

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 the term "urban municipality";
- amends the required frequency of a moderate income housing progress report;
- provides that a detached single family dwelling is a permitted use on a lot of any size in a residential zone of an urban municipality;
- 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:

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

- 32 (1) As used in this section:
- 33 (a) "Division" means the Housing and Community Development Division within the
34 Department of Workforce Services.
- 35 (b) "Implementation plan" means the implementation plan adopted as part of the
36 moderate income housing element of a specified municipality's general plan as
37 provided in Subsection 10-9a-403(2)(c).
- 38 (c) "Initial report" or "initial moderate income housing report" means the one-time report
39 described in Subsection (2).
- 40 (d) "Moderate income housing strategy" means a strategy described in Subsection
41 10-9a-403(2)(b)(iii).
- 42 (e) "Report" means an initial report or a subsequent progress report.
- 43 (f) "Specified municipality" means:
- 44 (i) a city of the first, second, third, or fourth class; or
45 (ii) a city of the fifth class with a population of 5,000 or more, if the city is located
46 within a county of the first, second, or third class.
- 47 (g) "Subsequent progress report" means the [~~annual~~] triannual report described in
48 Subsection (3).
- 49 (2)(a) The legislative body of a specified municipality shall submit an initial report to
50 the division.
- 51 (b)(i) This Subsection (2)(b) applies to a municipality that is not a specified
52 municipality as of January 1, 2023.
- 53 (ii) As of January 1, if a municipality described in Subsection (2)(b)(i) changes from
54 one class to another or grows in population to qualify as a specified municipality,
55 the municipality shall submit an initial plan to the division on or before August 1
56 of the first calendar year beginning on January 1 in which the municipality
57 qualifies as a specified municipality.
- 58 (c) The initial report shall:
- 59 (i) identify each moderate income housing strategy selected by the specified
60 municipality for continued, ongoing, or one-time implementation, restating the
61 exact language used to describe the moderate income housing strategy in
62 Subsection 10-9a-403(2)(b)(iii); and
63 (ii) include an implementation plan.
- 64 (3)(a) After the division approves a specified municipality's initial report under this
65 section, the specified municipality shall, as an administrative act, [~~annually~~] submit

66 to the division a subsequent progress report on or before August 1 of each third year
67 after the year in which the specified municipality is required to submit the initial
68 report.

69 (b) The subsequent progress report shall include:

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

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

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

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

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

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

270 division shall send a notice of ineligibility to the legislative body of the specified
271 municipality, the Department of Transportation, the State Tax Commission, and the
272 Governor's Office of Planning and Budget.

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

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

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

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

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

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

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

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

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

292 **10-9a-505 . Zoning districts.**

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

296 (b) Within those zoning districts, the legislative body may, subject to Section
297 10-9a-505.1, regulate and restrict the erection, construction, reconstruction,
298 alteration, repair, or use of buildings and structures, and the use of land.

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

301 (i) protect life; and

302 (ii) prevent:

303 (A) the substantial loss of real property; or

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

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

316 **10-9a-505.1 . Permitted use in an urban municipality.**

- 317 (1) As used in this section, "urban municipality" means a municipality in a county of the
318 first or second class.
- 319 (2) A detached single family dwelling is a permitted use on a lot of any size in a residential
320 zone of an urban municipality.
- 321 (3) An accessory dwelling unit, internal or external, is a permitted use if it is built:
322 (a) in a residential zone of an urban municipality; and
323 (b) on a lot that contains a detached single family dwelling.

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

325 **17-27a-408 . Moderate income housing report -- Contents -- Prioritization for**
326 **funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

- 327 (1) As used in this section:
- 328 (a) "Division" means the Housing and Community Development Division within the
329 Department of Workforce Services.
- 330 (b) "Implementation plan" means the implementation plan adopted as part of the
331 moderate income housing element of a specified county's general plan as provided in
332 Subsection 17-27a-403(2)(g).
- 333 (c) "Initial report" means the one-time moderate income housing report described in
334 Subsection (2).
- 335 (d) "Moderate income housing strategy" means a strategy described in Subsection
336 17-27a-403(2)(b)(ii).
- 337 (e) "Report" means an initial report or a subsequent report.

- 338 (f) "Specified county" means a county of the first, second, or third class, which has
339 population of more than 5,000 in the county's unincorporated areas.
- 340 (g) "Subsequent progress report" means the [~~annual~~] triannual moderate income housing
341 report described in Subsection (3).
- 342 (2)(a) The legislative body of a specified county shall [~~annually~~] submit an initial report
343 to the division.
- 344 (b)(i) This Subsection (2)(b) applies to a county that is not a specified county as of
345 January 1, 2023.
- 346 (ii) As of January 1, if a county described in Subsection (2)(b)(i) changes from one
347 class to another or grows in population to qualify as a specified county, the county
348 shall submit an initial plan to the division on or before August 1 of the first
349 calendar year beginning on January 1 in which the county qualifies as a specified
350 county.
- 351 (c) The initial report shall:
- 352 (i) identify each moderate income housing strategy selected by the specified county
353 for continued, ongoing, or one-time implementation, using the exact language
354 used to describe the moderate income housing strategy in Subsection 17-27a-403
355 (2)(b)(ii); and
- 356 (ii) include an implementation plan.
- 357 (3)(a) After the division approves a specified county's initial report under this section,
358 the specified county shall, as an administrative act, [~~annually~~] submit to the division a
359 subsequent progress report on or before August 1 of each third year after the year in
360 which the specified county is required to submit the initial report.
- 361 (b) The subsequent progress report shall include:
- 362 (i) subject to Subsection (3)(c), a description of each action, whether one-time or
363 ongoing, taken by the specified county during the previous [~~12~~] 36-month period
364 to implement the moderate income housing strategies identified in the initial
365 report for implementation;
- 366 (ii) a description of each land use regulation or land use decision made by the
367 specified county during the previous [~~12~~] 36-month period to implement the
368 moderate income housing strategies, including an explanation of how the land use
369 regulation or land use decision supports the specified county's efforts to
370 implement the moderate income housing strategies;
- 371 (iii) a description of any barriers encountered by the specified county in the previous [

- 372 12] 36-month period in implementing the moderate income housing strategies;
- 373 (iv) the number of residential dwelling units that have been entitled that have not
- 374 received a building permit as of the submission date of the progress report;
- 375 (v) shapefiles, or website links if shapefiles are not available, to current maps and
- 376 tables related to zoning;
- 377 (vi) information regarding the number of internal and external or detached accessory
- 378 dwelling units located within the specified county for which the specified county:
- 379 (A) issued a building permit to construct; or
- 380 (B) issued a business license or comparable license or permit to rent;
- 381 (vii) a description of how the market has responded to the selected moderate income
- 382 housing strategies, including the number of entitled moderate income housing
- 383 units or other relevant data; and
- 384 (viii) any recommendations on how the state can support the specified county in
- 385 implementing the moderate income housing strategies.
- 386 (c) For purposes of describing actions taken by a specified county under Subsection
- 387 (3)(b)(i), the specified county may include an ongoing action taken by the specified
- 388 county prior to the [12] 36-month reporting period applicable to the subsequent
- 389 progress report if the specified county:
- 390 (i) has already adopted an ordinance, approved a land use application, made an
- 391 investment, or approved an agreement or financing that substantially promotes the
- 392 implementation of a moderate income housing strategy identified in the initial
- 393 report; and
- 394 (ii) demonstrates in the subsequent progress report that the action taken under
- 395 Subsection (3)(c)(i) is relevant to making meaningful progress towards the
- 396 specified county's implementation plan.
- 397 (d) A specified county's report shall be in a form:
- 398 (i) approved by the division; and
- 399 (ii) made available by the division on or before May 1 of the year in which the report
- 400 is required.
- 401 (4) Within 90 days after the day on which the division receives a specified county's report,
- 402 the division shall:
- 403 (a) post the report on the division's website;
- 404 (b) send a copy of the report to the Department of Transportation, the Governor's Office
- 405 of Planning and Budget, the association of governments in which the specified

- 406 county is located, and, if the unincorporated area of the specified county is located
407 within the boundaries of a metropolitan planning organization, the appropriate
408 metropolitan planning organization; and
- 409 (c) subject to Subsection (5), review the report to determine compliance with this section.
- 410 (5)(a) An initial report does not comply with this section unless the report:
- 411 (i) includes the information required under Subsection (2)(c);
- 412 (ii) subject to Subsection (5)(c), demonstrates to the division that the specified county
413 made plans to implement three or more moderate income housing strategies; and
414 (iii) is in a form approved by the division.
- 415 (b) A subsequent progress report does not comply with this section unless the report:
- 416 (i) subject to Subsection (5)(c), demonstrates to the division that the specified county
417 made plans to implement three or more moderate income housing strategies;
- 418 (ii) is in a form approved by the division; and
- 419 (iii) provides sufficient information for the division to:
- 420 (A) assess the specified county's progress in implementing the moderate income
421 housing strategies;
- 422 (B) monitor compliance with the specified county's implementation plan;
- 423 (C) identify a clear correlation between the specified county's land use decisions
424 and efforts to implement the moderate income housing strategies;
- 425 (D) identify how the market has responded to the specified county's selected
426 moderate income housing strategies; and
- 427 (E) identify any barriers encountered by the specified county in implementing the
428 selected moderate income housing strategies.
- 429 (c)(i) This Subsection (5)(c) applies to a specified county that has created a small
430 public transit district, as defined in Section 17B-2a-802, on or before January 1,
431 2022.
- 432 (ii) In addition to the requirements of Subsections (5)(a) and (b), a report for a
433 specified county described in Subsection (5)(c)(i) does not comply with this
434 section unless the report demonstrates to the division that the specified county:
- 435 (A) made plans to implement the moderate income housing strategy described in
436 Subsection 17-27a-403(2)(b)(ii)(Q); and
437 (B) is in compliance with Subsection 63N-3-603(8).
- 438 (6)(a) A specified county qualifies for priority consideration under this Subsection (6) if
439 the specified county's report:

- 440 (i) complies with this section; and
- 441 (ii) demonstrates to the division that the specified county made plans to implement
- 442 five or more moderate income housing strategies.
- 443 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
- 444 give priority consideration to transportation projects located within the
- 445 unincorporated areas of a specified county described in Subsection (6)(a) until the
- 446 Department of Transportation receives notice from the division under Subsection
- 447 (6)(e).
- 448 (c) Upon determining that a specified county qualifies for priority consideration under
- 449 this Subsection (6), the division shall send a notice of prioritization to the legislative
- 450 body of the specified county and the Department of Transportation.
- 451 (d) The notice described in Subsection (6)(c) shall:
- 452 (i) name the specified county that qualifies for priority consideration;
- 453 (ii) describe the funds or projects for which the specified county qualifies to receive
- 454 priority consideration; and
- 455 (iii) state the basis for the division's determination that the specified county qualifies
- 456 for priority consideration.
- 457 (e) The division shall notify the legislative body of a specified county and the
- 458 Department of Transportation in writing if the division determines that the specified
- 459 county no longer qualifies for priority consideration under this Subsection (6).
- 460 (7)(a) If the division, after reviewing a specified county's report, determines that the
- 461 report does not comply with this section, the division shall send a notice of
- 462 noncompliance to the legislative body of the specified county.
- 463 (b) A specified county that receives a notice of noncompliance may:
- 464 (i) cure each deficiency in the report within 90 days after the day on which the notice
- 465 of noncompliance is sent; or
- 466 (ii) request an appeal of the division's determination of noncompliance within 10
- 467 days after the day on which the notice of noncompliance is sent.
- 468 (c) The notice described in Subsection (7)(a) shall:
- 469 (i) describe each deficiency in the report and the actions needed to cure each
- 470 deficiency;
- 471 (ii) state that the specified county has an opportunity to:
- 472 (A) submit to the division a corrected report that cures each deficiency in the
- 473 report within 90 days after the day on which the notice of noncompliance is

- 474 sent; or
- 475 (B) submit to the division a request for an appeal of the division's determination of
476 noncompliance within 10 days after the day on which the notice of
477 noncompliance is sent; and
- 478 (iii) state that failure to take action under Subsection (7)(c)(ii) will result in the
479 specified county's ineligibility for funds and fees owed under Subsection (9).
- 480 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the
481 action needed to cure the deficiency as described by the division requires the
482 specified county to make a legislative change, the specified county may cure the
483 deficiency by making that legislative change within the 90-day cure period.
- 484 (e)(i) If a specified county submits to the division a corrected report in accordance
485 with Subsection (7)(b)(i), and the division determines that the corrected report
486 does not comply with this section, the division shall send a second notice of
487 noncompliance to the legislative body of the specified county.
- 488 (ii) A specified county that receives a second notice of noncompliance may request
489 an appeal of the division's determination of noncompliance within 10 days after
490 the day on which the second notice of noncompliance is sent.
- 491 (iii) The notice described in Subsection (7)(e)(i) shall:
- 492 (A) state that the specified county has an opportunity to submit to the division a
493 request for an appeal of the division's determination of noncompliance within
494 10 days after the day on which the second notice of noncompliance is sent; and
- 495 (B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the
496 specified county's ineligibility for funds under Subsection (9).
- 497 (8)(a) A specified county that receives a notice of noncompliance under Subsection
498 (7)(a) or (7)(e)(i) may request an appeal of the division's determination of
499 noncompliance within 10 days after the day on which the notice of noncompliance is
500 sent.
- 501 (b) Within 90 days after the day on which the division receives a request for an appeal,
502 an appeal board consisting of the following three members shall review and issue a
503 written decision on the appeal:
- 504 (i) one individual appointed by the Utah Association of Counties;
- 505 (ii) one individual appointed by the Utah Homebuilders Association; and
- 506 (iii) one individual appointed by the presiding member of the association of
507 governments, established pursuant to an interlocal agreement under Title 11,

- 508 Chapter 13, Interlocal Cooperation Act, of which the specified county is a member.
- 509 (c) The written decision of the appeal board shall either uphold or reverse the division's
510 determination of noncompliance.
- 511 (d) The appeal board's written decision on the appeal is final.
- 512 (9)(a) A specified county is ineligible for funds and owes a fee under this Subsection (9)
513 if:
- 514 (i) the specified county fails to submit a report to the division;
- 515 (ii) after submitting a report to the division, the division determines that the report
516 does not comply with this section and the specified county fails to:
- 517 (A) cure each deficiency in the report within 90 days after the day on which the
518 notice of noncompliance is sent; or
- 519 (B) request an appeal of the division's determination of noncompliance within 10
520 days after the day on which the notice of noncompliance is sent;
- 521 (iii) after submitting to the division a corrected report to cure the deficiencies in a
522 previously submitted report, the division determines that the corrected report does
523 not comply with this section and the specified county fails to request an appeal of
524 the division's determination of noncompliance within 10 days after the day on
525 which the second notice of noncompliance is sent; or
- 526 (iv) after submitting a request for an appeal under Subsection (8), the appeal board
527 issues a written decision upholding the division's determination of noncompliance.
- 528 (b) The following apply to a specified county described in Subsection (9)(a) until the
529 division provides notice under Subsection (9)(e):
- 530 (i) the executive director of the Department of Transportation may not program funds
531 from the Transportation Investment Fund of 2005, including the Transit
532 Transportation Investment Fund, to projects located within the unincorporated
533 areas of the specified county in accordance with Subsection 72-2-124(6);
- 534 (ii) beginning with the report submitted in 2024, the specified county shall pay a fee
535 to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the
536 specified county:
- 537 (A) fails to submit the report to the division in accordance with this section,
538 beginning the day after the day on which the report was due; or
- 539 (B) fails to cure the deficiencies in the report, beginning the day after the day by
540 which the cure was required to occur as described in the notice of
541 noncompliance under Subsection (7); and

- 542 (iii) beginning with the report submitted in 2025, the specified county shall pay a fee
543 to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the
544 specified county, for a consecutive year:
- 545 (A) fails to submit the report to the division in accordance with this section,
546 beginning the day after the day on which the report was due; or
- 547 (B) fails to cure the deficiencies in the report, beginning the day after the day by
548 which the cure was required to occur as described in the notice of
549 noncompliance under Subsection (7).
- 550 (c) Upon determining that a specified county is ineligible for funds under this
551 Subsection (9), and is required to pay a fee under Subsection (9)(b), if applicable, the
552 division shall send a notice of ineligibility to the legislative body of the specified
553 county, the Department of Transportation, the State Tax Commission, and the
554 Governor's Office of Planning and Budget.
- 555 (d) The notice described in Subsection (9)(c) shall:
- 556 (i) name the specified county that is ineligible for funds;
- 557 (ii) describe the funds for which the specified county is ineligible to receive;
- 558 (iii) describe the fee the specified county is required to pay under Subsection (9)(b),
559 if applicable; and
- 560 (iv) state the basis for the division's determination that the specified county is
561 ineligible for funds.
- 562 (e) The division shall notify the legislative body of a specified county and the
563 Department of Transportation in writing if the division determines that the provisions
564 of this Subsection (9) no longer apply to the specified county.
- 565 (f) The division may not determine that a specified county that is required to pay a fee
566 under Subsection (9)(b) is in compliance with the reporting requirements of this
567 section until the specified county pays all outstanding fees required under Subsection
568 (9)(b) to the Olene Walker Housing Loan Fund, created under Title 35A, Chapter 8,
569 Part 5, Olene Walker Housing Loan Fund.
- 570 (10) In a civil action seeking enforcement or claiming a violation of this section or of
571 Subsection 17-27a-404(5)(c), a plaintiff may not recover damages but may be awarded
572 only injunctive or other equitable relief.

573 **Section 5. Effective date.**

574 This bill takes effect on May 7, 2025.