b) A specified county that receives a notice of noncompliance may:
- 487 (i) cure each deficiency in the report within 90 days after the day on which the notice
- 488 of noncompliance is sent; or
- 489 (ii) request an appeal of the division's determination of noncompliance within 10
- 490 days after the day on which the notice of noncompliance is sent.
- 491 (c) The notice described in Subsection (7)(a) shall:
- 492 (i) describe each deficiency in the report and the actions needed to cure each
- 493 deficiency;
- 494 (ii) state that the specified county has an opportunity to:
- 495 (A) submit to the division a corrected report that cures each deficiency in the
- 496 report within 90 days after the day on which the notice of noncompliance is
- 497 sent; or
- 498 (B) submit to the division a request for an appeal of the division's determination of
- 499 noncompliance within 10 days after the day on which the notice of
- 500 noncompliance is sent; and
- 501 (iii) state that failure to take action under Subsection (7)(c)(ii) will result in the
- 502 specified county's ineligibility for funds and fees owed under Subsection (9).
- 503 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the
- 504 action needed to cure the deficiency as described by the division requires the
- 505 specified county to make a legislative change, the specified county may cure the
- 506 deficiency by making that legislative change within the 90-day cure period.
- 507 (e)(i) If a specified county submits to the division a corrected report in accordance

- 508 with Subsection (7)(b)(i), and the division determines that the corrected report
509 does not comply with this section, the division shall send a second notice of
510 noncompliance to the legislative body of the specified county.
- 511 (ii) A specified county that receives a second notice of noncompliance may request
512 an appeal of the division's determination of noncompliance within 10 days after
513 the day on which the second notice of noncompliance is sent.
- 514 (iii) The notice described in Subsection (7)(e)(i) shall:
- 515 (A) state that the specified county has an opportunity to submit to the division a
516 request for an appeal of the division's determination of noncompliance within
517 10 days after the day on which the second notice of noncompliance is sent; and
518 (B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the
519 specified county's ineligibility for funds under Subsection (9).
- 520 (8)(a) A specified county that receives a notice of noncompliance under Subsection
521 (7)(a) or (7)(e)(i) may request an appeal of the division's determination of
522 noncompliance within 10 days after the day on which the notice of noncompliance is
523 sent.
- 524 (b) Within 90 days after the day on which the division receives a request for an appeal,
525 an appeal board consisting of the following three members shall review and issue a
526 written decision on the appeal:
- 527 (i) one individual appointed by the Utah Association of Counties;
528 (ii) one individual appointed by the Utah Homebuilders Association; and
529 (iii) one individual appointed by the presiding member of the association of
530 governments, established pursuant to an interlocal agreement under Title 11,
531 Chapter 13, Interlocal Cooperation Act, of which the specified county is a member.
- 532 (c) The written decision of the appeal board shall either uphold or reverse the division's
533 determination of noncompliance.
- 534 (d) The appeal board's written decision on the appeal is final.
- 535 (9)(a) A specified county is ineligible for funds and owes a fee under this Subsection (9)
536 if:
- 537 (i) the specified county fails to submit a report to the division;
538 (ii) after submitting a report to the division, the division determines that the report
539 does not comply with this section and the specified county fails to:
- 540 (A) cure each deficiency in the report within 90 days after the day on which the
541 notice of noncompliance is sent; or

- 542 (B) request an appeal of the division's determination of noncompliance within 10
543 days after the day on which the notice of noncompliance is sent;
- 544 (iii) after submitting to the division a corrected report to cure the deficiencies in a
545 previously submitted report, the division determines that the corrected report does
546 not comply with this section and the specified county fails to request an appeal of
547 the division's determination of noncompliance within 10 days after the day on
548 which the second notice of noncompliance is sent; or
- 549 (iv) after submitting a request for an appeal under Subsection (8), the appeal board
550 issues a written decision upholding the division's determination of noncompliance.
- 551 (b) The following apply to a specified county described in Subsection (9)(a) until the
552 division provides notice under Subsection (9)(e):
- 553 (i) the executive director of the Department of Transportation may not program funds
554 from the Transportation Investment Fund of 2005, including the Transit
555 Transportation Investment Fund, to projects located within the unincorporated
556 areas of the specified county in accordance with Subsection 72-2-124(6);
- 557 (ii) beginning with the report submitted in 2024, the specified county shall pay a fee
558 to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the
559 specified county:
- 560 (A) fails to submit the report to the division in accordance with this section,
561 beginning the day after the day on which the report was due; or
- 562 (B) fails to cure the deficiencies in the report, beginning the day after the day by
563 which the cure was required to occur as described in the notice of
564 noncompliance under Subsection (7); and
- 565 (iii) beginning with the report submitted in 2025, the specified county shall pay a fee
566 to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the
567 specified county, for a consecutive year:
- 568 (A) fails to submit the report to the division in accordance with this section,
569 beginning the day after the day on which the report was due; or
- 570 (B) fails to cure the deficiencies in the report, beginning the day after the day by
571 which the cure was required to occur as described in the notice of
572 noncompliance under Subsection (7).
- 573 (c) Upon determining that a specified county is ineligible for funds under this
574 Subsection (9), and is required to pay a fee under Subsection (9)(b), if applicable, the
575 division shall send a notice of ineligibility to the legislative body of the specified

- 576 county, the Department of Transportation, the State Tax Commission, and the
577 Governor's Office of Planning and Budget.
- 578 (d) The notice described in Subsection (9)(c) shall:
- 579 (i) name the specified county that is ineligible for funds;
- 580 (ii) describe the funds for which the specified county is ineligible to receive;
- 581 (iii) describe the fee the specified county is required to pay under Subsection (9)(b),
582 if applicable; and
- 583 (iv) state the basis for the division's determination that the specified county is
584 ineligible for funds.
- 585 (e) The division shall notify the legislative body of a specified county and the
586 Department of Transportation in writing if the division determines that the provisions
587 of this Subsection (9) no longer apply to the specified county.
- 588 (f) The division may not determine that a specified county that is required to pay a fee
589 under Subsection (9)(b) is in compliance with the reporting requirements of this
590 section until the specified county pays all outstanding fees required under Subsection
591 (9)(b) to the Olene Walker Housing Loan Fund, created under Title 35A, Chapter 8,
592 Part 5, Olene Walker Housing Loan Fund.
- 593 (10) In a civil action seeking enforcement or claiming a violation of this section or of
594 Subsection 17-27a-404(5)(c), a plaintiff may not recover damages but may be awarded
595 only injunctive or other equitable relief.

596 **Section 5. Effective date.**

597 This bill takes effect on May 7, 2025.