

Housing Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin Roberts

Sponsor: Lincoln Fillmore

LONG TITLE**General Description:**

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

Highlighted Provisions:

This bill:

- creates the Division of Housing within the Governor's Office of Economic Opportunity (Division of Housing) by enacting, renumbering, and amending certain affordable housing-related provisions from the Housing and Community Development Division within the Department of Workforce Services and the Governor's Office of Planning and Budget to the Division of Housing;
- defines terms;
- creates the deputy director position within the Division of Housing, who is appointed by the governor with the advice and consent of the Senate;
- renames the Housing and Community Development Division to the Community Development Division within the Department of Workforce Services;
- allows the Department of Transportation to dispose of certain surplus property for certain purposes;
- repeals certain obsolete sections of code;
- repeals the Commission on Housing Affordability;
- requires coordination between the deputy director of the Division of Housing and the Utah Housing Corporation (UHC) under certain circumstances;
- amends the required fields of expertise of public trustees appointed to the UHC board of trustees; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

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

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

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

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

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

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

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

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

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

26B-3-209 (Effective 07/01/26), as renumbered and amended by Laws of Utah 2023, Chapter 306

35A-1-202 (Effective 07/01/26) (Partially Repealed 07/01/26), as last amended by Laws of Utah 2025, Chapter 441

35A-3-103 (Effective 07/01/26), as last amended by Laws of Utah 2025, Chapter 441

35A-3-309 (Effective 07/01/26), as last amended by Laws of Utah 2015, Chapter 221

35A-8-101 (Effective 07/01/26), as last amended by Laws of Utah 2022, Chapter 406

35A-8-201 (Effective 07/01/26), as renumbered and amended by Laws of Utah 2012, Chapter 212

35A-8-202 (Effective 07/01/26), as last amended by Laws of Utah 2025, First Special Session, Chapter 15

35A-8-1003 (Effective 07/01/26), as renumbered and amended by Laws of Utah 2012, Chapter 212

35A-8-1009 (Effective 07/01/26), as last amended by Laws of Utah 2017, Chapter 223

65 **35A-8-1601 (Effective 07/01/26)**, as last amended by Laws of Utah 2019, Chapter 136
66 **35A-8-1702 (Effective 07/01/26)**, as last amended by Laws of Utah 2019, Chapter 136
67 **59-2-1101 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
68 Session, Chapter 15
69 **59-12-2220 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
70 Session, Chapter 15
71 **63B-1b-202 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapters 362,
72 451
73 **63H-8-201 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 391
74 **63H-8-203 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2015,
75 Chapter 226
76 **63L-11-402 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah
77 2025, Chapter 140
78 **63L-12-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
79 Session, Chapter 17
80 **72-1-215 (Effective 07/01/26)**, as enacted by Laws of Utah 2020, Chapter 268
81 **72-1-304 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
82 Session, Chapter 15
83 **72-2-124 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
84 Session, Chapter 15
85 **72-5-117 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
86 Session, Chapter 15
87 **73-10c-3 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 335
88 **78B-6-521 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 101

ENACTS:

90 **63N-22-101 (Effective 07/01/26)**, Utah Code Annotated 1953
91 **63N-22-102 (Effective 07/01/26)**, Utah Code Annotated 1953
92 **63N-22-103 (Effective 07/01/26)**, Utah Code Annotated 1953

RENUMBERS AND AMENDS:

94 **63N-22-104 (Effective 07/01/26)**, (Renumbered from 63J-4-402, as last amended by
95 Laws of Utah 2025, First Special Session, Chapter 15)
96 **63N-22-201 (Effective 07/01/26)**, (Renumbered from 35A-8-803, as last amended by
97 Laws of Utah 2025, First Special Session, Chapter 15)
98 **63N-22-202 (Effective 07/01/26)**, (Renumbered from 35A-8-804, as last amended by

Laws of Utah 2025, First Special Session, Chapters 15, 16)

63N-22-203 (Effective 07/01/26), (Renumbered from 35A-8-805, as last amended by Laws of Utah 2024, Chapter 438)

63N-22-301 (Effective 07/01/26), (Renumbered from 35A-8-501, as last amended by Laws of Utah 2017, Chapter 279)

63N-22-302 (Effective 07/01/26), (Renumbered from 35A-8-502, as renumbered and amended by Laws of Utah 2012, Chapter 212)

63N-22-303 (Effective 07/01/26), (Renumbered from 35A-8-503, as last amended by Laws of Utah 2024, Chapter 431)

63N-22-304 (Effective 07/01/26), (Renumbered from 35A-8-504, as last amended by Laws of Utah 2024, Chapter 413)

63N-22-305 (Effective 07/01/26), (Renumbered from 35A-8-505, as last amended by Laws of Utah 2025, Chapter 464)

63N-22-306 (Effective 07/01/26), (Renumbered from 35A-8-506, as last amended by Laws of Utah 2017, Chapter 279)

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

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

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

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

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

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

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

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

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

63N-22-316 (Effective 07/01/26), (Renumbered from 35A-8-2401, as last amended

by Laws of Utah 2024, Chapter 413)

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

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

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

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

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

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

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

63N-22-408 (Effective 07/01/26), (Renumbered from 35A-8-2109, as renumbered and amended by Laws of Utah 2018, Chapter 182)

63N-22-409 (Effective 07/01/26), (Renumbered from 35A-8-2110, as renumbered and amended by Laws of Utah 2018, Chapter 182)

REPEALS:

35A-8-504.5 (Effective 07/01/26), as enacted by Laws of Utah 2021, Chapter 102

35A-8-504.6 (Effective 07/01/26), as enacted by Laws of Utah 2025, Chapter 464

35A-8-801 (Effective 07/01/26), as renumbered and amended by Laws of Utah 2012, Chapter 212

35A-8-802 (Effective 07/01/26), as renumbered and amended by Laws of Utah 2012, Chapter 212

35A-8-901 (Effective 07/01/26), as last amended by Laws of Utah 2022, Chapter 335

35A-8-2101 (Effective 07/01/26), as renumbered and amended by Laws of Utah 2018, Chapter 182

35A-8-2201 (Effective 07/01/26), as last amended by Laws of Utah 2020, Chapter 268

35A-8-2202 (Effective 07/01/26), as last amended by Laws of Utah 2022, Chapter 118

35A-8-2203 (Effective 07/01/26), as last amended by Laws of Utah 2025, Chapter 512

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

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

Section 1. Section **10-21-101** is amended to read:

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

As used in this part:

- (1) "Affordable housing" means housing offered for sale at 80% or less of the median county home price for housing of that type.
- (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- (3) "Applicable metropolitan planning organization" means the metropolitan planning organization that has jurisdiction over the area in which a fixed guideway public transit station is located.
- (4) "Applicable public transit district" means the public transit district, as defined in Section 17B-2a-802, of which a fixed guideway public transit station is included.
- (5) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.
- (6) "Base year" means, for a proposed home ownership promotion zone area, a year beginning the first day of the calendar quarter determined by the last equalized tax roll before the adoption of the home ownership promotion zone.
- (7) "Division" means the ~~[Housing and Community Development Division within the Department of Workforce Services]~~ Division of Housing within the Governor's Office of Economic Opportunity.
- (8) "Existing fixed guideway public transit station" means a fixed guideway public transit station for which construction begins before June 1, 2022.
- (9) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- (10) "Home ownership promotion zone" means a home ownership promotion zone created in accordance with this part.
- (11) "Implementation plan" means the implementation plan adopted as part of the moderate income housing element of a specified municipality's general plan as provided in Subsection 10-21-201(4).
- (12) "Initial report" or "initial moderate income housing report" means the one-time report described in Subsection 10-21-202(1).
- (13) "Internal accessory dwelling unit" means an accessory dwelling unit created:
 - (a) within a primary dwelling;
 - (b) within the footprint of the primary dwelling described in Subsection (13)(a) at the time the internal accessory dwelling unit is created; and

(c) for the purpose of offering a long-term rental of 30 consecutive days or longer.

(14) "Moderate income housing strategy" means a strategy described in Subsection 10-21-201(3)(a)(iii).

(15) "New fixed guideway public transit station" means a fixed guideway public transit station for which construction begins on or after June 1, 2022.

(16) "Participant" means the same as that term is defined in Section 17C-1-102.

(17) "Participation agreement" means the same as that term is defined in Section 17C-1-102.

(18)(a) "Primary dwelling" means a single-family dwelling that:

(i) is detached; and

(ii) is occupied as the primary residence of the owner of record.

(b) "Primary dwelling" includes a garage if the garage:

(i) is a habitable space; and

(ii) is connected to the primary dwelling by a common wall.

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

(20) "Qualifying land use petition" means a petition:

(a) that involves land located within a station area for an existing public transit station that provides rail services;

(b) that involves land located within a station area for which the municipality has not yet satisfied the requirements of Subsection 10-21-203(1)(a);

(c) that proposes the development of an area greater than five contiguous acres, with no less than 51% of the acreage within the station area;

(d) that would require the municipality to amend the municipality's general plan or change a zoning designation for the land use application to be approved;

(e) that would require a higher density than the density currently allowed by the municipality;

(f) that proposes the construction of new residential units, at least 10% of which are dedicated to moderate income housing; and

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

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

(22) "Specified municipality" means:

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

(b) a city of the fifth class with a population of 5,000 or more, if the city is located

- 235 within a county of the first, second, or third class.
- 236 (23)(a) "Station area" means:
- 237 (i) for a fixed guideway public transit station that provides rail services, the area
- 238 within a one-half mile radius of the center of the fixed guideway public transit
- 239 station platform; or
- 240 (ii) for a fixed guideway public transit station that provides bus services only, the
- 241 area within a one-fourth mile radius of the center of the fixed guideway public
- 242 transit station platform.
- 243 (b) "Station area" includes any parcel bisected by the radius limitation described in [
- 244 ~~Subsection (a)(i) or (ii)] Subsection (23)(a)(i) or (ii).~~
- 245 (24) "Station area plan" means a plan that:
- 246 (a) establishes a vision, and the actions needed to implement that vision, for the
- 247 development of land within a station area; and
- 248 (b) is developed and adopted in accordance with this section.
- 249 (25) "Subsequent progress report" means the annual report described in Subsection
- 250 10-21-202(2).
- 251 (26) "System improvements" means the same as that term is defined in Section 11-36a-102.
- 252 (27) "Tax commission" means the State Tax Commission created in Section 59-1-201.
- 253 (28)(a) "Tax increment" means the difference between:
- 254 (i) the amount of property tax revenue generated each tax year by a taxing entity from
- 255 the area within a home ownership promotion zone, using the current assessed
- 256 value and each taxing entity's current certified tax rate as defined in Section
- 257 59-2-924; and
- 258 (ii) the amount of property tax revenue that would be generated from that same area
- 259 using the base taxable value and each taxing entity's current certified tax rate as
- 260 defined in Section 59-2-924.
- 261 (b) "Tax increment" does not include property revenue from:
- 262 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
- 263 or
- 264 (ii) a county additional property tax described in Subsection 59-2-1602(4).
- 265 (29) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- 266 Section 2. Section **10-21-201** is amended to read:
- 267 **10-21-201 (Effective 07/01/26). Moderate income housing plan required.**
- 268 (1) A moderate income housing element of a general plan shall include a moderate income

housing plan that meets the requirements of this section.

(2) A moderate income housing plan:

- (a) shall provide a realistic opportunity to meet the need for additional moderate income housing within the municipality during the next five years;
- (b) for a municipality that is not a specified municipality, may include a recommendation to implement three or more of the moderate income housing strategies described in Subsection (3)(a)(iii);
- (c) for a specified municipality that does not have a fixed guideway public transit station, shall include a recommendation to implement three or more of the moderate income housing strategies described in Subsection (3)(a)(iii) or at least one of the moderate income housing strategies described in Subsections (3)(a)(iii)(X) through (CC);
- (d) for a specified municipality that has a fixed guideway public transit station, shall include:
 - (i) a recommendation to implement five or more of the moderate income housing strategies described in Subsection (3)(a)(iii), of which one shall be the moderate income housing strategy described in Subsection (3)(a)(iii)(U) and one shall be a moderate income housing strategy described in Subsection (3)(a)(iii)(G) or (H); or
 - (ii) a recommendation to implement the moderate income housing strategy described in Subsection (3)(a)(iii)(U), one of the moderate income housing strategies described in Subsections (3)(a)(iii)(X) through (CC), and one moderate income housing strategy described in Subsection (3)(a)(iii); and
- (e) for a specified municipality shall include an implementation plan as provided in Subsection (4).

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

- (i) shall consider the Legislature's determination that municipalities shall facilitate a reasonable opportunity for a variety of housing, including moderate income housing:
 - (A) to meet the needs of people of various income levels living, working, or desiring to live or work in the community; and
 - (B) to allow people with various incomes to benefit from and fully participate in all aspects of neighborhood and community life;
- (ii) for a municipality that is not a specified municipality, may include, and for a specified municipality shall include, an analysis of how the municipality will

provide a realistic opportunity for the development of moderate income housing within the next five years; and

(iii) for a municipality that is not a specified municipality, may include, and for a specified municipality shall include, a recommendation to implement the required number of any of the following moderate income housing strategies as specified in Subsection (2):

- (A) rezone for densities necessary to facilitate the production of moderate income housing;
- (B) demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of moderate income housing;
- (C) demonstrate investment in the rehabilitation of existing uninhabitable housing stock into moderate income housing;
- (D) identify and utilize general fund subsidies or other sources of revenue to waive construction related fees that are otherwise generally imposed by the municipality for the construction or rehabilitation of moderate income housing;
- (E) create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones;
- (F) zone or rezone for higher density or moderate income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers;
- (G) amend land use regulations to allow for higher density or new moderate income residential development in commercial or mixed-use zones near major transit investment corridors;
- (H) amend land use regulations to eliminate or reduce parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities;
- (I) amend land use regulations to allow for single room occupancy developments;
- (J) implement zoning incentives for moderate income units in new developments;
- (K) preserve existing and new moderate income housing and subsidized units by utilizing a landlord incentive program, providing for deed restricted units through a grant program~~[-or, notwithstanding Section 10-21-301,]~~ or establishing a housing loss mitigation fund;
- (L) reduce, waive, or eliminate impact fees related to moderate income housing;

- (M) demonstrate creation of, or participation in, a community land trust program for moderate income housing;
- (N) implement a mortgage assistance program for employees of the municipality, an employer that provides contracted services to the municipality, or any other public employer that operates within the municipality;
- (O) apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of moderate income housing, an entity that applies for programs offered by the Utah Housing Corporation within the Utah Housing Corporation's funding capacity, an entity that applies for affordable housing programs administered by the Department of Workforce Services, the Division of Housing within the Governor's Office of Economic Opportunity, an entity that applies for affordable housing programs administered by an association of governments established by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, an entity that applies for services provided by a public housing authority to preserve and create moderate income housing, or any other entity that applies for programs or services that promote the construction or preservation of moderate income housing;
- (P) demonstrate utilization of a moderate income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate income housing;
- (Q) eliminate impact fees for any accessory dwelling unit that is not an internal accessory dwelling unit as defined in Section 10-21-101;
- (R) create a program to transfer development rights for moderate income housing;
- (S) ratify a joint acquisition agreement with another local political subdivision for the purpose of combining resources to acquire property for moderate income housing;
- (T) develop a moderate income housing project for residents who are disabled or 55 years old or older;
- (U) develop and adopt a station area plan in accordance with Section 10-21-203;
- (V) create or allow for, and reduce regulations related to, multifamily residential dwellings compatible in scale and form with detached single-family residential dwellings and located in walkable communities within residential or mixed-use

- 371 zones;
- 372 (W) demonstrate implementation of any other program or strategy to address the
- 373 housing needs of residents of the municipality who earn less than 80% of the
- 374 area median income, including the dedication of a local funding source to
- 375 moderate income housing or the adoption of a land use ordinance that requires
- 376 10% or more of new residential development in a residential zone be dedicated
- 377 to moderate income housing;
- 378 (X) create a housing and transit reinvestment zone in accordance with Title 63N,
- 379 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
- 380 (Y) create a home ownership promotion zone in accordance with Part 5, Home
- 381 Ownership Promotion Zone for Municipalities;
- 382 (Z) create a first home investment zone in accordance with Title 63N, Chapter 3,
- 383 Part 16, First Home Investment Zone Act;
- 384 (AA) approve a project that receives funding from, or qualifies to receive funding
- 385 from, the Utah Homes Investment Program created in Title 51, Chapter 12,
- 386 Utah Homes Investment Program;
- 387 (BB) adopt or approve a qualifying affordable home ownership density bonus for
- 388 single-family residential units, as described in Section 10-21-401; and
- 389 (CC) adopt or approve a qualifying affordable home ownership density bonus for
- 390 multi-family residential units, as described in Section 10-21-402; and
- 391 (b) the planning commission shall identify each moderate income housing strategy
- 392 recommended to the legislative body for implementation by restating the exact
- 393 language used to describe the strategy in Subsection (3)(a)(iii).
- 394 (4)(a) In drafting the implementation plan portion of the moderate income housing
- 395 element as described in Subsection (2)(c), the planning commission shall recommend
- 396 to the legislative body the establishment of a five-year timeline for implementing
- 397 each of the moderate income housing strategies selected by the municipality for
- 398 implementation.
- 399 (b) The timeline described in Subsection (4)(a) shall:
- 400 (i) identify specific measures and benchmarks for implementing each moderate
- 401 income housing strategy selected by the municipality, whether one-time or
- 402 ongoing; and
- 403 (ii) provide flexibility for the municipality to make adjustments as needed.
- 404 Section 3. Section **10-21-202** is amended to read:

**10-21-202 (Effective 07/01/26). Moderate income housing report -- Contents --
Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil
actions.**

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

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

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

(c) The initial report shall:

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

(ii) include an implementation plan.

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

(b) The subsequent progress report shall include:

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

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

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

- 439 (iv) information regarding the number of internal and external or detached accessory
440 dwelling units located within the specified municipality for which the specified
441 municipality:
- 442 (A) issued a building permit to construct; or
443 (B) issued a business license or comparable license or permit to rent;
- 444 (v) the number of residential dwelling units that have been entitled that have not
445 received a building permit as of the submission date of the progress report;
- 446 (vi) shapefiles, or website links if shapefiles are not available, to current maps and
447 tables related to zoning;
- 448 (vii) a description of how the market has responded to the selected moderate income
449 housing strategies, including the number of entitled moderate income housing
450 units or other relevant data; and
- 451 (viii) any recommendations on how the state can support the specified municipality
452 in implementing the moderate income housing strategies.
- 453 (c) For purposes of describing actions taken by a specified municipality under
454 Subsection (2)(b)(i), the specified municipality may include an ongoing action taken
455 by the specified municipality before the 12-month reporting period applicable to the
456 subsequent progress report if the specified municipality:
- 457 (i) has already adopted an ordinance, approved a land use application, made an
458 investment, or approved an agreement or financing that substantially promotes the
459 implementation of a moderate income housing strategy identified in the initial
460 report; and
- 461 (ii) demonstrates in the subsequent progress report that the action taken under
462 Subsection (2)(c)(i) is relevant to making meaningful progress towards the
463 specified municipality's implementation plan.
- 464 (d) A specified municipality's report shall be in a form:
- 465 (i) approved by the division; and
466 (ii) made available by the division on or before May 1 of the year in which the report
467 is required.
- 468 (3) Within 90 days after the day on which the division receives a specified municipality's
469 report, the division shall:
- 470 (a) post the report on the division's website;
471 (b) send a copy of the report to the Department of Transportation, the Governor's Office
472 of Planning and Budget, the association of governments in which the specified

municipality is located, and, if the specified municipality is located within the boundaries of a metropolitan planning organization, the appropriate metropolitan planning organization; and

(c) subject to Subsection (4), review the report to determine compliance with this section.

(4)(a) An initial report complies with this section if the report:

(i) includes the information required under Subsection (1)(c);

(ii) demonstrates to the division that the specified municipality made plans to implement:

(A) three or more moderate income housing strategies if the specified

municipality does not have a fixed guideway public transit station; or

(B) if the specified municipality has a fixed guideway public transit station:

(I) five or more of the moderate income housing strategies described in

Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income

housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one

shall be a moderate income housing strategy described in Subsection

10-21-201(3)(a)(iii)(G) or (H); or

(II) the moderate income housing strategy described in Subsection

10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies

described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one

moderate income strategy described in Subsection 10-21-201(3)(a)(iii); and

(iii) is in a form approved by the division.

(b) A subsequent progress report complies with this section if the report:

(i) demonstrates to the division that the specified municipality made plans to implement:

(A) three or more moderate income housing strategies if the specified

municipality does not have a fixed guideway public transit station; or

(B) if the specified municipality has a fixed guideway public transit station:

(I) five or more of the moderate income housing strategies described in

Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income

housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one

shall be a moderate income housing strategy described in Subsection

10-21-201(3)(a)(iii)(G) or (H); or

(II) the moderate income housing strategy described in Subsection

10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies

- described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one moderate income housing strategy described in Subsection 10-21-201(3)(a)(iii);
- (ii) is in a form approved by the division; and
- (iii) provides sufficient information for the division to:
- (A) assess the specified municipality's progress in implementing the moderate income housing strategies;
 - (B) monitor compliance with the specified municipality's implementation plan;
 - (C) identify a clear correlation between the specified municipality's land use regulations and land use decisions and the specified municipality's efforts to implement the moderate income housing strategies;
 - (D) identify how the market has responded to the specified municipality's selected moderate income housing strategies; and
 - (E) identify any barriers encountered by the specified municipality in implementing the selected moderate income housing strategies.
- (c)(i) Notwithstanding the requirements of Subsection (4)(a)(ii)(A) or (b)(i)(A), if a specified municipality without a fixed guideway public transit station implements or is implementing, by ordinance or development agreement, one of the following moderate income housing strategies, the division shall consider that one moderate income housing strategy to be the equivalent of three moderate income housing strategies:
- (A) a housing and transit reinvestment zone, as described in Subsection 10-21-201(3)(a)(iii)(X);
 - (B) a home ownership promotion zone, as described in Subsection 10-21-201(3)(a)(iii)(Y);
 - (C) a first home investment zone, described in Subsection 10-21-201(3)(a)(iii)(Z);
 - (D) the approval of a project described in Subsection 10-21-201(3)(a)(iii)(AA);
 - (E) a qualifying affordable home ownership density bonus for single-family residential units, as described in Subsection 10-21-201(3)(a)(iii)(BB); or
 - (F) a qualifying affordable home ownership density bonus for multi-family residential units, as described in Subsection 10-21-201(3)(a)(iii)(CC).
- (ii) If the division considers one moderate income housing strategy described in Subsection (4)(c)(i) as the equivalent of three moderate income housing strategies, the division shall also consider the specified municipality compliant with the

- 541 reporting requirement described in this section for:
- 542 (A) the year in which the specified municipality submits the initial report or
- 543 subsequent report; and
- 544 (B) two subsequent reporting years.
- 545 (5)(a) A specified municipality qualifies for priority consideration under this Subsection
- 546 (5) if the specified municipality's report:
- 547 (i) complies with this section; and
- 548 (ii) demonstrates to the division that the specified municipality made plans to
- 549 implement:
- 550 (A) five or more moderate income housing strategies if the specified municipality
- 551 does not have a fixed guideway public transit station; or
- 552 (B) six or more moderate income housing strategies if the specified municipality
- 553 has a fixed guideway public transit station.
- 554 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
- 555 give priority consideration to transportation projects located within the boundaries of
- 556 a specified municipality described in Subsection (5)(a) until the Department of
- 557 Transportation receives notice from the division under Subsection (5)(e).
- 558 (c) Upon determining that a specified municipality qualifies for priority consideration
- 559 under this Subsection (5), the division shall send a notice of prioritization to the
- 560 legislative body of the specified municipality and the Department of Transportation.
- 561 (d) The notice described in Subsection (5)(c) shall:
- 562 (i) name the specified municipality that qualifies for priority consideration;
- 563 (ii) describe the funds or projects for which the specified municipality qualifies to
- 564 receive priority consideration; and
- 565 (iii) state the basis for the division's determination that the specified municipality
- 566 qualifies for priority consideration.
- 567 (e) The division shall notify the legislative body of a specified municipality and the
- 568 Department of Transportation in writing if the division determines that the specified
- 569 municipality no longer qualifies for priority consideration under this Subsection (5).
- 570 (6)(a) If the division, after reviewing a specified municipality's report, determines that
- 571 the report does not comply with this section, the division shall send a notice of
- 572 noncompliance to the legislative body of the specified municipality.
- 573 (b) A specified municipality that receives a notice of noncompliance may:
- 574 (i) cure each deficiency in the report within 90 days after the day on which the notice

- 575 of noncompliance is sent; or
- 576 (ii) request an appeal of the division's determination of noncompliance within 10
- 577 days after the day on which the notice of noncompliance is sent.
- 578 (c) The notice described in Subsection (6)(a) shall:
- 579 (i) describe each deficiency in the report and the actions needed to cure each
- 580 deficiency;
- 581 (ii) state that the specified municipality has an opportunity to:
- 582 (A) submit to the division a corrected report that cures each deficiency in the
- 583 report within 90 days after the day on which the notice of compliance is sent; or
- 584 (B) submit to the division a request for an appeal of the division's determination of
- 585 noncompliance within 10 days after the day on which the notice of
- 586 noncompliance is sent; and
- 587 (iii) state that failure to take action under Subsection (6)(c)(ii) will result in the
- 588 specified municipality's ineligibility for funds under Subsection (8).
- 589 (d) For purposes of curing the deficiencies in a report under this Subsection (6), if the
- 590 action needed to cure the deficiency as described by the division requires the
- 591 specified municipality to make a legislative change, the specified municipality may
- 592 cure the deficiency by making that legislative change within the 90-day cure period.
- 593 (e)(i) If a specified municipality submits to the division a corrected report in
- 594 accordance with Subsection (6)(b)(i) and the division determines that the
- 595 corrected report does not comply with this section, the division shall send a
- 596 second notice of noncompliance to the legislative body of the specified
- 597 municipality within 30 days after the day on which the corrected report is
- 598 submitted.
- 599 (ii) A specified municipality that receives a second notice of noncompliance may
- 600 submit to the division a request for an appeal of the division's determination of
- 601 noncompliance within 10 days after the day on which the second notice of
- 602 noncompliance is sent.
- 603 (iii) The notice described in Subsection (6)(e)(i) shall:
- 604 (A) state that the specified municipality has an opportunity to submit to the
- 605 division a request for an appeal of the division's determination of
- 606 noncompliance within 10 days after the day on which the second notice of
- 607 noncompliance is sent; and
- 608 (B) state that failure to take action under Subsection (6)(e)(iii)(A) will result in the

- specified municipality's ineligibility for funds under Subsection (8).
- (7)(a) A specified municipality that receives a notice of noncompliance under Subsection (6)(a) or (6)(e)(i) may request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent.
- (b) Within 90 days after the day on which the division receives a request for an appeal, an appeal board consisting of the following three members shall review and issue a written decision on the appeal:
- (i) one individual appointed by the Utah League of Cities and Towns;
 - (ii) one individual appointed by the Utah Homebuilders Association; and
 - (iii) one individual appointed by the presiding member of the association of governments, established in accordance with an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, of which the specified municipality is a member.
- (c) The written decision of the appeal board shall either uphold or reverse the division's determination of noncompliance.
- (d) The appeal board's written decision on the appeal is final.
- (8)(a) A specified municipality is ineligible for funds under this Subsection (8) if:
- (i) the specified municipality fails to submit a report to the division;
 - (ii) after submitting a report to the division, the division determines that the report does not comply with this section and the specified municipality fails to:
 - (A) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or
 - (B) request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent;
 - (iii) after submitting to the division a corrected report to cure the deficiencies in a previously submitted report, the division determines that the corrected report does not comply with this section and the specified municipality fails to request an appeal of the division's determination of noncompliance within 10 days after the day on which the second notice of noncompliance is sent; or
 - (iv) after submitting a request for an appeal under Subsection (7), the appeal board issues a written decision upholding the division's determination of noncompliance.
- (b) The following apply to a specified municipality described in Subsection (8)(a) until the division provides notice under Subsection (8)(e):

- 643 (i) the executive director of the Department of Transportation may not program funds
644 from the Transportation Investment Fund of 2005, including the Transit
645 Transportation Investment Fund, to projects located within the boundaries of the
646 specified municipality in accordance with Subsection 72-2-124(5);
- 647 (ii) beginning with a report submitted in 2024, the specified municipality shall pay a
648 fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that
649 the specified municipality:
- 650 (A) fails to submit the report to the division in accordance with this section,
651 beginning the day after the day on which the report was due; or
- 652 (B) fails to cure the deficiencies in the report, beginning the day after the day by
653 which the cure was required to occur as described in the notice of
654 noncompliance under Subsection (6); and
- 655 (iii) beginning with the report submitted in 2025, the specified municipality shall pay
656 a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that
657 the specified municipality, in a consecutive year:
- 658 (A) fails to submit the report to the division in accordance with this section,
659 beginning the day after the day on which the report was due; or
- 660 (B) fails to cure the deficiencies in the report, beginning the day after the day by
661 which the cure was required to occur as described in the notice of
662 noncompliance under Subsection (6).
- 663 (c) Upon determining that a specified municipality is ineligible for funds under this
664 Subsection (8), and is required to pay a fee under Subsection (8)(b), if applicable, the
665 division shall send a notice of ineligibility to the legislative body of the specified
666 municipality, the Department of Transportation, the State Tax Commission, and the
667 Governor's Office of Planning and Budget.
- 668 (d) The notice described in Subsection (8)(c) shall:
- 669 (i) name the specified municipality that is ineligible for funds;
- 670 (ii) describe the funds for which the specified municipality is ineligible to receive;
- 671 (iii) describe the fee the specified municipality is required to pay under Subsection
672 (8)(b), if applicable; and
- 673 (iv) state the basis for the division's determination that the specified municipality is
674 ineligible for funds.
- 675 (e) The division shall notify the legislative body of a specified municipality and the
676 Department of Transportation in writing if the division determines that the provisions

of this Subsection (8) no longer apply to the specified municipality.

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

- (9) In a civil action seeking enforcement or claiming a violation of this section or of Subsection 10-20-405(4)(c), a plaintiff may not recover damages but may be awarded only injunctive or other equitable relief.

Section 4. Section **10-21-203** is amended to read:

**10-21-203 (Effective 07/01/26). Station area plan requirements -- Contents --
Review and certification by applicable metropolitan planning organization.**

- (1)(a) Subject to the requirements of this section, a municipality that has a fixed guideway public transit station located within the municipality's boundaries shall, for the station area:

- (i) develop and adopt a station area plan; and
- (ii) adopt any appropriate land use regulations to implement the station area plan.

- (b) The requirements of Subsection (1)(a) shall be considered satisfied if:

- (i)(A) the municipality has already adopted plans or ordinances, approved land use applications, approved agreements or financing, or investments have been made, before June 1, 2022, that substantially promote each of the objectives in Subsection (6)(a) within the station area, and can demonstrate that such plans, ordinances, approved land use applications, approved agreements or financing, or investments are still relevant to making meaningful progress towards achieving such objectives; and
- (B) the municipality adopts a resolution finding that the objectives of Subsection (6)(a) have been substantially promoted; or
- (ii)(A) the municipality has determined that conditions exist that make satisfying a portion or all of the requirements of Subsection (1)(a) for a station area impracticable, including conditions that relate to existing development, entitlements, land ownership, land uses that make opportunities for new development and long-term redevelopment infeasible, environmental limitations, market readiness, development impediment conditions, or other similar conditions; and

- 711 (B) the municipality adopts a resolution describing the conditions that exist to
712 make satisfying the requirements of Subsection (1)(a) impracticable.
- 713 (c) To the extent that previous actions by a municipality do not satisfy the requirements
714 of Subsection (1)(a) for a station area, the municipality shall take the actions
715 necessary to satisfy those requirements.
- 716 (2)(a) A municipality that has a new fixed guideway public transit station located within
717 the municipality's boundaries shall satisfy the requirements of Subsection (1)(a) for
718 the station area surrounding the new fixed guideway public transit station before the
719 new fixed guideway public transit station begins transit services.
- 720 (b) Except as provided in Subsections (2)(c) and (d), a municipality that has an existing
721 fixed guideway public transit station located within the municipality's boundaries
722 shall satisfy the requirements of Subsection (1)(a) for the station area surrounding the
723 existing fixed guideway public transit station on or before December 31, 2025.
- 724 (c) If a municipality has more than four existing fixed guideway public transit stations
725 located within the municipality's boundaries, the municipality shall:
- 726 (i) on or before December 31, 2025, satisfy the requirements of Subsection (1)(a) for
727 four or more station areas located within the municipality; and
- 728 (ii) on or before December 31 of each year thereafter, satisfy the requirements of
729 Subsection (1)(a) for no less than two station areas located within the municipality
730 until the municipality has satisfied the requirements of Subsection (1)(a) for each
731 station area located within the municipality.
- 732 (d)(i) Subject to Subsection (2)(d)(ii):
- 733 (A) if a municipality receives a complete qualifying land use petition on or before
734 July 1, 2022, the municipality shall satisfy the requirements of Subsection
735 (1)(a) for the station area in which the development is proposed on or before
736 July 1, 2023; and
- 737 (B) if a municipality receives a complete qualifying land use petition after July 1,
738 2022, the municipality shall satisfy the requirements of Subsection (1)(a) for
739 the station area in which the development is proposed within a 12-month
740 period beginning on the first day of the month immediately following the
741 month in which the qualifying land use petition is submitted to the
742 municipality, and shall notify the applicable metropolitan planning
743 organization of the receipt of the qualified land use petition within 45 days of
744 the date of receipt.

- 745 (ii)(A) A municipality is not required to satisfy the requirements of Subsection
746 (1)(a) for more than two station areas under Subsection (2)(d)(i) within any
747 12-month period.
- 748 (B) If a municipality receives more than two complete qualifying land use
749 petitions on or before July 1, 2022, the municipality shall select two station
750 areas for which the municipality will satisfy the requirements of Subsection
751 (1)(a) in accordance with Subsection (2)(d)(i)(A).
- 752 (iii) A municipality shall process on a first priority basis a land use application,
753 including an application for a building permit, if:
- 754 (A) the land use application is for a residential use within a station area for which
755 the municipality has not satisfied the requirements of Subsection (1)(a); and
- 756 (B) the municipality would be required to change a zoning designation for the
757 land use application to be approved.
- 758 (e) Notwithstanding Subsections (2)(a) through (d), the time period for satisfying the
759 requirements of Subsection (1)(a) for a station area may be extended once for a
760 period of 12 months if:
- 761 (i) the municipality demonstrates to the applicable metropolitan planning
762 organization that conditions exist that make satisfying the requirements of
763 Subsection (1)(a) within the required time period infeasible, despite the
764 municipality's good faith efforts; and
- 765 (ii) the applicable metropolitan planning organization certifies to the municipality in
766 writing that the municipality satisfied the demonstration in Subsection (2)(e)(i).
- 767 (3)(a) Except as provided in Subsection (3)(b), if a station area is included within the
768 boundaries of more than one municipality, each municipality with jurisdiction over
769 the station area shall satisfy the requirements of Subsection (1)(a) for the portion of
770 the station area over which the municipality has jurisdiction.
- 771 (b) Two or more municipalities with jurisdiction over a station area may coordinate to
772 develop a shared station area plan for the entire station area.
- 773 (4) A municipality that has more than one fixed guideway public transit station located
774 within the municipality may, through an integrated process, develop station area plans
775 for multiple station areas if the station areas are within close proximity of each other.
- 776 (5)(a) A municipality that is required to develop and adopt a station area plan under this
777 section may request technical assistance from the applicable metropolitan planning
778 organization.

(b) An applicable metropolitan planning organization that receives funds from the Governor's Office of Economic Opportunity under Section 63N-3-113 shall, when utilizing the funds, give priority consideration to requests for technical assistance for station area plans required under Subsection (2)(d).

(6)(a) A station area plan shall promote the following objectives within the station area:

- (i) increasing the availability and affordability of housing, including moderate income housing;
- (ii) promoting sustainable environmental conditions;
- (iii) enhancing access to opportunities; and
- (iv) increasing transportation choices and connections.

(b)(i) To promote the objective described in Subsection (6)(a)(i), a municipality may consider implementing the following actions:

- (A) aligning the station area plan with the moderate income housing element of the municipality's general plan;
- (B) providing for densities necessary to facilitate the development of moderate income housing;
- (C) providing for affordable costs of living in connection with housing, transportation, and parking; or
- (D) any other similar action that promotes the objective described in Subsection (6)(a)(i).

(ii) To promote the objective described in Subsection (6)(a)(ii), a municipality may consider implementing the following actions:

- (A) conserving water resources through efficient land use;
- (B) improving air quality by reducing fuel consumption and motor vehicle trips;
- (C) establishing parks, open spaces, and recreational opportunities; or
- (D) any other similar action that promotes the objective described in Subsection (6)(a)(ii).

(iii) To promote the objective described in Subsection (6)(a)(iii), a municipality may consider the following actions:

- (A) maintaining and improving the connections between housing, transit, employment, education, recreation, and commerce;
- (B) encouraging mixed-use development;
- (C) enabling employment and educational opportunities within the station area;
- (D) encouraging and promoting enhanced broadband connectivity; or

- 813 (E) any other similar action that promotes the objective described in Subsection
814 (6)(a)(iii).
- 815 (iv) To promote the objective described in Subsection (6)(a)(iv), a municipality may
816 consider the following:
- 817 (A) supporting investment in infrastructure for all modes of transportation;
818 (B) increasing utilization of public transit;
819 (C) encouraging safe streets through the designation of pedestrian walkways and
820 bicycle lanes;
821 (D) encouraging manageable and reliable traffic conditions;
822 (E) aligning the station area plan with the regional transportation plan of the
823 applicable metropolitan planning organization; or
824 (F) any other similar action that promotes the objective described in Subsection
825 (6)(a)(iv).
- 826 (7) A station area plan shall include the following components:
- 827 (a) a station area vision that:
- 828 (i) is consistent with Subsection (6); and
829 (ii) describes the following:
- 830 (A) opportunities for the development of land within the station area under
831 existing conditions;
832 (B) constraints on the development of land within the station area under existing
833 conditions;
834 (C) the municipality's objectives for the transportation system within the station
835 area and the future transportation system that meets those objectives;
836 (D) the municipality's objectives for land uses within the station area and the
837 future land uses that meet those objectives;
838 (E) the municipality's objectives for public and open spaces within the station area
839 and the future public and open spaces that meet those objectives; and
840 (F) the municipality's objectives for the development of land within the station
841 area and the future development standards that meet those objectives;
- 842 (b) a map that depicts:
- 843 (i) the station area;
844 (ii) the area within the station area to which the station area plan applies, provided
845 that the station area plan may apply to areas outside the station area, and the
846 station area plan is not required to apply to the entire station area; and

- 847 (iii) the area where each action is needed to implement the station area plan;
- 848 (c) an implementation plan that identifies and describes each action needed within the
- 849 next five years to implement the station area plan, and the party responsible for
- 850 taking each action, including any actions to:
- 851 (i) modify land use regulations;
- 852 (ii) make infrastructure improvements;
- 853 (iii) modify deeds or other relevant legal documents;
- 854 (iv) secure funding or develop funding strategies;
- 855 (v) establish design standards for development within the station area; or
- 856 (vi) provide environmental remediation;
- 857 (d) a statement that explains how the station area plan promotes the objectives described
- 858 in Subsection (6)(a); and
- 859 (e) as an alternative or supplement to the requirements of Subsection (6) or this
- 860 Subsection (7), and for purposes of Subsection (1)(b)(ii), a statement that describes
- 861 any conditions that would make the following impracticable:
- 862 (i) promoting the objectives described in Subsection (6)(a); or
- 863 (ii) satisfying the requirements of this Subsection (7).
- 864 (8) A municipality shall develop a station area plan with the involvement of all relevant
- 865 stakeholders that have an interest in the station area through public outreach and
- 866 community engagement, including:
- 867 (a) other impacted communities;
- 868 (b) the applicable public transit district;
- 869 (c) the applicable metropolitan planning organization;
- 870 (d) the Department of Transportation;
- 871 (e) owners of property within the station area; and
- 872 (f) the municipality's residents and business owners.
- 873 (9)(a) A municipality that is required to develop and adopt a station area plan for a
- 874 station area under this section shall submit to the applicable metropolitan planning
- 875 organization and the applicable public transit district documentation evidencing that
- 876 the municipality has satisfied the requirement of Subsection (1)(a)(i) for the station
- 877 area, including:
- 878 (i) a station area plan; or
- 879 (ii) a resolution adopted under Subsection (1)(b)(i) or (ii).
- 880 (b) The applicable metropolitan planning organization, in consultation with the

applicable public transit district, shall:

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

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

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

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

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

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

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

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

Section 5. Section **17-80-101** is amended to read:

17-80-101 (Effective 07/01/26). Definitions.

As used in this part:

(1) "Affordable housing" means housing offered for sale at 80% or less of the median county home price for housing of that type.

(2) "Agency" means the same as that term is defined in Section 17C-1-102.

(3) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.

(4) "Base year" means, for a proposed home ownership promotion zone area, a year beginning the first day of the calendar quarter determined by the last equalized tax roll

915 before the adoption of the home ownership promotion zone.

916 (5) "Division" means the [~~Housing and Community Development Division within the~~
917 ~~Department of Workforce Services~~] Division of Housing within the Governor's Office of
918 Economic Opportunity.

919 (6) "Home ownership promotion zone" means a home ownership promotion zone created in
920 accordance with this part.

921 (7) "Implementation plan" means the implementation plan adopted as part of the moderate
922 income housing element of a specified county's general plan.

923 (8) "Initial report" means the one-time moderate income housing report described in
924 Subsection 17-80-202(1).

925 (9) "Internal accessory dwelling unit" means an accessory dwelling unit created:

926 (a) within a primary dwelling;

927 (b) within the footprint of the detached primary dwelling at the time the internal
928 accessory dwelling unit is created; and

929 (c) for the purpose of offering a long-term rental of 30 consecutive days or longer.

930 (10) "Moderate income housing strategy" means a strategy described in Section 17-80-201.

931 (11) "Participant" means the same as that term is defined in Section 17C-1-102.

932 (12) "Participation agreement" means the same as that term is defined in Section 17C-1-102.

933 (13)(a) "Primary dwelling" means a single-family dwelling that:

934 (i) is detached; and

935 (ii) is occupied as the primary residence of the owner of record.

936 (b) "Primary dwelling" includes a garage if the garage:

937 (i) is a habitable space; and

938 (ii) is connected to the primary dwelling by a common wall.

939 (14) "Project improvements" means the same as that term is defined in Section 11-36a-102.

940 (15) "Report" means an initial report or a subsequent report described in Section 17-80-202.

941 (16) "Specified county" means a county of the first, second, or third class, which has a
942 population of more than 5,000 in the county's unincorporated areas.

943 (17) "Subsequent progress report" means the annual moderate income housing report
944 described in Section 17-80-202.

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

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

947 (20)(a) "Tax increment" means the difference between:

948 (i) the amount of property tax revenue generated each tax year by a taxing entity from

- the area within a home ownership promotion zone, using the current assessed value and each taxing entity's current certified tax rate as defined in Section 59-2-924; and
- (ii) the amount of property tax revenue that would be generated from that same area using the base taxable value and each taxing entity's current certified tax rate as defined in Section 59-2-924.
- (b) "Tax increment" does not include property revenue from:
- (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2); or
- (ii) a county additional property tax described in Subsection 59-2-1602(4).
- (21) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- Section 6. Section **17-80-201** is amended to read:
- 17-80-201 (Effective 07/01/26). Moderate income housing plan required.**
- (1) A moderate income housing element of a general plan shall include a moderate income housing element that meets the requirements of this section.
- (2) For a specified county, as defined in Section 17-80-101, a moderate income housing element shall:
- (a) provide a realistic opportunity to meet the need for additional moderate income housing within the next five years;
- (b) select three or more moderate income housing strategies described in Subsections (3)(a)(ii)(A) through (V), or at least one moderate income housing strategy described in Subsections (3)(a)(ii)(W) through (BB), for implementation; and
- (c) include an implementation plan as provided in Subsection (4).
- (3)(a) In drafting the moderate income housing element, the county planning commission shall:
- (i) consider the Legislature's determination that counties should facilitate a reasonable opportunity for a variety of housing, including moderate income housing:
- (A) to meet the needs of people of various income levels living, working, or desiring to live or work in the community; and
- (B) to allow people with various incomes to benefit from and fully participate in all aspects of neighborhood and community life; and
- (ii) include an analysis of how the county will provide a realistic opportunity for the development of moderate income housing within the planning horizon, including

a recommendation to implement three or more of the following moderate income housing strategies:

- (A) rezone for densities necessary to facilitate the production of moderate income housing;
- (B) demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of moderate income housing;
- (C) demonstrate investment in the rehabilitation of existing uninhabitable housing stock into moderate income housing;
- (D) identify and utilize county general fund subsidies or other sources of revenue to waive construction related fees that are otherwise generally imposed by the county for the construction or rehabilitation of moderate income housing;
- (E) create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones;
- (F) zone or rezone for higher density or moderate income residential development in commercial or mixed-use zones, commercial centers, or employment centers;
- (G) amend land use regulations to allow for higher density or new moderate income residential development in commercial or mixed-use zones near major transit investment corridors;
- (H) amend land use regulations to eliminate or reduce parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities;
- (I) amend land use regulations to allow for single room occupancy developments;
- (J) implement zoning incentives for moderate income units in new developments;
- (K) preserve existing and new moderate income housing and subsidized units by utilizing a landlord incentive program, providing for deed restricted units through a grant program, or establishing a housing loss mitigation fund;
- (L) reduce, waive, or eliminate impact fees related to moderate income housing;
- (M) demonstrate creation of, or participation in, a community land trust program for moderate income housing;
- (N) implement a mortgage assistance program for employees of the county, an employer that provides contracted services for the county, or any other public employer that operates within the county;
- (O) apply for or partner with an entity that applies for state or federal funds or tax

incentives to promote the construction of moderate income housing, an entity that applies for programs offered by the Utah Housing Corporation within that agency's funding capacity, an entity that applies for affordable housing programs administered by the Department of Workforce Services, the Division of Housing within the Governor's Office of Economic Opportunity, an entity that applies for services provided by a public housing authority to preserve and create moderate income housing, or any other entity that applies for programs or services that promote the construction or preservation of moderate income housing;

- (P) demonstrate utilization of a moderate income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate income housing;
- (Q) eliminate impact fees for any accessory dwelling unit that is not an internal accessory dwelling unit as defined in Section 17-79-611;
- (R) create a program to transfer development rights for moderate income housing;
- (S) ratify a joint acquisition agreement with another local political subdivision for the purpose of combining resources to acquire property for moderate income housing;
- (T) develop a moderate income housing project for residents who are disabled or 55 years old or older;
- (U) create or allow for, and reduce regulations related to, multifamily residential dwellings compatible in scale and form with detached single-family residential dwellings and located in walkable communities within residential or mixed-use zones;
- (V) demonstrate implementation of any other program or strategy to address the housing needs of residents of the county who earn less than 80% of the area median income, including the dedication of a local funding source to moderate income housing or the adoption of a land use ordinance that requires 10% or more of new residential development in a residential zone be dedicated to moderate income housing;
- (W) create a housing and transit reinvestment zone in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
- (X) create a home ownership investment zone in accordance with Part 5, Home

Ownership Promotion Zone;

(Y) create a first home investment zone in accordance with Title 63N, Chapter 3, Part 16, First Home Investment Zone Act;

(Z) approve a project that receives funding from, or qualifies to receive funding from, the Utah Homes Investment Program created in Title 51, Chapter 12, Utah Homes Investment Program;

(AA) adopt or approve a qualifying affordable home ownership density bonus for single-family residential units, as described in Section 17-80-401; and

(BB) adopt or approve an affordable home ownership density bonus for multi-family residential units, as described in Section 17-80-402.

(b) The planning commission shall identify each moderate income housing strategy recommended to the legislative body for implementation by restating the exact language used to describe the strategy in Subsection (3)(a)(ii).

(4)(a) In drafting the implementation plan portion of the moderate income housing element as described in Subsection (2)(c), the planning commission shall recommend to the legislative body the establishment of a five-year timeline for implementing each of the moderate income housing strategies selected by the county for implementation.

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

- (i) identify specific measures and benchmarks for implementing each moderate income housing strategy selected by the county; and
- (ii) provide flexibility for the county to make adjustments as needed.

Section 7. Section **17-80-202** is amended to read:

17-80-202 (Effective 07/01/26). Moderate income housing report -- Contents -- Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.

(1)(a) The legislative body of a specified county shall annually submit an initial report to the division.

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

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

1085 (c) The initial report shall:

- 1086 (i) identify each moderate income housing strategy selected by the specified county
1087 for continued, ongoing, or one-time implementation, using the exact language
1088 used to describe the moderate income housing strategy; and
1089 (ii) include an implementation plan.

1090 (2)(a) After the division approves a specified county's initial report under this section,
1091 the specified county shall, as an administrative act, annually submit to the division a
1092 subsequent progress report on or before August 1 of each year after the year in which
1093 the specified county is required to submit the initial report.

1094 (b) The subsequent progress report shall include:

- 1095 (i) subject to Subsection (2)(c), a description of each action, whether one-time or
1096 ongoing, taken by the specified county during the previous 12-month period to
1097 implement the moderate income housing strategies identified in the initial report
1098 for implementation;
- 1099 (ii) a description of each land use regulation or land use decision made by the
1100 specified county during the previous 12-month period to implement the moderate
1101 income housing strategies, including an explanation of how the land use
1102 regulation or land use decision supports the specified county's efforts to
1103 implement the moderate income housing strategies;
- 1104 (iii) a description of any barriers encountered by the specified county in the previous
1105 12-month period in implementing the moderate income housing strategies;
- 1106 (iv) the number of residential dwelling units that have been entitled that have not
1107 received a building permit as of the submission date of the progress report;
- 1108 (v) shapefiles, or website links if shapefiles are not available, to current maps and
1109 tables related to zoning;
- 1110 (vi) information regarding the number of internal and external or detached accessory
1111 dwelling units located within the specified county for which the specified county:
1112 (A) issued a building permit to construct; or
1113 (B) issued a business license or comparable license or permit to rent;
- 1114 (vii) a description of how the market has responded to the selected moderate income
1115 housing strategies, including the number of entitled moderate income housing
1116 units or other relevant data; and
- 1117 (viii) any recommendations on how the state can support the specified county in
1118 implementing the moderate income housing strategies.

- 1119 (c) For purposes of describing actions taken by a specified county under Subsection
1120 (2)(b)(i), the specified county may include an ongoing action taken by the specified
1121 county before the 12-month reporting period applicable to the subsequent progress
1122 report if the specified county:
- 1123 (i) has already adopted an ordinance, approved a land use application, made an
1124 investment, or approved an agreement or financing that substantially promotes the
1125 implementation of a moderate income housing strategy identified in the initial
1126 report; and
- 1127 (ii) demonstrates in the subsequent progress report that the action taken under
1128 Subsection (2)(b)(i) is relevant to making meaningful progress towards the
1129 specified county's implementation plan.
- 1130 (d) A specified county's report shall be in a form:
- 1131 (i) approved by the division; and
- 1132 (ii) made available by the division on or before May 1 of the year in which the report
1133 is required.
- 1134 (3) Within 90 days after the day on which the division receives a specified county's report,
1135 the division shall:
- 1136 (a) post the report on the division's website;
- 1137 (b) send a copy of the report to the Department of Transportation, the Governor's Office
1138 of Planning and Budget, the association of governments in which the specified
1139 county is located, and, if the unincorporated area of the specified county is located
1140 within the boundaries of a metropolitan planning organization, the appropriate
1141 metropolitan planning organization; and
- 1142 (c) subject to Subsection (4), review the report to determine compliance with this section.
- 1143 (4)(a) An initial report complies with this section if the report:
- 1144 (i) includes the information required under Subsection (1)(c);
- 1145 (ii) demonstrates to the division that the specified county made plans to implement
1146 three or more moderate income housing strategies described in Subsections
1147 17-80-201(3)(a)(ii)(A) through (V) or at least one moderate income housing
1148 strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB); and
- 1149 (iii) is in a form approved by the division.
- 1150 (b) A subsequent progress report complies with this section if the report:
- 1151 (i) demonstrates to the division that the specified county made plans to implement or
1152 is implementing three or more moderate income housing strategies described in

Subsections 17-80-201(3)(a)(ii)(A) through (V) or at least one moderate income housing strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB);

(ii) is in a form approved by the division; and

(iii) provides sufficient information for the division to:

- (A) assess the specified county's progress in implementing the moderate income housing strategies;
- (B) monitor compliance with the specified county's implementation plan;
- (C) identify a clear correlation between the specified county's land use decisions and efforts to implement the moderate income housing strategies;
- (D) identify how the market has responded to the specified county's selected moderate income housing strategies; and
- (E) identify any barriers encountered by the specified county in implementing the selected moderate income housing strategies.

(c) If a specified county initial report or subsequent progress report demonstrates the county plans to implement or is implementing at least one moderate income housing strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB), the division shall also consider the specified county compliant with the reporting requirement described in this section for:

- (i) the year in which the specified county submits the report; and
- (ii) two subsequent reporting years.

(5)(a) A specified county qualifies for priority consideration under this Subsection (5) if the specified county's report:

- (i) complies with this section; and
- (ii) demonstrates to the division that the specified county made plans to implement five or more moderate income housing strategies.

(b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c), give priority consideration to transportation projects located within the unincorporated areas of a specified county described in Subsection (5)(a) until the Department of Transportation receives notice from the division under Subsection (5)(e).

(c) Upon determining that a specified county qualifies for priority consideration under this Subsection (5), the division shall send a notice of prioritization to the legislative body of the specified county and the Department of Transportation.

(d) The notice described in Subsection (5)(c) shall:

- 1187 (i) name the specified county that qualifies for priority consideration;
1188 (ii) describe the funds or projects for which the specified county qualifies to receive
1189 priority consideration; and
1190 (iii) state the basis for the division's determination that the specified county qualifies
1191 for priority consideration.
- 1192 (e) The division shall notify the legislative body of a specified county and the
1193 Department of Transportation in writing if the division determines that the specified
1194 county no longer qualifies for priority consideration under this Subsection (5).
- 1195 (6)(a) If the division, after reviewing a specified county's report, determines that the
1196 report does not comply with this section, the division shall send a notice of
1197 noncompliance to the legislative body of the specified county.
- 1198 (b) A specified county that receives a notice of noncompliance may:
- 1199 (i) cure each deficiency in the report within 90 days after the day on which the notice
1200 of noncompliance is sent; or
1201 (ii) request an appeal of the division's determination of noncompliance within 10
1202 days after the day on which the notice of noncompliance is sent.
- 1203 (c) The notice described in Subsection (6)(a) shall:
- 1204 (i) describe each deficiency in the report and the actions needed to cure each
1205 deficiency;
1206 (ii) state that the specified county has an opportunity to:
- 1207 (A) submit to the division a corrected report that cures each deficiency in the
1208 report within 90 days after the day on which the notice of noncompliance is
1209 sent; or
1210 (B) submit to the division a request for an appeal of the division's determination of
1211 noncompliance within 10 days after the day on which the notice of
1212 noncompliance is sent; and
1213 (iii) state that failure to take action under Subsection (6)(c)(ii) will result in the
1214 specified county's ineligibility for funds and fees owed under Subsection (8).
- 1215 (d) For purposes of curing the deficiencies in a report under this Subsection (6), if the
1216 action needed to cure the deficiency as described by the division requires the
1217 specified county to make a legislative change, the specified county may cure the
1218 deficiency by making that legislative change within the 90-day cure period.
- 1219 (e)(i) If a specified county submits to the division a corrected report in accordance
1220 with Subsection (6)(b)(i), and the division determines that the corrected report

does not comply with this section, the division shall send a second notice of noncompliance to the legislative body of the specified county.

(ii) A specified county that receives a second notice of noncompliance may request an appeal of the division's determination of noncompliance within 10 days after the day on which the second notice of noncompliance is sent.

(iii) The notice described in Subsection (6)(e)(i) shall:

(A) state that the specified county has an opportunity to submit to the division a request for an appeal of the division's determination of noncompliance within 10 days after the day on which the second notice of noncompliance is sent; and

(B) state that failure to take action under Subsection (6)(e)(iii)(A) will result in the specified county's ineligibility for funds under Subsection (8).

(7)(a) A specified county that receives a notice of noncompliance under Subsection (6)(a) or (6)(e)(i) may request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent.

(b) Within 90 days after the day on which the division receives a request for an appeal, an appeal board consisting of the following three members shall review and issue a written decision on the appeal:

(i) one individual appointed by the Utah Association of Counties;

(ii) one individual appointed by the Utah Homebuilders Association; and

(iii) one individual appointed by the presiding member of the association of governments, established in accordance with an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, of which the specified county is a member.

(c) The written decision of the appeal board shall either uphold or reverse the division's determination of noncompliance.

(d) The appeal board's written decision on the appeal is final.

(8)(a) A specified county is ineligible for funds and owes a fee under this Subsection (8) if:

(i) the specified county fails to submit a report to the division;

(ii) after submitting a report to the division, the division determines that the report does not comply with this section and the specified county fails to:

(A) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or

(B) request an appeal of the division's determination of noncompliance within 10

- 1255 days after the day on which the notice of noncompliance is sent;
- 1256 (iii) after submitting to the division a corrected report to cure the deficiencies in a
- 1257 previously submitted report, the division determines that the corrected report does
- 1258 not comply with this section and the specified county fails to request an appeal of
- 1259 the division's determination of noncompliance within 10 days after the day on
- 1260 which the second notice of noncompliance is sent; or
- 1261 (iv) after submitting a request for an appeal under Subsection (7), the appeal board
- 1262 issues a written decision upholding the division's determination of noncompliance.
- 1263 (b) The following apply to a specified county described in Subsection (8)(a) until the
- 1264 division provides notice under Subsection (8)(e):
- 1265 (i) the executive director of the Department of Transportation may not program funds
- 1266 from the Transportation Investment Fund of 2005, including the Transit
- 1267 Transportation Investment Fund, to projects located within the unincorporated
- 1268 areas of the specified county in accordance with Subsection 72-2-124(6);
- 1269 (ii) beginning with the report submitted in 2024, the specified county shall pay a fee
- 1270 to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the
- 1271 specified county:
- 1272 (A) fails to submit the report to the division in accordance with this section,
- 1273 beginning the day after the day on which the report was due; or
- 1274 (B) fails to cure the deficiencies in the report, beginning the day after the day by
- 1275 which the cure was required to occur as described in the notice of
- 1276 noncompliance under Subsection (6); and
- 1277 (iii) beginning with the report submitted in 2025, the specified county shall pay a fee
- 1278 to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the
- 1279 specified county, for a consecutive year:
- 1280 (A) fails to submit the report to the division in accordance with this section,
- 1281 beginning the day after the day on which the report was due; or
- 1282 (B) fails to cure the deficiencies in the report, beginning the day after the day by
- 1283 which the cure was required to occur as described in the notice of
- 1284 noncompliance under Subsection (6).
- 1285 (c) Upon determining that a specified county is ineligible for funds under this
- 1286 Subsection (8), and is required to pay a fee under Subsection (8)(b), if applicable, the
- 1287 division shall send a notice of ineligibility to the legislative body of the specified
- 1288 county, the Department of Transportation, the State Tax Commission, and the

Governor's Office of Planning and Budget.

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

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

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

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

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

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

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

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

Section 8. Section **17C-1-102** is amended to read:

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

As used in this title:

(1) "Active project area" means a project area that has not been dissolved in accordance with Section 17C-1-702.

(2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%, that an agency is authorized to receive:

(a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax increment under Subsection 17C-1-403(3);

(b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax increment under Section 17C-1-406;

(c) under a project area budget approved by a taxing entity committee; or

(d) under an interlocal agreement that authorizes the agency to receive a taxing entity's tax increment.

(3) "Affordable housing" means housing owned or occupied by a low or moderate income

family, as determined by resolution of the agency.

(4) "Agency" or "community reinvestment agency" means a separate body corporate and politic, created under Section 17C-1-201.5 or as a redevelopment agency or community development and renewal agency under previous law:

(a) that is a political subdivision of the state;

(b) that is created to undertake or promote project area development as provided in this title; and

(c) whose geographic boundaries are coterminous with:

(i) for an agency created by a county, the unincorporated area of the county; and

(ii) for an agency created by a municipality, the boundaries of the municipality.

(5) "Agency funds" means money that an agency collects or receives for agency operations, implementing a project area plan or an implementation plan as defined in Section 17C-1-1001, or other agency purposes, including:

(a) project area funds;

(b) income, proceeds, revenue, or property derived from or held in connection with the agency's undertaking and implementation of project area development or agency-wide project development as defined in Section 17C-1-1001;

(c) a contribution, loan, grant, or other financial assistance from any public or private source;

(d) project area incremental revenue as defined in Section 17C-1-1001; or

(e) property tax revenue as defined in Section 17C-1-1001.

(6) "Annual income" means the same as that term is defined in regulations of the United States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as amended or as superseded by replacement regulations.

(7) "Assessment roll" means the same as that term is defined in Section 59-2-102.

(8) "Base taxable value" means, unless otherwise adjusted in accordance with provisions of this title, a property's taxable value as shown upon the assessment roll last equalized during the base year.

(9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during which the assessment roll is last equalized:

(a) for a pre-July 1, 1993, urban renewal or economic development project area plan, before the project area plan's effective date;

(b) for a post-June 30, 1993, urban renewal or economic development project area plan, or a community reinvestment project area plan that is subject to a taxing entity

committee:

(i) before the date on which the taxing entity committee approves the project area budget; or

(ii) if taxing entity committee approval is not required for the project area budget, before the date on which the community legislative body adopts the project area plan;

(c) for a project on an inactive airport site, after the later of:

(i) the date on which the inactive airport site is sold for remediation and development; or

(ii) the date on which the airport that operated on the inactive airport site ceased operations; or

(d) for a community development project area plan or a community reinvestment project area plan that is subject to an interlocal agreement, as described in the interlocal agreement.

(10) "Basic levy" means the portion of a school district's tax levy constituting the minimum basic levy under Section 59-2-902.

(11) "Board" means the governing body of an agency, as described in Section 17C-1-203.

(12) "Budget hearing" means the public hearing on a proposed project area budget required under Subsection 17C-2-201(2)(d) for an urban renewal project area budget, Subsection 17C-3-201(2)(d) for an economic development project area budget, or Subsection 17C-5-302(2)(e) for a community reinvestment project area budget.

(13) "Closed military base" means land within a former military base that the Defense Base Closure and Realignment Commission has voted to close or realign when that action has been sustained by the president of the United States and Congress.

(14) "Combined incremental value" means the combined total of all incremental values from all project areas, except project areas that contain some or all of a military installation or inactive industrial site, within the agency's boundaries under project area plans and project area budgets at the time that a project area budget for a new project area is being considered.

(15) "Community" means a county or municipality.

(16) "Community development project area plan" means a project area plan adopted under Chapter 4, Part 1, Community Development Project Area Plan.

(17) "Community legislative body" means the legislative body of the community that created the agency.

- (18) "Community reinvestment project area plan" means a project area plan adopted under Chapter 5, Part 1, Community Reinvestment Project Area Plan.
- (19) "Contest" means to file a written complaint in a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, and in a county in which the agency is located if the action is filed in the district court.
- (20) "Development impediment" means a condition of an area that meets the requirements described in Section 17C-2-303 for an urban renewal project area or Section 17C-5-405 for a community reinvestment project area.
- (21) "Development impediment hearing" means a public hearing regarding whether a development impediment exists within a proposed:
- (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section 17C-2-302; or
 - (b) community reinvestment project area under Section 17C-5-404.
- (22) "Development impediment study" means a study to determine whether a development impediment exists within a survey area as described in Section 17C-2-301 for an urban renewal project area or Section 17C-5-403 for a community reinvestment project area.
- (23) "Economic development project area plan" means a project area plan adopted under Chapter 3, Part 1, Economic Development Project Area Plan.
- (24) "Fair share ratio" means the ratio derived by:
- (a) for a municipality, comparing the percentage of all housing units within the municipality that are publicly subsidized income targeted housing units to the percentage of all housing units within the county in which the municipality is located that are publicly subsidized income targeted housing units; or
 - (b) for the unincorporated part of a county, comparing the percentage of all housing units within the unincorporated county that are publicly subsidized income targeted housing units to the percentage of all housing units within the whole county that are publicly subsidized income targeted housing units.
- (25) "Family" means the same as that term is defined in regulations of the United States Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended or as superseded by replacement regulations.
- (26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.
- (27) "Hazardous waste" means any substance defined, regulated, or listed as a hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or toxic substance, or identified as hazardous to human health or the environment, under

state or federal law or regulation.

(28) "Housing allocation" means project area funds allocated for housing under Section 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.

(29) "Housing fund" means a fund created by an agency for purposes described in Section 17C-1-411 or 17C-1-412 that is comprised of:

(a) project area funds, project area incremental revenue as defined in Section 17C-1-1001, or property tax revenue as defined in Section 17C-1-1001 allocated for the purposes described in Section 17C-1-411; or

(b) an agency's housing allocation.

(30)(a) "Inactive airport site" means land that:

(i) consists of at least 100 acres;

(ii) is occupied by an airport:

(A)(I) that is no longer in operation as an airport; or

(II)(Aa) that is scheduled to be decommissioned; and

(Bb) for which a replacement commercial service airport is under construction; and

(B) that is owned or was formerly owned and operated by a public entity; and

(iii) requires remediation because:

(A) of the presence of hazardous waste or solid waste; or

(B) the site lacks sufficient public infrastructure and facilities, including public roads, electric service, water system, and sewer system, needed to support development of the site.

(b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land described in Subsection (30)(a).

(31)(a) "Inactive industrial site" means land that:

(i) consists of at least 1,000 acres;

(ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial facility; and

(iii) requires remediation because of the presence of hazardous waste or solid waste.

(b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land described in Subsection (31)(a).

(32) "Income targeted housing" means housing that is:

(a) owned and occupied by a family whose annual income is at or below 120% of the median annual income for a family within the county in which the housing is located;

or

(b) occupied by a family whose annual income is at or below 80% of the median annual income for a family within the county in which the housing is located.

(33) "Incremental value" means a figure derived by multiplying the marginal value of the property located within a project area on which tax increment is collected by a number that represents the adjusted tax increment from that project area that is paid to the agency.

(34) "Loan fund board" means the Olene Walker Housing Loan Fund Board, [~~established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund~~] created in Section 63N-22-303.

(35)(a) "Local government building" means a building owned and operated by a community for the primary purpose of providing one or more primary community functions, including:

(i) a fire station;

(ii) a police station;

(iii) a city hall; or

(iv) a court or other judicial building.

(b) "Local government building" does not include a building the primary purpose of which is cultural or recreational in nature.

(36) "Low-income individual" means the same as that term is defined in Section [~~35A-8-504.5~~] 63N-22-101.

(37) "Major transit investment corridor" means the same as that term is defined in Section 10-20-102.

(38) "Marginal value" means the difference between actual taxable value and base taxable value.

(39) "Military installation project area" means a project area or a portion of a project area located within a federal military installation ordered closed by the federal Defense Base Realignment and Closure Commission.

(40) "Municipality" means a city or town.

(41) "Non-profit housing fund" means:

(a) an organization that meets the definition of "housing organization" in Section [~~35A-8-2401~~] 63N-22-316;

(b) a registered nonprofit that assists veterans or individuals who work in public service to achieve homeownership in the state;

(c) a registered nonprofit that:

(i) assists low-income individuals or families who would qualify for income targeted housing to achieve homeownership in the state; and

(ii) provides direct support to help a low-income individual or a family eligible for income targeted housing to retain ownership of a home, including through rehabilitation services, lending for rehabilitation, or foreclosure mitigation counseling that results in retention of the home, refinancing, or a reverse mortgage;

(d) a registered nonprofit that partners with a community to promote affordable housing for the workforce in that community; or

(e) a registered nonprofit established to administer housing programs on behalf of an association representing 10 or more counties in the state.

(42) "Participant" means one or more persons that enter into a participation agreement with an agency.

(43) "Participation agreement" means a written agreement between a person and an agency under Subsection 17C-1-202(5).

(44) "Plan hearing" means the public hearing on a proposed project area plan required under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection 17C-3-102(1)(d) for an economic development project area plan, Subsection 17C-4-102(1)(d) for a community development project area plan, or Subsection 17C-5-104(3)(e) for a community reinvestment project area plan.

(45) "Post-June 30, 1993, project area plan" means a project area plan adopted on or after July 1, 1993, and before May 10, 2016, whether or not amended subsequent to the project area plan's adoption.

(46) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1, 1993, whether or not amended subsequent to the project area plan's adoption.

(47) "Private," with respect to real property, means property not owned by a public entity or any other governmental entity.

(48) "Project area" means the geographic area described in a project area plan within which the project area development described in the project area plan takes place or is proposed to take place.

(49) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to a project area prepared in accordance with:

(a) for an urban renewal project area, Section 17C-2-201;

- (b) for an economic development project area, Section 17C-3-201;
- (c) for a community development project area, Section 17C-4-204; or
- (d) for a community reinvestment project area, Section 17C-5-302.

(50) "Project area development" means activity within a project area that, as determined by the board, encourages, promotes, or provides development or redevelopment for the purpose of implementing a project area plan, including:

- (a) promoting, creating, or retaining public or private jobs within the state or a community;
- (b) providing office, manufacturing, warehousing, distribution, parking, or other facilities or improvements;
- (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or remediating environmental issues;
- (d) providing residential, commercial, industrial, public, or other structures or spaces, including recreational and other facilities incidental or appurtenant to the structures or spaces;
- (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating existing structures;
- (f) providing open space, including streets or other public grounds or space around buildings;
- (g) providing public or private buildings, infrastructure, structures, or improvements;
- (h) relocating a business;
- (i) improving public or private recreation areas or other public grounds;
- (j) eliminating a development impediment or the causes of a development impediment;
- (k) redevelopment as defined under the law in effect before May 1, 2006; or
- (l) any activity described in this Subsection (50) outside of a project area that the board determines to be a benefit to the project area.

(51) "Project area funds" means tax increment or sales and use tax revenue that an agency receives under a project area budget adopted by a taxing entity committee or an interlocal agreement.

(52) "Project area funds collection period" means the period of time that:

- (a) begins the day on which the first payment of project area funds is distributed to an agency under a project area budget approved by a taxing entity committee or an interlocal agreement; and
- (b) ends the day on which the last payment of project area funds is distributed to an

agency under a project area budget approved by a taxing entity committee or an interlocal agreement.

(53) "Project area plan" means an urban renewal project area plan, an economic development project area plan, a community development project area plan, or a community reinvestment project area plan that, after the project area plan's effective date, guides and controls the project area development.

(54)(a) "Property tax" means each levy on an ad valorem basis on tangible or intangible personal or real property.

(b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege Tax.

(55) "Public entity" means:

(a) the United States, including an agency of the United States;

(b) the state, including any of the state's departments or agencies; or

(c) a political subdivision of the state, including a county, municipality, school district, special district, special service district, community reinvestment agency, or interlocal cooperation entity.

(56) "Publicly owned infrastructure and improvements" means water, sewer, storm drainage, electrical, natural gas, telecommunication, or other similar systems and lines, streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, or other facilities, infrastructure, and improvements benefitting the public and to be publicly owned or publicly maintained or operated.

(57) "Record property owner" or "record owner of property" means the owner of real property, as shown on the records of the county in which the property is located, to whom the property's tax notice is sent.

(58) "Sales and use tax revenue" means revenue that is:

(a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act; and

(b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.

(59) "Superfund site":

(a) means an area included in the National Priorities List under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec. 9605; and

(b) includes an area formerly included in the National Priorities List, as described in Subsection (59)(a), but removed from the list following remediation that leaves on site the waste that caused the area to be included in the National Priorities List.

- (60) "Survey area" means a geographic area designated for study by a survey area resolution to determine whether:
- (a) one or more project areas within the survey area are feasible; or
 - (b) a development impediment exists within the survey area.
- (61) "Survey area resolution" means a resolution adopted by a board that designates a survey area.
- (62) "Taxable value" means:
- (a) the taxable value of all real property a county assessor assesses in accordance with Title 59, Chapter 2, Part 3, County Assessment, for the current year;
 - (b) the taxable value of all real and personal property the commission assesses in accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current year; and
 - (c) the year end taxable value of all personal property a county assessor assesses in accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the prior year's tax rolls of the taxing entity.
- (63)(a) "Tax increment" means the difference between:
- (i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a project area designated in the project area plan as the area from which tax increment is to be collected, using the current assessed value of the property and each taxing entity's current certified tax rate as defined in Section 59-2-924; and
 - (ii) the amount of property tax revenue that would be generated from that same area using the base taxable value of the property and each taxing entity's current certified tax rate as defined in Section 59-2-924.
- (b) "Tax increment" does not include taxes levied and collected under Section 59-2-1602 on or after January 1, 1994, upon the taxable property in the project area unless:
- (i) the project area plan was adopted before May 4, 1993, whether or not the project area plan was subsequently amended; and
 - (ii) the taxes were pledged to support bond indebtedness or other contractual obligations of the agency.
- (64) "Taxing entity" means a public entity that:
- (a) levies a tax on property located within a project area; or
 - (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.
- (65) "Taxing entity committee" means a committee representing the interests of taxing

entities, created in accordance with Section 17C-1-402.

(66) "Unincorporated" means not within a municipality.

(67) "Urban renewal project area plan" means a project area plan adopted under Chapter 2, Part 1, Urban Renewal Project Area Plan.

(68) "Veteran" means the same as that term is defined in Section 68-3-12.5.

Section 9. Section **17C-1-412** is amended to read:

17C-1-412 (Effective 07/01/26). Use of housing allocation -- Separate accounting required -- Issuance of bonds for housing -- Action to compel agency to provide housing allocation.

(1)(a) An agency shall use the agency's housing allocation to:

- (i) pay part or all of the cost of land or construction of income targeted housing within the boundary of the agency, if practicable in a mixed income development or area;
- (ii) pay part or all of the cost of rehabilitation of income targeted housing within the boundary of the agency;
- (iii) lend, grant, or contribute money to a person, public entity, housing authority, private entity or business, or nonprofit corporation for income targeted housing within the boundary of the agency;
- (iv) plan or otherwise promote income targeted housing within the boundary of the agency;
- (v) pay part or all of the cost of land or installation, construction, or rehabilitation of any building, facility, structure, or other housing improvement, including infrastructure improvements, related to housing located in a project area where a board has determined that a development impediment exists;
- (vi) replace housing units lost as a result of the project area development;
- (vii) make payments on or establish a reserve fund for bonds:
 - (A) issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and
 - (B) all or part of the proceeds of which are used within the community for the purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- (viii) if the community's fair share ratio at the time of the first adoption of the project area budget is at least 1.1 to 1.0, make payments on bonds:
 - (A) that were previously issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and

- 1663 (B) all or part of the proceeds of which were used within the community for the
1664 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
1665 (ix) relocate mobile home park residents displaced by project area development;
1666 (x) subject to Subsection (7), transfer funds to a community that created the agency;
1667 or
1668 (xi) pay for or make a contribution toward the acquisition, construction, or
1669 rehabilitation of housing that:
1670 (A) is located in the same county as the agency;
1671 (B) is owned in whole or in part by, or is dedicated to supporting, a public
1672 nonprofit college or university; and
1673 (C) only students of the relevant college or university, including the students'
1674 immediate families, occupy.
- 1675 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or
1676 any portion of the agency's housing allocation to:
1677 (i) the community for use as described in Subsection (1)(a);
1678 (ii) a housing authority that provides income targeted housing within the community
1679 for use in providing income targeted housing within the community;
1680 (iii) a housing authority established by the county in which the agency is located for
1681 providing:
1682 (A) income targeted housing within the county;
1683 (B) permanent housing, permanent supportive housing, or a transitional facility, as
1684 defined in Section 35A-5-302, within the county; or
1685 (C) homeless assistance within the county;
1686 (iv) the Olene Walker Housing Loan Fund, [~~established under Title 35A, Chapter 8,~~
1687 ~~Part 5, Olene Walker Housing Loan Fund~~] created in Section 63N-22-302, for use
1688 in providing income targeted housing within the community;
1689 (v) pay for or make a contribution toward the acquisition, construction, or
1690 rehabilitation of income targeted housing that is outside of the community if the
1691 housing is located along or near a major transit investment corridor that services
1692 the community and the related project has been approved by the community in
1693 which the housing is or will be located;
1694 (vi) pay for or make a contribution toward the acquisition, construction, or
1695 rehabilitation of income targeted housing that is outside of the boundary of the
1696 agency if there is an interlocal agreement between the agency and the receiving

- community;
- (vii) pay for or make a contribution toward the expansion of child care facilities within the boundary of the agency, provided that any recipient of funds from the agency's housing allocation reports annually to the agency on how the funds were used; or
- (viii) a non-profit housing fund, for use in assisting individuals or families within the community to achieve homeownership or retain homeownership, in accordance with:
- (A) the mission of the non-profit housing fund; and
- (B) a written agreement between the non-profit housing fund and the agency, governing appropriate uses of housing allocation funds.
- (2)(a) An agency may combine all or any portion of the agency's housing allocation with all or any portion of one or more additional agency's housing allocations if the agencies execute an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.
- (b) An agency that has entered into an interlocal agreement as described in Subsection (2)(a), meets the requirements of Subsection (1)(a) or (1)(b) if the use of the housing allocation meets the requirements for at least one agency that is a party to the interlocal agreement.
- (3) The agency shall create a housing fund and separately account for the agency's housing allocation, together with all interest earned by the housing allocation and all payments or repayments for loans, advances, or grants from the housing allocation.
- (4) An agency may:
- (a) issue bonds to finance a housing-related project under this section, including the payment of principal and interest upon advances for surveys and plans or preliminary loans; and
- (b) issue refunding bonds for the payment or retirement of bonds under Subsection (4)(a) previously issued by the agency.
- (5)(a) Except as provided in Subsection (5)(b), an agency shall allocate money to the housing fund each year in which the agency receives sufficient tax increment to make a housing allocation required by the project area budget.
- (b) Subsection (5)(a) does not apply in a year in which tax increment is insufficient.
- (6)(a) Except as provided in Subsection (5)(b), if an agency fails to provide a housing allocation in accordance with the project area budget and the housing plan adopted

under Subsection 17C-2-204(2), the loan fund board may bring legal action to compel the agency to provide the housing allocation.

(b) In an action under Subsection (6)(a), the court:

(i) shall award the loan fund board reasonable attorney fees, unless the court finds that the action was frivolous; and

(ii) may not award the agency the agency's attorney fees, unless the court finds that the action was frivolous.

(7) For the purpose of offsetting the community's annual local contribution to the Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a calendar year to a community under Subsections (1)(a)(x), 17C-1-409(1)(a)(v), and 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined in Subsection 59-12-205(5).

(8) An agency shall spend, encumber, or allot the money contributed to the housing fund under Subsection (5)(a) within six years from the day on which the agency first receives the money.

Section 10. Section **26B-3-209** is amended to read:

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

(1) There is created within the Medicaid program a full-time-equivalent position of Medicaid long-term support services housing coordinator.

(2) The coordinator shall help Medicaid recipients receive long-term support services in a home or other community-based setting rather than in a nursing home or other institutional setting by:

(a) working with municipalities, counties, the [~~Housing and~~]Community Development Division within the Department of Workforce Services, the Division of Housing within the Governor's Office of Economic Opportunity, and others to identify community-based settings available to recipients;

(b) working with the same entities to promote the development, construction, and availability of additional community-based settings;

(c) training Medicaid case managers and support coordinators on how to help Medicaid recipients move from an institutional setting to a community-based setting; and

(d) performing other related duties.

Section 11. Section **35A-1-202** is amended to read:

35A-1-202 (Effective 07/01/26) (Partially Repealed 07/01/26). Divisions --

Creation -- Duties -- Workforce Appeals Board, councils, Child Care Advisory Committee, and economic service areas.

- (1) There is created within the department the following divisions:
- (a) the Workforce Development Division to administer the development and implementation of employment assistance programs;
 - (b) the Workforce Research and Analysis Division;
 - (c) the Unemployment Insurance Division to administer Chapter 4, Employment Security Act;
 - (d) the Eligibility Services Division to administer public assistance eligibility;
 - (e) the Division of Adjudication to adjudicate claims or actions in accordance with this title;
 - (f) the ~~[Housing and]~~Community Development Division, which is described in Sections 35A-8-201 and 35A-8-202;
 - (g) the Utah State Office of Rehabilitation, which is described in Section 35A-13-103;
 - (h) the Office of Homeless Services, which is described in Section 35A-16-202;
 - (i) the Office of Child Care, which is described in Sections 35A-3-202 and 35A-3-203; and
 - (j) the Refugee Services Office, which is described in Chapter 3, Part 8, Refugee Services.
- (2) In addition to the divisions created under Subsection (1), within the department are the following:
- (a) the Workforce Appeals Board created in Section 35A-1-205;
 - (b) the State Workforce Development Board created in Section 35A-1-206;
 - (c) the Employment Advisory Council created in Section 35A-4-502;
 - (d) the Child Care Advisory Committee created in Section 35A-3-205; and
 - (e) the economic service areas created in accordance with Chapter 2, Economic Service Areas.
- Section 12. Section **35A-3-103** is amended to read:
- 35A-3-103 (Effective 07/01/26). Department responsibilities.**
- The department shall:
- (1) administer public assistance programs assigned by the Legislature and the governor;
 - (2) determine eligibility for public assistance programs in accordance with the requirements of this chapter;
 - (3) cooperate with the federal government in the administration of public assistance

1799 programs;

1800 (4) administer state employment services;

1801 (5) provide for the compilation of necessary or desirable information, statistics, and reports;

1802 (6) perform other duties and functions required by law;

1803 (7) monitor the application of eligibility policy;

1804 (8) develop personnel training programs for effective and efficient operation of the

1805 programs administered by the department;

1806 (9) provide refugee resettlement services in accordance with Section 35A-3-803;

1807 (10) provide child care assistance for children in accordance with Part 2, Office of Child

1808 Care;

1809 (11) provide services that enable an applicant or recipient to qualify for affordable housing

1810 in cooperation with:

1811 (a) the Utah Housing Corporation;

1812 (b) the ~~[Housing and]~~Community Development Division;

1813 (c) the Division of Housing within the Governor's Office of Economic Opportunity; and

1814 ~~[(e)]~~ (d) local housing authorities;

1815 (12) administer the Medicaid Eligibility Quality Control function in accordance with 42

1816 C.F.R. Sec. 431.812; and

1817 (13) conduct non-clinical eligibility hearings and issue final decisions in adjudicative

1818 proceedings, including expedited appeals as defined in 42 C.F.R. Sec. 431.224, for

1819 medical assistance eligibility under:

1820 (a) Title 26B, Chapter 3, Health Care - Administration and Assistance; or

1821 (b) Title 26B, Chapter 3, Part 9, Utah Children's Health Insurance Program.

1822 Section 13. Section **35A-3-309** is amended to read:

1823 **35A-3-309 (Effective 07/01/26). Information regarding home ownership.**

1824 (1) The department shall provide information and service coordination to assist an applicant

1825 in obtaining affordable housing.

1826 (2) The information and services may include:

1827 (a) information from the Utah Housing Corporation~~[-and]~~ , the ~~[Housing and-]~~

1828 Community Development Division, and the Division of Housing within the

1829 Governor's Office of Economic Opportunity regarding special housing programs,

1830 including programs for first-time home buyers and individuals with low and

1831 moderate incomes and the eligibility requirements for those programs;

1832 (b) referrals to programs operated by volunteers from the real estate industry that assist

1833 applicants in obtaining affordable housing, including information on home
1834 ownership, down payments, closing costs, and credit requirements; and
1835 (c) referrals to housing programs operated by municipalities, counties, local housing
1836 authorities, and nonprofit housing organizations that assist individuals in obtaining
1837 affordable housing, including first-time home ownership.

1838 Section 14. Section **35A-8-101** is amended to read:

1839 **35A-8-101 (Effective 07/01/26). Definitions.**

1840 As used in this chapter:

- 1841 (1) "Accessible housing" means housing which has been constructed or modified to be
1842 accessible, as described in the State Construction Code or an approved code under Title
1843 15A, State Construction and Fire Codes Act.
- 1844 (2) "Director" means the director of the division.
- 1845 (3) "Division" means the [Housing and]Community Development Division.
- 1846 ~~[(4) "Moderate income housing" means housing occupied or reserved for occupancy by~~
1847 ~~households with a gross household income equal to or less than 80% of the median gross~~
1848 ~~income for households of the same size in the county in which the housing is located.]~~
- 1849 ~~[(5) "Moderate income housing unit" means a housing unit that qualifies as moderate~~
1850 ~~income housing.]~~

1851 Section 15. Section **35A-8-201** is amended to read:

1852 **35A-8-201 (Effective 07/01/26). Community Development Division.**

1853 The [Housing and]Community Development Division is under the administration and
1854 general supervision of the director.

1855 Section 16. Section **35A-8-202** is amended to read:

1856 **35A-8-202 (Effective 07/01/26). Powers and duties of division.**

- 1857 (1) The division shall:
- 1858 (a) assist local governments and citizens in the planning, development, and maintenance
1859 of necessary public infrastructure and services;
- 1860 (b) cooperate with, and provide technical assistance to, counties, cities, towns, regional
1861 planning commissions, area-wide clearinghouses, zoning commissions, parks or
1862 recreation boards, community development groups, community action agencies, and
1863 other agencies created for the purpose of aiding and encouraging an orderly,
1864 productive, and coordinated development of the state and [its] the state's political
1865 subdivisions;
- 1866 (c) assist the governor in coordinating the activities of state agencies which have an

- 1867 impact on the solution of community development problems and the implementation
1868 of community plans;
- 1869 (d) serve as a clearinghouse for information, data, and other materials which may be
1870 helpful to local governments in discharging [their] local government responsibilities
1871 and provide information on available federal and state financial and technical
1872 assistance;
- 1873 (e) carry out continuing studies and analyses of the problems faced by communities
1874 within the state and develop such recommendations for administrative or legislative
1875 action as appear necessary;
- 1876 (f) assist the Division of Housing within the Governor's Office of Economic Opportunity
1877 in funding affordable housing;
- 1878 (g) support economic development activities through grants, loans, and direct programs
1879 financial assistance;
- 1880 (h) certify project funding at the local level in conformance with federal, state, and other
1881 requirements;
- 1882 (i) utilize the capabilities and facilities of public and private universities and colleges
1883 within the state in carrying out [its] the division's functions; and
- 1884 (j) assist and support local governments, community action agencies, and citizens in the
1885 planning, development, and maintenance of home weatherization, energy efficiency,
1886 and antipoverty activities.
- 1887 (2) The division may:
- 1888 (a) by following the procedures and requirements of Title 63J, Chapter 5, Federal Funds
1889 Procedures Act, seek federal grants, loans, or participation in federal programs; and
- 1890 (b) if any federal program requires the expenditure of state funds as a condition to
1891 participation by the state in any fund, property, or service, with the governor's
1892 approval, expend whatever funds are necessary out of the money provided by the
1893 Legislature for the use of the department[;] .
- 1894 [~~(e) in accordance with Part 9, Domestic Violence Shelters, assist in developing,~~
1895 ~~constructing, and improving shelters for victims of domestic violence, as described in~~
1896 ~~Section 77-36-1, through loans and grants to nonprofit and governmental entities;]~~
- 1897 [~~(d) assist, when requested by a county or municipality, in the development of accessible~~
1898 ~~housing; and]~~
- 1899 [~~(e) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative~~
1900 ~~Rulemaking Act, regarding the form and content of a moderate income housing~~

report, as described in Sections 10-21-202 and 17-80-202, to:]

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

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

Section 17. Section **35A-8-1003** is amended to read:

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

Purpose.

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

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

Section 18. Section **35A-8-1009** is amended to read:

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

Expenditure of revenues.

(1) As used in this section:

(a) "Association of governments" means the following created under the authority of Title 11, Chapter 13, Interlocal Cooperation Act:

(i) an association of governments; or

(ii) a regional council that acts as an association of governments.

(b) "Food and food ingredients" means the same as that term is defined in Section 59-12-102.

(c) "Qualified emergency food agency" means an organization that:

(i) is:

(A) exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code;

(B) an association of governments; or

(C) a food pantry operated by a municipality located within the state;

(ii) as part of [its] the organization's activities, operates a program that has as the program's primary purpose to:

(A) warehouse and distribute food to other agencies and organizations providing food and food ingredients to low-income persons; or

(B) provide food and food ingredients directly to low-income persons; and

(iii) the office determines to be a qualified emergency food agency.

(2) There is created an expendable special revenue fund known as the Qualified Emergency Food Agencies Fund.

- (3)(a) The Qualified Emergency Food Agencies Fund shall be funded by the sales and use tax revenues described in:
- (i) Section 59-12-103;
 - (ii) Section 59-12-204; and
 - (iii) Section 59-12-1102.
- (b) Any interest earned on the Qualified Emergency Food Agencies Fund shall be deposited into the General Fund.
- (4) The office shall for a fiscal year distribute money deposited into the Qualified Emergency Food Agencies Fund to qualified emergency food agencies within the state as provided in this section.
- (5) A qualified emergency food agency shall file an application with the office before the qualified emergency food agency may receive a distribution under this section.
- (6) A qualified emergency food agency may expend a distribution received in accordance with this section only for a purpose related to:
- (a) warehousing and distributing food and food ingredients to other agencies and organizations providing food and food ingredients to low-income persons; or
 - (b) providing food and food ingredients directly to low-income persons.
- (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [~~Housing and~~] Community Development Division may make rules providing procedures for implementing the distributions required by this section, including:
- (a) standards for determining and verifying the amount of a distribution that a qualified emergency food agency may receive;
 - (b) procedures for a qualified emergency food agency to apply for a distribution, including the frequency with which a qualified emergency food agency may apply for a distribution; and
 - (c) consistent with Subsection (1)(c), determining whether an entity is a qualified emergency food agency.
- Section 19. Section **35A-8-1601** is amended to read:
- 35A-8-1601 (Effective 07/01/26). Definitions.**
- As used in this part:
- (1) "Board" means the Uintah Basin Revitalization Fund Board.
 - (2) "Capital projects" means expenditures for land, improvements on the land, and equipment intended to have long-term beneficial use.
 - (3) "County" means:

1969 (a) Duchesne County; or

1970 (b) Uintah County.

1971 (4) "Division" means the [~~Housing and~~]Community Development Division.

1972 (5) "Revitalization Fund" means the Uintah Basin Revitalization Fund.

1973 (6) "Tribe" means the Ute Indian Tribe of the Uintah and Ouray Reservation.

1974 Section 20. Section **35A-8-1702** is amended to read:

1975 **35A-8-1702 (Effective 07/01/26). Definitions.**

1976 As used in this part:

1977 (1) "Board" means the Navajo Revitalization Fund Board.

1978 (2) "Capital project" means an expenditure for land, improvements on the land, or
1979 equipment intended to have long-term beneficial use.

1980 (3) "Division" means the [~~Housing and~~]Community Development Division.

1981 (4) "Eligible entity" means:

1982 (a) the Navajo Nation;

1983 (b) a department or division of the Navajo Nation;

1984 (c) a Utah Navajo Chapter;

1985 (d) the Navajo Utah Commission;

1986 (e) an agency of the state or a political subdivision of the state; or

1987 (f) a nonprofit corporation.

1988 (5) "Navajo Utah Commission" means the commission created by Resolution

1989 IGRJN-134-92 of the Intergovernmental Relations Committee of the Navajo Nation
1990 Council.

1991 (6) "Revitalization fund" means the Navajo Revitalization Fund.

1992 (7) "Utah Navajo Chapter" means any of the following chapters of the Navajo Nation:

1993 (a) Aneth Chapter;

1994 (b) Dennehotso Chapter;

1995 (c) Mexican Water Chapter;

1996 (d) Navajo Mountain Chapter;

1997 (e) Oljato Chapter;

1998 (f) Red Mesa Chapter; and

1999 (g) Teec Nos Pos Chapter.

2000 Section 21. Section **59-2-1101** is amended to read:

2001 **59-2-1101 (Effective 07/01/26). Definitions -- Exemption of certain property --**

2002 **Proportional payments for certain property -- Exception -- County legislative body**

authority to adopt rules or ordinances.

(1) As used in this section:

(a) "Charitable purposes" means:

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

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

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

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

(A) maintains a regular faculty and curriculum; and

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

(ii) "Educational purposes" includes:

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

(B) an activity in support of or incidental to the teaching, training, or conditioning described in this Subsection (1)(c)(ii).

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

(i) religious purposes;

(ii) charitable purposes; or

(iii) educational purposes.

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

(ii) "Farm machinery and equipment" does not include vehicles required to be

2037 registered with the Motor Vehicle Division or vehicles or other equipment used
2038 for business purposes other than farming.

2039 (f) "Gift to the community" means:

2040 (i) the lessening of a government burden; or

2041 (ii)(A) the provision of a significant service to others without immediate
2042 expectation of material reward;

2043 (B) the use of the property is supported to a material degree by donations and gifts
2044 including volunteer service;

2045 (C) the recipients of the charitable activities provided on the property are not
2046 required to pay for the assistance received, in whole or in part, except that if in
2047 part, to a material degree;

2048 (D) the beneficiaries of the charitable activities provided on the property are
2049 unrestricted or, if restricted, the restriction bears a reasonable relationship to
2050 the charitable objectives of the nonprofit entity that owns the property; and

2051 (E) any commercial activities provided on the property are subordinate or
2052 incidental to charitable activities provided on the property.

2053 (g) "Government exemption" means a property tax exemption provided under
2054 Subsection (3)(a)(i), (ii), or (iii).

2055 (h)(i) "Nonprofit entity" means an entity:

2056 (A) that is organized on a nonprofit basis, that dedicates the entity's property to the
2057 entity's nonprofit purpose, and that makes no dividend or other form of
2058 financial benefit available to a private interest;

2059 (B) for which, upon dissolution, the entity's assets are distributable only for
2060 exempt purposes under state law or to the government for a public purpose; and

2061 (C) for which none of the net earnings or donations made to the entity inure to the
2062 benefit of private shareholders or other individuals, as the private inurement
2063 standard has been interpreted under Section 501(c)(3), Internal Revenue Code.

2064 (ii) "Nonprofit entity" includes an entity:

2065 (A) if the entity is treated as a disregarded entity for federal income tax purposes
2066 and wholly owned by, and controlled under the direction of, a nonprofit entity;
2067 and

2068 (B) for which none of the net earnings and profits of the entity inure to the benefit
2069 of any person other than a nonprofit entity.

2070 (iii) "Nonprofit entity" includes an entity that is not an entity described in Subsection

- 2071 (1)(h)(i) if the entity jointly owns a property that:
- 2072 (A) is used for the purpose of providing permanent supportive housing;
- 2073 (B) has an owner that is an entity described in Subsection (1)(h)(i) or that is a
- 2074 housing authority that operates the permanent supportive housing;
- 2075 (C) has an owner that receives public funding from a federal, state, or local
- 2076 government entity to provide support services and rental subsidies to the
- 2077 permanent supportive housing;
- 2078 (D) is intended to be transferred at or before the end of the compliance period to
- 2079 an entity described in Subsection (1)(h)(i) or a housing authority that will
- 2080 continue to operate the property as permanent supportive housing; and
- 2081 (E) has been certified by the Utah Housing Corporation as meeting the
- 2082 requirements described in Subsections (1)(h)(iii)(A) through (D).
- 2083 (iv) "Nonprofit entity" includes an entity that is not an entity described in Subsection
- 2084 (1)(h)(i) if:
- 2085 (A) the entity is a housing organization as defined in [~~Subsection~~
- 2086 ~~35A-8-2401(1)(a)~~] Section 63N-22-316; and
- 2087 (B) the entity is owned by an entity described in Subsection (1)(h)(i) or a housing
- 2088 authority.
- 2089 (i) "Permanent supportive housing" means a housing facility that:
- 2090 (i) provides supportive services;
- 2091 (ii) makes a 15-year commitment to provide rent subsidies to tenants of the housing
- 2092 facility when the housing facility is placed in service;
- 2093 (iii) receives an allocation of federal low-income housing tax credits in accordance
- 2094 with 26 U.S.C. Sec. 42; and
- 2095 (iv) leases each unit to a tenant:
- 2096 (A) who, immediately before leasing the housing, was homeless as defined in 24
- 2097 C.F.R. 583.5; and
- 2098 (B) whose rent is capped at no more than 30% of the tenant's household income.
- 2099 (j)(i) "Property of" means property that an entity listed in Subsection (3)(a)(ii) or (iii)
- 2100 has a legal right to possess.
- 2101 (ii) "Property of" includes a lease of real property if:
- 2102 (A) the property is wholly leased to a state or political subdivision entity listed in
- 2103 Subsection (3)(a)(ii) or (iii) under a triple net lease; and
- 2104 (B) the lease is in effect for the entire calendar year.

(k) "Supportive service" means a service that is an eligible cost under 24 C.F.R. 578.53.

(l) "Triple net lease" means a lease agreement under which the lessee is responsible for the real estate taxes, building insurance, and maintenance of the property separate from and in addition to the rental price.

(2)(a) Except as provided in Subsection (2)(b), an exemption under this part may be allowed only if the claimant is the owner of the property as of January 1 of the year the exemption is claimed.

(b) A claimant shall collect and pay a proportional tax based upon the length of time that the property was not owned by the claimant if:

(i) the claimant is a federal, state, or political subdivision entity described in

Subsection (3)(a)(i), (ii), or (iii); or

(ii) in accordance with Subsection (3)(a)(iv):

(A) the claimant is a nonprofit entity; and

(B) the property is used exclusively for religious, charitable, or educational purposes.

(3)(a) The following property is exempt from taxation:

(i) property exempt under the laws of the United States;

(ii) property of:

(A) the state;

(B) school districts; and

(C) public libraries;

(iii) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act, property of:

(A) counties;

(B) cities;

(C) towns;

(D) special districts;

(E) special service districts; and

(F) all other political subdivisions of the state;

(iv) except as provided in Subsection (6) or (7), property owned by a nonprofit entity used exclusively for one or more of the following purposes:

(A) religious purposes;

(B) charitable purposes; or

(C) educational purposes;

- (v) places of burial not held or used for private or corporate benefit;
- (vi) farm machinery and equipment;
- (vii) a high tunnel, as defined in Section 10-20-613;
- (viii) intangible property; and
- (ix) the ownership interest of an out-of-state public agency, as defined in Section 11-13-103:
- (A) if that ownership interest is in property providing additional project capacity, as defined in Section 11-13-103; and
- (B) on which a fee in lieu of ad valorem property tax is payable under Section 11-13-302.
- (b) For purposes of a property tax exemption for property of school districts under Subsection (3)(a)(ii)(B), a charter school under Title 53G, Chapter 5, Charter Schools, is considered to be a school district.
- (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or a government exemption ceases to qualify for the exemption because of a change in the ownership of the property:
- (a) the new owner of the property shall pay a proportional tax based upon the period of time:
- (i) beginning on the day that the new owner acquired the property; and
- (ii) ending on the last day of the calendar year during which the new owner acquired the property; and
- (b) the new owner of the property and the person from whom the new owner acquires the property shall notify the county assessor, in writing, of the change in ownership of the property within 30 days from the day that the new owner acquires the property.
- (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection (4)(a):
- (a) is subject to any exclusive use exemption or government exemption that the property is entitled to under the new ownership of the property; and
- (b) applies only to property that is acquired after December 31, 2005.
- (6)(a) A property may not receive an exemption under Subsection (3)(a)(iv) if:
- (i) the nonprofit entity that owns the property participates in or intervenes in any political campaign on behalf of or in opposition to any candidate for public office, including the publishing or distribution of statements; or
- (ii) a substantial part of the activities of the nonprofit entity that owns the property consists of carrying on propaganda or otherwise attempting to influence

legislation, except as provided under Subsection 501(h), Internal Revenue Code.

(b) Whether a nonprofit entity is engaged in an activity described in Subsection (6)(a) shall be determined using the standards described in Section 501, Internal Revenue Code.

(7) A property may not receive an exemption under Subsection (3)(a)(iv) if:

(a) the property is used for a purpose that is not religious, charitable, or educational; and

(b) the use for a purpose that is not religious, charitable, or educational is more than de minimis.

(8) A county legislative body may adopt rules or ordinances to:

(a) effectuate an exemption under this part; and

(b) designate one or more persons to perform the functions given to the county under this part.

(9) If a person is dissatisfied with an exemption decision made under designated decision-making authority as described in Subsection (8)(b), that person may appeal the decision to the commission under Section 59-2-1006.

Section 22. Section **59-12-2220** is amended to read:

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

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

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

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

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

(A) Section 59-12-2213;

(B) Section 59-12-2214;

(C) Section 59-12-2215;

(D) Section 59-12-2216;

(E) Section 59-12-2217;

(F) Section 59-12-2218; and

(G) Section 59-12-2219;

(b) if the county is not annexed into a large public transit district, the county legislative body may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county if:

(i) the county is an eligible political subdivision; or

(ii) a city or town within the boundary of the county is an eligible political subdivision; or

(c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county.

(2) For purposes of Subsection (1) and subject to the other provisions of this section, a county legislative body that imposes a sales and use tax under this section may impose the tax at a rate of .2%.

(3)(a) The commission shall distribute sales and use tax revenue collected under this section as determined by a county legislative body as described in Subsection (3)(b).

(b) If a county legislative body imposes a sales and use tax as described in this section, the county legislative body may elect to impose a sales and use tax revenue distribution as described in Subsection (4), (5), (6), or (7), depending on the class of county, and presence and type of a public transit provider in the county.

(4) Subject to Subsection (11), and after application of Subsection 59-12-2206(5), if a county legislative body imposes a sales and use tax as described in this section, and the entire boundary of the county is annexed into a large public transit district, and the county is a county of the first class, the commission shall distribute the sales and use tax revenue as follows:

(a) .10% to a public transit district as described in Subsection (11);

(b) .05% to the cities and towns as provided in Subsection (8); and

(c) .05% to the county legislative body.

(5) Subject to Subsection (11), if a county legislative body imposes a sales and use tax as described in this section and the entire boundary of the county is annexed into a large public transit district, and the county is a county not described in Subsection (4), the commission shall distribute the sales and use tax revenue as follows:

(a) .10% to a public transit district as described in Subsection (11);

(b) .05% to the cities and towns as provided in Subsection (8); and

(c) .05% to the county legislative body.

- (6)(a) Except as provided in Subsection (14)(c), if the entire boundary of a county that imposes a sales and use tax as described in this section is not annexed into a single public transit district, but a city or town within the county is annexed into a single public transit district, or if the city or town is an eligible political subdivision, the commission shall distribute the sales and use tax revenue collected within the county as provided in Subsection (6)(b) or (c).
- (b) For a city, town, or portion of the county described in Subsection (6)(a) that is annexed into the single public transit district, or an eligible political subdivision, the commission shall distribute the sales and use tax revenue collected within the portion of the county that is within a public transit district or eligible political subdivision as follows:
- (i) .05% to a public transit provider as described in Subsection (11);
 - (ii) .075% to the cities and towns as provided in Subsection (8); and
 - (iii) .075% to the county legislative body.
- (c) Except as provided in Subsection (14)(c), for a city, town, or portion of the county described in Subsection (6)(a) that is not annexed into a single public transit district or eligible political subdivision in the county, the commission shall distribute the sales and use tax revenue collected within that portion of the county as follows:
- (i) .08% to the cities and towns as provided in Subsection (8); and
 - (ii) .12% to the county legislative body.
- (7) For a county without a public transit service that imposes a sales and use tax as described in this section, the commission shall distribute the sales and use tax revenue collected within the county as follows:
- (a) .08% to the cities and towns as provided in Subsection (8); and
 - (b) .12% to the county legislative body.
- (8)(a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:
- (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4) through (7) shall be distributed to the unincorporated areas, cities, and towns within those counties on the basis of the percentage that the population of each unincorporated area, city, or town bears to the total population of all of the counties that impose a tax under this section; and
 - (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),

(6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4) through (7) shall be distributed to the unincorporated areas, cities, and towns within those counties on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215.

(b)(i) Population for purposes of this Subsection (8) shall be based on, to the extent not otherwise required by federal law:

(A) the most recent estimate from the Utah Population Committee created in Section 63C-20-103; or

(B) if the Utah Population Committee estimate is not available for each municipality and unincorporated area, the adjusted sub-county population estimate provided by the Utah Population Committee in accordance with Section 63C-20-104.

(ii) If a needed population estimate is not available from the United States Census Bureau, population figures shall be derived from an estimate from the Utah Population Estimates Committee created by executive order of the governor.

(c)(i) Beginning on January 1, 2024, if the [~~Housing and Community Development Division within the Department of Workforce Services~~] Division of Housing within the Governor's Office of Economic Opportunity determines that a city or town is ineligible for funds in accordance with Subsection 10-21-202(6), beginning the first day of the calendar quarter after receiving 90 days' notice, the commission shall distribute the distribution that city or town would have received under Subsection (8)(a) to cities or towns to which Subsection 10-21-202(6) does not apply.

(ii) Beginning on January 1, 2024, if the [~~Housing and Community Development Division within the Department of Workforce Services~~] Division of Housing within the Governor's Office of Economic Opportunity determines that a county is ineligible for funds in accordance with Subsection 17-80-202(6), beginning the first day of the calendar quarter after receiving 90 days' notice, the commission shall distribute the distribution that county would have received under Subsection (8)(a) to counties to which Subsection 17-80-202(6) does not apply.

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

public transit provider that the public transit service has been organized.

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

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

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

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

(i) a public transit district;

(ii) an eligible political subdivision; or

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

(b)(i)(A) If a county of the first class imposes a sales and use tax described in this section, beginning on the date on which the county imposes the sales and use tax under this section, and for a three-year period after at least three counties described in Subsections (4) and (5) have imposed a tax under this section, or until June 30, 2030, whichever comes first, revenue designated for public transit within a county of the first class as described in Subsection (4)(a) shall be transferred to the County of the First Class Highway Projects Fund created in Section 72-2-121.

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

(ii) If a county of the first class imposes a sales and use tax described in this section, beginning on the day three years after the date on which at least three counties

- described in Subsections (4) and (5) have imposed a tax under this section, or beginning on July 1, 2030, whichever comes first, for revenue designated for public transit as described in Subsection (4)(a):
- (A) 50% of the revenue from a sales and use tax imposed under this section in a county of the first class shall be transferred to the County of the First Class Highway Projects Fund created in Section 72-2-121; and
- (B) 50% of the revenue from a sales and use tax imposed under this section in a county of the first class shall be transferred to the Transit Transportation Investment Fund created in Subsection 72-2-124(9).
- (c)(i) If a county that is not a county of the first class for which the entire boundary of the county is annexed into a large public transit district imposes a sales and use tax described in this section, beginning on the date on which the county imposes the sales and use tax under this section, and for a three-year period following the date on which at least three counties described in Subsections (4) and (5) have imposed a tax under this section, or until June 30, 2030, whichever comes first, revenue designated for public transit as described in Subsection (5)(a) shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).
- (ii) If a county that is not a county of the first class for which the entire boundary of the county is annexed into a large public transit district imposes a sales and use tax described in this section, beginning on the day three years after the date on which at least three counties described in Subsections (4) and (5) have imposed a tax under this section, or beginning on July 1, 2030, whichever comes first, for the revenue that is designated for public transit in Subsection (5)(a):
- (A) 50% shall be transferred to the Transit Transportation Investment Fund created in Subsection 72-2-124(9); and
- (B) 50% shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).
- (d) Except as provided in Subsection [~~(13)(e)~~] (14)(c), for a county that imposes a sales and use tax under this section, for revenue designated for public transit as described in Subsection (6)(b)(i), the revenue shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).
- (12) A large public transit district shall send notice to the commission at least 90 days before the earlier of:

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

(b) June 30, 2030.

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

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

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

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

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

(b) The limitation under Subsection (15)(a) does not apply to a designated transportation or public transit capital or reserve account a county, city, or town established before the date the tax becomes effective.

Section 23. Section **63B-1b-202** is amended to read:

63B-1b-202 (Effective 07/01/26). Custodial officer -- Powers and duties.

(1)(a) There is created within the Division of Finance an officer responsible for the care, custody, safekeeping, collection, and accounting of all bonds, notes, contracts, trust documents, and other evidences of indebtedness:

(i) owned or administered by the state or ~~[any of its agencies]~~ an agency of the state; and

- (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.
- (b) Notwithstanding Subsection (1)(a), the officer described in Subsection (1)(a) is not responsible for the care, custody, safekeeping, collection, and accounting of a bond, note, contract, trust document, or other evidence of indebtedness relating to the:
- (i) Agriculture Resource Development Fund, created in Section 4-18-106;
 - (ii) Utah Rural Rehabilitation Fund, created in Section 4-19-105;
 - (iii) Petroleum Storage Tank Fund, created in Section 19-6-409;
 - (iv) Olene Walker Housing Loan Fund, created in Section [35A-8-502] 63N-22-302;
 - (v) Brownfields Fund, created in Section 19-8-120; and
 - (vi) Rural Opportunity Fund, created in Section 63N-4-805.
- (2)(a) Each authorizing agency shall deliver to ~~[this]~~ the officer for the officer's care, custody, safekeeping, collection, and accounting all bonds, notes, contracts, trust documents, and other evidences of indebtedness:
- (i) owned or administered by the state or ~~[any of its agencies]~~ an agency of the state; and
 - (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.
- (b) ~~[This]~~ The officer shall:
- (i) establish systems, programs, and facilities for the care, custody, safekeeping, collection, and accounting for the bonds, notes, contracts, trust documents, and other evidences of indebtedness submitted to the officer under this Subsection (2); and
 - (ii) ~~[shall]~~ make available updated reports to each authorizing agency as to the status of loans under ~~[their]~~ each authorizing agency's authority.
- (3) The officer described in Section 63B-1b-201 shall deliver to the officer described in Subsection (1)(a) for the care, custody, safekeeping, collection, and accounting by the officer described in Subsection (1)(a) of all bonds, notes, contracts, trust documents, and other evidences of indebtedness closed as provided in Subsection 63B-1b-201(2)(b).
- Section 24. Section **63H-8-201** is amended to read:
- 63H-8-201 (Effective 07/01/26). Creation -- Trustees -- Terms -- Vacancies -- Chair -- Powers -- Quorum -- Per diem and expenses -- Annual conflict of interest disclosure statement -- Penalties.**
- (1)(a) There is created an independent body politic and corporate, constituting a public corporation, known as the "Utah Housing Corporation."
- (b) The corporation may also be known and do business as the:

- 2445 (i) Utah Housing Finance Association; and
- 2446 (ii) Utah Housing Finance Agency in connection with a contract entered into when
- 2447 that was the corporation's legal name.
- 2448 (c) No other entity may use the names described in Subsections (1)(a) and (b) without
- 2449 the express approval of the corporation.
- 2450 (2) The corporation is governed by a board of trustees composed of the following nine
- 2451 trustees:
- 2452 (a) the ~~[executive-]~~ deputy director of the ~~[Department of Workforce Services or the~~
- 2453 ~~executive director's designee]~~ Division of Housing within the Governor's Office of
- 2454 Economic Opportunity;
- 2455 (b) the commissioner of the Department of Financial Institutions or the commissioner's
- 2456 designee;
- 2457 (c) the state treasurer or the treasurer's designee; and
- 2458 ~~[(d) six public trustees, who are private citizens of the state, as follows:]~~
- 2459 ~~[(i) two people who represent the mortgage lending industry;]~~
- 2460 ~~[(ii) two people who represent the home building and real estate industry; and]~~
- 2461 ~~[(iii) two people who represent the public at large.]~~
- 2462 (d) six public trustees, all of whom are private citizens of the state, appointed by the
- 2463 governor, and who shall have expertise in the following industries or related fields of:
- 2464 (i) housing;
- 2465 (ii) finance;
- 2466 (iii) banking; or
- 2467 (iv) real estate development.
- 2468 (3) The governor shall:
- 2469 (a) appoint the six public trustees of the corporation with the advice and consent of the
- 2470 Senate in accordance with Title 63G, Chapter 24, Part 2, Vacancies; and
- 2471 (b) ensure that among the six public trustees, no more than two ~~[are from the same~~
- 2472 ~~county and all are residents of the state]~~ are from the same industry described in
- 2473 Subsections (2)(d)(i) through (iv).
- 2474 (4)(a) Except as required by Subsection (4)(b), the governor shall appoint the six public
- 2475 trustees to terms of office of four years each.
- 2476 (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the
- 2477 time of appointment or reappointment, adjust the length of terms to ensure that the
- 2478 terms of corporation trustees are staggered so that approximately half of the board is

- 2479 appointed every two years.
- 2480 (5)(a) A public trustee of the corporation may be removed from office for cause either
- 2481 by the governor or by an affirmative vote of six trustees of the corporation.
- 2482 (b) When a vacancy occurs in the board of trustees for any reason, the replacement shall
- 2483 be appointed for the unexpired term.
- 2484 (c) A public trustee shall hold office for the term of appointment and until the trustee's
- 2485 successor has been appointed and qualified.
- 2486 (d) A public trustee is eligible for reappointment but may not serve more than two full
- 2487 consecutive terms.
- 2488 (6)(a) The governor shall select the chair of the corporation.
- 2489 (b) The trustees shall elect from among [~~their number~~] the trustees a vice chair and other
- 2490 officers [~~they~~] the trustees may determine.
- 2491 (7)(a) Five trustees of the corporation constitute a quorum for transaction of business.
- 2492 (b) An affirmative vote of at least five trustees is necessary for any action to be taken by
- 2493 the corporation.
- 2494 (c) A vacancy in the board of trustees does not [~~impair the right of a quorum to exercise~~
- 2495 ~~all rights and perform all~~] prevent a quorum from exercising the rights and performing
- 2496 the duties of the corporation.
- 2497 (8) A trustee may not receive compensation or benefits for the trustee's service, but may
- 2498 receive per diem and travel expenses in accordance with:
- 2499 (a) Section 63A-3-106;
- 2500 (b) Section 63A-3-107; and
- 2501 (c) rules made by the Division of Finance [~~according to~~] in accordance with Sections
- 2502 63A-3-106 and 63A-3-107.
- 2503 (9) A trustee shall, no sooner than January 1 and no later than January 31 of each year
- 2504 during which the trustee holds office on the board of trustees:
- 2505 (a) prepare a written conflict of interest disclosure statement that contains a response to
- 2506 each item of information described in Subsection 20A-11-1604(6); and
- 2507 (b) submit the written disclosure statement to the administrator or clerk of the board of
- 2508 trustees.
- 2509 (10)(a) No later than 10 business days after the date on which the trustee submits the
- 2510 written disclosure statement described in Subsection (9) to the administrator or clerk
- 2511 of the board of trustees, the administrator or clerk shall:
- 2512 (i) post a copy of the written disclosure statement on the corporation's website; and

- (ii) provide the lieutenant governor with a link to the electronic posting described in Subsection (10)(a)(i).
- (b) The administrator or clerk shall ensure that the trustee's written disclosure statement remains posted on the corporation's website until the trustee leaves office.
- (11) The administrator or clerk of the board of trustees shall take the action described in Subsection (12) if:
- (a) a trustee fails to timely file the written disclosure statement described in Subsection (9); or
- (b) a submitted written disclosure statement does not comply with the requirements of Subsection 20A-11-1604(6).
- (12) If a circumstance described in Subsection (11) occurs, the administrator or clerk of the board of trustees shall, within five days after the day on which the administrator or clerk determines that a violation occurred, notify the trustee of the violation and direct the trustee to submit an amended written disclosure statement correcting the problem.
- (13)(a) It is unlawful for a trustee to fail to submit or amend a written disclosure statement within seven days after the day on which the trustee receives the notice described in Subsection (12).
- (b) A trustee who violates Subsection (13)(a) is guilty of a class B misdemeanor.
- (c) The administrator or clerk of the board of trustees shall report a violation of Subsection (13)(a) to the attorney general.
- (d) In addition to the criminal penalty described in Subsection (13)(b), the administrator or clerk of the board of trustees shall impose a civil fine of \$100 against a member who violates Subsection (13)(a).
- (14) The administrator or clerk of the board shall deposit a fine collected under this section into the corporation's account to pay for the costs of administering this section.
- (15) In addition to the written disclosure statement described in Subsection (9), a trustee described in Subsection (2)(d) shall also comply with the conflict of interest provisions described in Section 63G-24-301.

Section 25. Section **63H-8-203** is amended to read:

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

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

- 2547 (ii) The president:
- 2548 (A) may not be a trustee of the corporation;
- 2549 (B) serves at the pleasure of the trustees; and
- 2550 (C) shall receive compensation as set by the trustees.
- 2551 (b) The president, who shall also be the secretary-treasurer, shall:
- 2552 (i) establish bank accounts and other monetary investments in the name of the
- 2553 corporation; and
- 2554 (ii) administer, manage, and direct the affairs and activities of the corporation in
- 2555 accordance with the policies, control, and direction of the trustees.
- 2556 (c) The president shall approve all accounts for salaries, allowable expenses of the
- 2557 corporation, or of any corporation employee or consultant, and expenses incidental to
- 2558 the operation of the corporation.
- 2559 (d) The president shall perform any other duties as may be directed by the trustees in
- 2560 carrying out this chapter.
- 2561 (2)(a) The president shall:
- 2562 (i) attend the meetings of the corporation;
- 2563 (ii) keep a record of the proceedings of the corporation; and
- 2564 (iii) maintain and be custodian of:
- 2565 (A) books, documents, and papers filed with the corporation;
- 2566 (B) the minute book or journal of the corporation; and
- 2567 (C) the corporation's official seal.
- 2568 (b) The president may cause copies to be made of minutes and other records and
- 2569 documents of the corporation and may give certificates under seal of the corporation
- 2570 to the effect that those copies are true copies, and a person dealing with the
- 2571 corporation may rely upon those certificates.
- 2572 (3)(a) The corporation may employ or engage technical experts, independent
- 2573 professionals and consultants, and other officers, agents, or employees, permanent or
- 2574 temporary, as it considers necessary to carry out the efficient operation of the
- 2575 corporation, and shall determine their qualifications, duties, and compensation.
- 2576 (b) The trustees may delegate to one or more of the corporation's agents, representatives,
- 2577 or employees administrative duties that the trustees consider proper.
- 2578 (4) The corporation may employ and retain independent legal counsel.
- 2579 (5) The corporation shall coordinate with the Division of Housing within the Governor's
- 2580 Office of Economic Opportunity to assist the corporation in meeting the corporation's

purposes described in this chapter.

Section 26. Section **63L-11-402** is amended to read:

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

- (1) The Resource Development Coordinating Committee consists of the following 26 members:
- (a) the state science advisor;
 - (b) a representative from the Department of Agriculture and Food appointed by the commissioner of the Department of Agriculture and Food;
 - (c) a representative from the Department of Cultural and Community Engagement appointed by the executive director of the Department of Cultural and Community Engagement;
 - (d) a representative from the Department of Environmental Quality appointed by the executive director of the Department of Environmental Quality;
 - (e) a representative from the Department of Natural Resources appointed by the executive director of the Department of Natural Resources;
 - (f) a representative from the Department of Transportation appointed by the executive director of the Department of Transportation;
 - (g) a representative from the Governor's Office of Economic Opportunity appointed by the director of the Governor's Office of Economic Opportunity;
 - (h) a representative from the ~~[Housing and]~~Community Development Division appointed by the director of the ~~[Housing and]~~Community Development Division;
 - (i) a representative from the Utah Historical Society appointed by the director of the Utah Historical Society;
 - (j) a representative from the Division of Air Quality appointed by the director of the Division of Air Quality;
 - (k) a representative from the Division of Drinking Water appointed by the director of the Division of Drinking Water;
 - (l) a representative from the Division of Environmental Response and Remediation appointed by the director of the Division of Environmental Response and Remediation;
 - (m) a representative from the Division of Waste Management and Radiation Control appointed by the director of the Division of Waste Management and Radiation Control;

- (n) a representative from the Division of Water Quality appointed by the director of the Division of Water Quality;
- (o) a representative from the Division of Oil, Gas, and Mining appointed by the director of the Division of Oil, Gas, and Mining;
- (p) a representative from the Division of Parks appointed by the director of the Division of Parks;
- (q) a representative from the Division of Outdoor Recreation appointed by the director of the Division of Outdoor Recreation;
- (r) a representative from the Division of Forestry, Fire, and State Lands appointed by the director of the Division of Forestry, Fire, and State Lands;
- (s) a representative from the Utah Geological Survey appointed by the director of the Utah Geological Survey;
- (t) a representative from the Division of Water Resources appointed by the director of the Division of Water Resources;
- (u) a representative from the Division of Water Rights appointed by the director of the Division of Water Rights;
- (v) a representative from the Division of Wildlife Resources appointed by the director of the Division of Wildlife Resources;
- (w) a representative from the School and Institutional Trust Lands Administration appointed by the director of the School and Institutional Trust Lands Administration;
- (x) a representative from the Division of Facilities Construction and Management appointed by the director of the Division of Facilities Construction and Management;
- (y) a representative from the Division of Emergency Management appointed by the director of the Division of Emergency Management; and
- (z) a representative from the Division of Conservation, created under Section 4-46-401, appointed by the director of the Division of Conservation.

(2)(a) As particular issues require, the coordinating committee may, by majority vote of the members present, appoint additional temporary members to serve as ex officio voting members.

(b) Those ex officio members may discuss and vote on the issue or issues for which they were appointed.

(3) A chair shall be selected by a vote of 14 committee members with the concurrence of the advisor.

(4) A member may not receive compensation or benefits for the member's service, but may

receive per diem and travel expenses in accordance with:

(a) Sections 63A-3-106 and 63A-3-107; and

(b) rules made by the Division of Finance ~~[pursuant to]~~ in accordance with Sections 63A-3-106 and 63A-3-107.

Section 27. Section **63L-12-102** is amended to read:

63L-12-102 (Effective 07/01/26). Grant or lease of real property for moderate income housing.

(1) Subject to the requirements of this section, a governmental entity may:

(a) grant or lease real property owned by the governmental entity to an entity for the development of moderate income housing on the real property[-] ; or

(b) lease real property owned by the governmental entity to a retail facility that is part of a development that includes moderate income housing.

(2)(a) A governmental entity shall ensure that real property granted or leased under Subsection (1) ~~[is]~~ for residential housing use:

(i) is deed restricted for moderate income housing for at least 30 years after the day on which each moderate income housing unit is completed and occupied[-] ; and

(ii) reserves at least 10% of the residential units for moderate income housing units.

(b) For property that is leased to an entity described in Subsection (1)(a), the entity shall ensure that all moderate income housing units are rental units.

(c) For a retail facility described in Subsection (1)(b), a governmental entity shall ensure that the lease agreement complies with the requirements of this section.

(3) If applicable, a governmental entity granting real property under this section shall comply with:

(a) the provisions of Title 78B, Chapter 6, Part 5, Eminent Domain;

(b) Subsection 10-8-2(4), if a municipality is granting real property under this section;

(c) Subsection 17-78-103(4), if a county is granting real property under this section; and

(d) except as provided in Subsection (4), any other applicable provisions of law that govern the granting of real property by the governmental entity.

(4) A municipality granting real property under this section is not subject to the provisions of Subsection 10-8-2(3).

(5) An entity that receives lease income described in Subsection (1) shall deposit the money, after expenses, into the appropriate fund as determined by the appropriate officer of the receiving entity.

Section 28. Section **63N-22-101** is enacted to read:

CHAPTER 22. Division of Housing

Part 1. General Provisions

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

As used in this chapter:

- (1) "Accessible housing" means housing which has been constructed or modified to be accessible, as described in the State Construction Code or an approved code under Title 15A, State Construction and Fire Codes Act.
- (2) "Deputy director" means the deputy director of the Division of Housing.
- (3) "Division" means the Division of Housing.
- (4) "Low-income individual" means an individual whose household income is less than 80% of the area median income.
- (5) "Moderate income housing" means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the housing is located.
- (6) "Moderate income housing unit" means a housing unit that qualifies as moderate income housing.

Section 29. Section **63N-22-102** is enacted to read:

63N-22-102 (Effective 07/01/26). Division of Housing -- Creation --

Responsibilities.

- (1) There is created the Division of Housing within the Governor's Office of Economic Opportunity.
- (2) The division shall be under the authority of the deputy director.
- (3) The division shall:
 - (a) create the state housing plan, as described in Section 63N-22-104;
 - (b) assist housing authorities in carrying out the housing authority's responsibilities under Title 35A, Chapter 8, Part 4, Housing Authorities;
 - (c) assist, when requested by a county or municipality, in the development of accessible housing;
 - (d) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, regarding the form and content of a moderate income housing report in accordance with Title 10, Chapter 21, Municipalities and Housing Supply and Title 17, Chapter 80, Counties and Housing Supply, to:
 - (i) ensure consistency across reporting political subdivisions; and

- (ii) promote better potential analysis of report data;
- (e) analyze the housing data received by political subdivisions; and
- (f) no later than November 1 of each year, provide a report with the analyses of the housing data the division collects to the Economic Development and Workforce Services Interim Committee and the Political Subdivisions Interim Committee.

Section 30. Section **63N-22-103** is enacted to read:

63N-22-103 (Effective 07/01/26). Division of Housing deputy director appointment, functions, and duties.

- (1)(a) The governor, with the advice and consent of the Senate, shall appoint a deputy director of the Division of Housing to perform the functions and duties described in this section.
- (b) The deputy director serves at the pleasure of and under the direction of the governor.
- (c) The salary of the deputy director shall be established by the governor within the salary range fixed by the Legislature in Title 67, Chapter 22, State Officer Compensation.
- (2) The deputy director shall:
 - (a) act as the governor's adviser on state housing matters;
 - (b) counsel with the authorized representatives of the Department of Transportation, the Division of Facilities Construction and Management, the Department of Health and Human Services, the Department of Workforce Services, the Labor Commission, the Department of Natural Resources, the School and Institutional Trust Lands Administration, the Utah Housing Corporation, and other proper persons concerning state housing matters;
 - (c) when designated to do so by the governor, receive funds made available to the state by the federal government;
 - (d) provide information and cooperate with the Legislature or legislative committees in conducting housing studies;
 - (e) cooperate and exchange information with federal agencies and local, metropolitan, or regional agencies as necessary to assist with federal, state, regional, metropolitan, and local housing programs;
 - (f) make recommendations to the governor that the deputy director considers advisable for the proper development and coordination of housing for the state; and
 - (g) assist in the interpretation of housing projections and analyses with respect to future growth needs.

- (3) The deputy director may:
- (a) assist city, county, metropolitan, and regional planning agencies in performing local, metropolitan, and regional planning, subject to Subsection (4); and
 - (b) conduct, or coordinate with stakeholders to conduct public meetings or hearings to:
 - (i) encourage maximum public understanding of and agreement with the factual data and assumptions upon which housing projections and analyses are based; and
 - (ii) receive suggestions as to the types of housing projections and analyses that are needed.
- (4) In performing the duties described in Subsection (3), to the extent possible, the deputy director or the deputy director's designee shall recognize and promote the plans, policies, programs, processes, and desired outcomes of the city, county, metropolitan, or regional planning agency that the deputy director or the deputy director's designee is assisting.
- (5) In assisting in the preparation of housing plans, policies, programs, or processes related to the management or use of federal lands or natural resources on federal lands in the state, the deputy director shall coordinate with the Public Lands Policy Coordinating Office created in Section 63L-11-201.

Section 31. Section **63N-22-104**, which is renumbered from Section 63J-4-402 is renumbered and amended to read:

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

- (1) The [office] division shall develop a state housing plan by December 31, 2025.
- (2)(a) The [office] division shall partner with the Legislature, municipal and county governments, the home building industry and related stakeholders, and the general public in the development of the state housing plan described in Subsection (1).
- (b) In developing the state housing plan, the [office] division may develop regional housing plans within the state housing plan.
- (3) The state housing plan shall:
 - (a) prioritize collaboration over preemption and collaboration across private and public sectors;
 - (b) promote a holistic and regional approach to housing;
 - (c) enable connected communities and center-based development;
 - (d) acknowledge cross-issue policy alignment;
 - (e) maintain a long-range vision;
 - (f) promote opportunity and inclusivity;
 - (g) recognize complex market forces; and

(h) consider rural and urban contexts.

(4) The state housing plan shall include data and metrics:

(a) about actual and potential housing production;

(b) about actual and potential infrastructure capacity, maintenance, and development; and

(c) allowing the [office] division to measure success of the state housing plan over time.

(5) In gathering data and developing metrics, the [office~~may~~] division shall analyze

moderate income housing reports received by the [~~Division of Housing and Community Development~~] division and:

(a) determine which, if any, of the moderate income housing strategies described in Sections 10-21-201 and 17-80-201 are correlated with an increase in the supply of moderate income housing, either built or entitled to be built, in the political subdivision that implements the moderate income housing strategy; and

(b) draw conclusions regarding any data trends identified by the [office] division as meaningful or significant.

(6) By no later than October 1 of each year, the [office] division shall provide a written report on the development and implementation of the state housing plan to the Economic Development and Workforce Services Interim Committee and the Political Subdivisions Interim Committee.

Section 32. Section **63N-22-201**, which is renumbered from Section 35A-8-803 is renumbered and amended to read:

Part 2. Housing Coordination and Planning

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

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

(a) the division shall:

(i) provide a clearinghouse of information for federal, state, and local housing assistance programs;

(ii) establish, in cooperation with political subdivisions, model plans and management methods to encourage or provide for the development of affordable housing that may be adopted by political subdivisions by reference;

(iii) undertake, in cooperation with political subdivisions, a realistic assessment of problems relating to housing needs, such as:

(A) inadequate supply of dwellings;

(B) substandard dwellings; and

(C) inability of medium and low income families to obtain adequate housing;

- (iv) provide the information obtained under Subsection (1)(a)(iii) to:
- (A) political subdivisions;
 - (B) real estate developers;
 - (C) builders;
 - (D) lending institutions;
 - (E) affordable housing advocates; and
 - (F) others having use for the information;
- (v) advise political subdivisions of serious housing problems existing within ~~[their]~~ the political subdivision's jurisdiction that require concerted public action for solution;
- (vi) assist political subdivisions in defining housing objectives and in preparing for adoption a plan of action covering a five-year period designed to accomplish housing objectives within ~~[their]~~ the political subdivision's jurisdiction;
- (vii) for municipalities or counties required to submit an annual moderate income housing report to the ~~[department]~~ division as described in Section 10-21-202 or 17-80-202:
- (A) assist in the creation of the reports; and
 - (B) review the reports to meet the requirements of Sections 10-21-202 and 17-80-202;
- (viii) establish and maintain a database of moderate income housing units located within the state; and
- (ix) ~~[on or before December 1, 2022, develop and submit to the Commission on Housing Affordability a methodology for determining whether a municipality or county is taking sufficient measures to protect and promote moderate income housing in accordance with the provisions of Sections 10-21-201 and 17-80-201; and]~~ coordinate with Utah Housing Corporation to assist the division in the administration of housing programs within the state; and
- (b) subject to Subsection (2), and within legislative appropriations, the division, in cooperation with the Department of Workforce Services and the Utah Housing Corporation, may accept for and on behalf of, and bind the state to, any federal housing or homeless program in which the state is invited, permitted, or authorized to participate in the distribution, disbursement, or administration of any funds or service advanced, offered, or contributed in whole or in part by the federal government.
- (2) The administration of any federal housing program in which the state is invited,

permitted, or authorized to participate in distribution, disbursement, or administration of funds or services, except those administered by the Utah Housing Corporation, is governed by Sections ~~[35A-8-501]~~ 63N-22-301 through ~~[35A-8-508]~~ 63N-22-309.

- (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [~~department~~] division shall make rules describing the review process for moderate income housing reports described in Subsection (1)(a)(vii).

Section 33. Section **63N-22-202**, which is renumbered from Section 35A-8-804 is renumbered and amended to read:

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

- (1) Within appropriations from the Legislature, the division shall establish a program to assist municipalities to comply with the moderate income housing requirements described in Section 10-21-201 and counties to comply with the moderate income housing requirements described in Section 17-80-201.
- (2) Assistance under this section may include:
- (a) financial assistance for the cost of developing a plan for low and moderate income housing;
 - (b) information on how to meet present and prospective needs for low and moderate income housing; and
 - (c) technical advice and consultation on how to facilitate the creation of low and moderate income housing.
- (3) The division shall submit an annual report to the [~~department~~] office regarding the scope, amount, and type of assistance provided to municipalities and counties under this section, including the number of low and moderate income housing units constructed or rehabilitated within the state, for inclusion in the [~~department's~~] office's annual written report described in Section ~~[35A-1-109]~~ 63N-1a-306.

Section 34. Section **63N-22-203**, which is renumbered from Section 35A-8-805 is renumbered and amended to read:

~~[35A-8-805]~~ 63N-22-203 (Effective 07/01/26). Olene Walker Housing Loan Fund -- Creation --Administration.

- (1) As used in this section:
- (a) "Affordable housing" means, as determined by the [~~department~~] division, the number of housing units within a county or municipality where a household whose income is at or below 50% of area median income is able to live in a unit without spending

more than 30% of ~~[their]~~ the household's income on housing costs.

(b) "County" means the unincorporated area of a county.

(c) "Low-income housing" means, as determined by the ~~[department]~~ division, the number of Section 42, Internal Revenue Code, housing units within a county or municipality.

(d) "Municipality" means a city or town.

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

(b) The report shall include:

(i) an estimate of how many affordable housing units and how many low-income housing units are available in each county and municipality in the state;

(ii) a determination of the percentage of affordable housing available in each county and municipality in the state as compared to the statewide average;

(iii) a determination of the percentage of low-income housing available in each county and municipality in the state as compared to the statewide average; and

(iv) a description of how information in the report was calculated.

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

Part 3. Housing Supply and Service Programs

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

As used in this part:

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

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

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

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

(b) "Housing sponsor" may include:

(i) a local public body;

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

- 2920 (iii) a limited partnership;
- 2921 (iv) a limited liability company;
- 2922 (v) a joint venture;
- 2923 (vi) a subsidiary of the Utah Housing Corporation;
- 2924 (vii) a cooperative;
- 2925 (viii) a mutual housing organization;
- 2926 (ix) a local government;
- 2927 (x) a local housing authority;
- 2928 (xi) a regional or statewide nonprofit housing or assistance organization; or
- 2929 (xii) any other entity that helps provide affordable housing.

2930 (5) "Rural" means a county in the state other than Utah, Salt Lake, Davis, or Weber.

2931 Section 36. Section **63N-22-302**, which is renumbered from Section 35A-8-502 is renumbered
2932 and amended to read:

2933 **[35A-8-502] 63N-22-302 (Effective 07/01/26). Creation and administration.**

2934 (1)(a) There is created an enterprise fund known as the Olene Walker Housing Loan
2935 Fund, administered by the [executive] deputy director or the [executive-] deputy
2936 director's designee.

2937 (b) The [department] division is the administrator of the fund.

2938 (2) There shall be deposited into the fund:

2939 (a) grants, paybacks, bonuses, entitlements, and other money received by the [department]
2940 division from the federal government to preserve, rehabilitate, build, restore, or
2941 renew housing or for other activities authorized by the fund;

2942 (b) transfers, grants, gifts, bequests, and money made available from any source to
2943 implement this part; and

2944 (c) money appropriated to the fund by the Legislature.

2945 (3) The money in the fund shall be invested by the state treasurer according to the
2946 procedures and requirements of Title 51, Chapter 7, State Money Management Act,
2947 except that all interest or other earnings derived from money in the fund shall be
2948 deposited in the fund.

2949 Section 37. Section **63N-22-303**, which is renumbered from Section 35A-8-503 is renumbered
2950 and amended to read:

2951 **[35A-8-503] 63N-22-303 (Effective 07/01/26). Housing loan fund board -- Duties**
2952 **-- Expenses.**

2953 (1) There is created the Olene Walker Housing Loan Fund Board.

- (2) The board is composed of 14 voting members.
- (a) The governor shall appoint the following members to four-year terms:
- (i) two members from local governments, of which:
- (A) one member shall be a locally elected official who resides in a county of the first or second class; and
- (B) one member shall be a locally elected official who resides in a county of the third, fourth, fifth, or sixth class;
- (ii) two members from the mortgage lending community, of which:
- (A) one member shall have expertise in single-family mortgage lending; and
- (B) one member shall have expertise in multi-family mortgage lending;
- (iii) one member from real estate sales interests;
- (iv) two members from home builders interests, of which:
- (A) one member shall have expertise in single-family residential construction; and
- (B) one member shall have expertise in multi-family residential construction;
- (v) one member from rental housing interests;
- (vi) two members from housing advocacy interests, of which:
- (A) one member who resides within any area in a county of the first or second class; and
- (B) one member who resides within any area in a county of the third, fourth, fifth, or sixth class;
- (vii) one member of the manufactured housing interest;
- (viii) one member with expertise in transit-oriented developments;
- (ix) one member who represents rural interests; and
- (x) one member who represents the interests of modular housing.
- (b) The deputy director or the deputy director's designee serves as the secretary of the board.
- (c) The members of the board shall annually elect a chair from among the voting membership of the board.
- (3)(a) Notwithstanding the requirements of Subsection (2), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of board members are staggered so that approximately half of the board is appointed every two years.
- (b) When a vacancy occurs in the membership for any reason, the replacement is appointed for the unexpired term.

(4)(a) The board shall:

(i) meet regularly, at least quarterly to conduct business of the board, on dates fixed by the board;

(ii) meet twice per year, with at least one of the meetings in a rural area of the state, to provide information to and receive input from the public regarding the state's housing policies and needs;

(iii) keep minutes of [its] board meetings; and

(iv) comply with the procedures and requirements of Title 52, Chapter 4, Open and Public Meetings Act.

(b) Seven members of the board constitute a quorum, and the governor, the chair, or a majority of the board may call a meeting of the board.

(5) The board shall:

(a) review the housing needs in the state;

(b) determine the relevant operational aspects of any grant, loan, or revenue collection program established under the authority of this chapter;

(c) determine the means to implement the policies and goals of this chapter;

(d) select specific projects to receive grant or loan money; and

(e) determine how fund money shall be allocated and distributed.

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

(a) Section 63A-3-106;

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

(c) rules made by the Division of Finance [~~pursuant to~~] in accordance with Sections 63A-3-106 and 63A-3-107.

Section 38. Section **63N-22-304**, which is renumbered from Section 35A-8-504 is renumbered and amended to read:

[35A-8-504] 63N-22-304 (Effective 07/01/26). Distribution of fund money.

(1) As used in this section:

(a) "Community" means the same as that term is defined in Section 17C-1-102.

(b) "Income targeted housing" means the same as that term is defined in Section 17C-1-102.

(2) The [~~executive~~] deputy director shall:

(a) make grants and loans from the fund for any of the activities authorized by Section [~~35A-8-505~~] 63N-22-305, as directed by the board;

- 3022 (b) establish the criteria with the approval of the board by which loans and grants will be
3023 made; and
- 3024 (c) determine with the approval of the board the order in which projects will be funded.
- 3025 (3) The ~~[executive-]~~ deputy director shall distribute, as directed by the board, any federal
3026 money contained in the fund according to the procedures, conditions, and restrictions
3027 placed upon the use of the money by the federal government.
- 3028 (4) The ~~[executive-]~~ deputy director shall distribute, as directed by the board, any funds
3029 received under Section 17C-1-412 to pay the costs of providing income targeted housing
3030 within the community that created the community reinvestment agency under Title 17C,
3031 Limited Purpose Local Government Entities - Community Reinvestment Agency Act.
- 3032 (5) Except for federal money, money received under Section 17C-1-412, and money
3033 appropriated for use in accordance with Section ~~[35A-8-2105]~~ 63N-22-404, the [
3034 ~~executive-]~~ deputy director shall distribute, as directed by the board, money in the fund
3035 according to the following requirements:
- 3036 (a) the ~~[executive-]~~ deputy director shall distribute at least 70% of the money in the fund
3037 to benefit persons whose annual income is at or below 50% of the median family
3038 income for the state;
- 3039 (b) the ~~[executive-]~~ deputy director may use up to 6% of the revenues of the fund,
3040 including any appropriation to the fund, to offset ~~[department]~~ division or board
3041 administrative expenses;
- 3042 (c) the ~~[executive-]~~ deputy director shall distribute any remaining money in the fund to
3043 benefit persons whose annual income is at or below 80% of the median family
3044 income for the state; and
- 3045 (d) if the ~~[executive-]~~ deputy director or the ~~[executive-]~~ deputy director's designee makes
3046 a loan in accordance with this section, the interest rate of the loan shall be based on
3047 the borrower's ability to pay.
- 3048 (6) The ~~[executive-]~~ deputy director may, with the approval of the board:
- 3049 (a) enact rules to establish procedures for the grant and loan process by following the
3050 procedures and requirements of Title 63G, Chapter 3, Utah Administrative
3051 Rulemaking Act; and
- 3052 (b) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the
3053 servicing of loans made by the fund.
- 3054 Section 39. Section **63N-22-305**, which is renumbered from Section 35A-8-505 is renumbered
3055 and amended to read:

[35A-8-505] 63N-22-305 (Effective 07/01/26). Activities authorized to receive fund money -- Powers of the deputy director.

At the direction of the board, the [executive-] deputy director may:

(1) provide fund money to any of the following activities:

- (a) the acquisition, rehabilitation, or new construction of low-income housing units;
 - (b) matching funds for social services projects directly related to providing housing for special-need renters in assisted projects;
 - (c) the development and construction of accessible housing designed for low-income persons;
 - (d) the construction or improvement of a shelter or transitional housing facility that provides services intended to prevent or minimize homelessness among members of a specific homeless subpopulation;
 - (e) the purchase of an existing facility to provide temporary or transitional housing for the homeless in an area that does not require rezoning before providing such temporary or transitional housing;
 - (f) the purchase of land that will be used as the site of low-income housing units;
 - (g) the preservation of existing affordable housing units for low-income persons;
 - ~~[(h) providing loan guarantees under the two-year pilot program established in Section 35A-8-504.5;]~~
 - ~~[(i) distribute funds to a qualifying applicant under the subordinate shared appreciation mortgage loan program established in Section 35A-8-504.6;]~~
 - ~~[(j)]~~ (h) the award of predevelopment grants in accordance with Section [35A-8-507.5] 63N-22-308;
 - ~~[(k)]~~ (i) the creation or financial support of a mediation program for landlords and tenants designed to minimize the loss of housing for low-income persons, which program may include:
 - (i) funding for the hiring or training of mediators;
 - (ii) connecting landlords and tenants with mediation services; and
 - (iii) providing a limited amount of gap funding to assist a tenant in making a good faith payment towards attorney fees, damages, or other costs associated with eviction proceedings or avoiding eviction proceedings; and
 - ~~[(l)]~~ (j) other activities that will assist in minimizing homelessness or improving the availability or quality of housing in the state for low-income persons; and
- (2) do any act necessary or convenient to the exercise of the powers granted by this part or

reasonably implied from those granted powers, including:

- (a) making or executing contracts and other instruments necessary or convenient for the performance of the [executive] deputy director and board's duties and the exercise of the [executive-] deputy director and board's powers and functions under this part, including contracts or agreements for the servicing and originating of mortgage loans;
- (b) procuring insurance against a loss in connection with property or other assets held by the fund, including mortgage loans, in amounts and from insurers it considers desirable;
- (c) entering into agreements with a department, agency, or instrumentality of the United States or this state and with mortgagors and mortgage lenders for the purpose of planning and regulating and providing for the financing and refinancing, purchase, construction, reconstruction, rehabilitation, leasing, management, maintenance, operation, sale, or other disposition of residential housing undertaken with the assistance of the [department] division under this part;
- (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate, repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real or personal property obtained by the fund due to the default on a mortgage loan held by the fund in preparation for disposition of the property, taking assignments of leases and rentals, proceeding with foreclosure actions, and taking other actions necessary or incidental to the performance of [its] the deputy director and board's duties; and
- (e) selling, at a public or private sale, with public bidding, a mortgage or other obligation held by the fund.

Section 40. Section **63N-22-306**, which is renumbered from Section 35A-8-506 is renumbered and amended to read:

[35A-8-506] 63N-22-306 (Effective 07/01/26). Authority of the deputy director.

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

Section 41. Section **63N-22-307**, which is renumbered from Section 35A-8-507 is renumbered and amended to read:

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

- (1)(a) In each calendar year that money is available from the fund for distribution by the [executive-] deputy director under the direction of the board, the [executive-] deputy director shall, at least once in that year, announce a grant and loan application period

3124 by sending notice to interested persons.

3125 (b) The [executive-] deputy director shall accept applications that are received in a timely
3126 manner.

3127 (2) The [executive-] deputy director shall give priority to applications for projects and
3128 activities in the following order:

3129 (a) first, to applications for projects and activities intended to minimize homelessness;

3130 (b) second, to applications for projects and activities that use existing privately owned
3131 housing stock, including privately owned housing stock purchased by a nonprofit
3132 public development authority; and

3133 (c) third, to all other applications.

3134 (3) Within each level of priority described in Subsection (2), the [executive-] deputy director
3135 shall give preference to applications that demonstrate the following:

3136 (a) a high degree of leverage with other sources of financing;

3137 (b) high recipient contributions to total project costs, including allied contributions from
3138 other sources such as professional, craft, and trade services and lender interest rate
3139 subsidies;

3140 (c) high local government project contributions in the form of infrastructure
3141 improvements, or other assistance;

3142 (d) projects that encourage ownership, management, and other project-related
3143 responsibility opportunities;

3144 (e) projects that demonstrate a strong probability of serving the original target group or
3145 income level for a period of at least 15 years;

3146 (f) projects where the applicant has demonstrated the ability, stability, and resources to
3147 complete the project;

3148 (g) projects that appear to serve the greatest need;

3149 (h) projects that provide housing for persons and families with the lowest income;

3150 (i) projects that promote economic development benefits;

3151 (j) projects that align with a local government plan to address housing and homeless
3152 services; and

3153 (k) projects that would mitigate or correct existing health, safety, or welfare problems.

3154 (4) The [executive-] deputy director may give consideration to projects that increase the
3155 supply of accessible housing.

3156 Section 42. Section **63N-22-308**, which is renumbered from Section 35A-8-507.5 is renumbered
3157 and amended to read:

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

- (1) The ~~[executive-]~~ deputy director may, under the direction of the board, award one or more predevelopment grants to a nonprofit or for-profit entity:
- (a) in preparation for a project that:
- (i) involves the construction of moderate income housing units; and
- (ii) is located within:
- (A) a city of the fifth or sixth class, or a town, in a rural area of the state; or
- (B) any municipality or unincorporated area in a county of the fourth, fifth, or sixth class; and
- (b) in an amount of no more than \$50,000 per project.
- (2) The ~~[executive-]~~ deputy director shall, under the direction of the board, award each predevelopment grant in accordance with the provisions of this section and the provisions related to grant applications, grant awards, and reporting requirements in this part.
- (3) The recipient of a predevelopment grant:
- (a) may use grant funds to offset the predevelopment funds needed to prepare for the construction of low-income housing units, including market studies, surveys, environmental and impact studies, technical assistance, and preliminary architecture, engineering, or legal work; and
- (b) may not use grant funds to pay for staff salaries or construction costs.
- (4) The ~~[executive-]~~ deputy director shall, under the direction of the board, prioritize the awarding of a predevelopment grant for a project that is located within:
- (a) a county of the fifth or sixth class; and
- (b) an area that has underdeveloped infrastructure, as demonstrated by at least two of the following:
- (i) limited or no availability of natural gas;
- (ii) limited or no availability of a sewer system;
- (iii) limited or no availability of broadband Internet;
- (iv) unpaved residential streets; or
- (v) limited local construction professionals, vendors, or services.

Section 43. Section **63N-22-309**, which is renumbered from Section 35A-8-508 is renumbered and amended to read:

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

- (1) The ~~[executive-]~~ deputy director shall monitor the activities of recipients of grants and

loans issued under this part on a yearly basis to ensure compliance with the terms and conditions imposed on the recipient by the ~~[executive-]~~ deputy director with the approval of the board or by this part.

(2) Beginning July 1, 2021, an entity that receives any money from the fund under this part shall provide the ~~[executive-]~~ deputy director with an annual accounting of how the money the entity received from the fund has been spent.

(3) The ~~[executive-]~~ deputy director shall make an annual report to the board accounting for the expenditures authorized by the board.

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

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

(b) evaluating the effectiveness of the program.

Section 44. Section **63N-22-310**, which is renumbered from Section 35A-8-509 is renumbered and amended to read:

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

(1) There is created an enterprise fund known as the "Economic Revitalization and Investment Fund."

(2) The Economic Revitalization and Investment Fund consists of money from the following:

(a) money appropriated to the account by the Legislature;

(b) private contributions;

(c) donations or grants from public or private entities; and

(d) money returned to the ~~[department]~~ division under ~~[Subsection 35A-8-512(3)(a)]~~

Section 63N-22-314.

(3) The Economic Revitalization and Investment Fund shall earn interest, which shall be deposited into the Economic Revitalization and Investment Fund.

(4) The ~~[executive-]~~director may distribute money from the Economic Revitalization and Investment Fund to one or more projects that:

(a) include affordable housing units for households whose income is no more than 30% of the area median income for households of the same size in the county or municipality where the project is located; and

(b) have been approved by the board in accordance with Section ~~[35A-8-510]~~ 63N-22-312.

- (5)(a) A housing sponsor may apply to the [~~department~~] division to receive a distribution in accordance with Subsection (4).
- (b) The application shall include:
- (i) the location of the project;
 - (ii) the number, size, and tenant income requirements of affordable housing units described in Subsection (4)(a) that will be included in the project; and
 - (iii) a written commitment to enter into a deed restriction that reserves for a period of 30 years the affordable housing units described in Subsection (5)(b)(ii) or [~~their~~] the affordable housing unit equivalent for occupancy by households that meet the income requirements described in Subsection (5)(b)(ii).
- (c) The commitment in Subsection (5)(b)(iii) shall be considered met if a housing unit is:
- (i) occupied or reserved for occupancy by a household whose income is no more than 30% of the area median income for households of the same size in the county or municipality where the project is located; or
 - (ii) occupied by a household whose income is no more than 60% of the area median income for households of the same size in the county or municipality where the project is located if that household met the income requirement described in Subsection (4)(a) when the household originally entered into the lease agreement for the housing unit.
- (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [~~department~~] division may make additional rules providing procedures for a person to apply to the [~~department~~] division to receive a distribution described in Subsection (4).
- (6) The [~~executive~~] deputy director may expend up to 3% of the revenues of the Economic Revitalization and Investment Fund, including any appropriation to the Economic Revitalization and Investment Fund, to offset [~~department~~] division or board administrative expenses.

Section 45. Section **63N-22-311**, which is renumbered from Section 35A-8-509.5 is renumbered and amended to read:

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

- (1) There is created an enterprise fund known as the "Rural Housing Fund."
- (2) The Rural Housing Fund consists of money from the following:
 - (a) money appropriated to the account by the Legislature;
 - (b) private contributions;
 - (c) donations or grants from public or private entities; and

(d) money returned to the [department] division under [Subsection 35A-8-512(3)(b)]
Section 63N-22-314.

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

(4) Subject to appropriation, the [executive-] deputy director may expend funds in the Rural
 Housing Fund to provide loans for projects that:

(a) are located within:

(i) a county of the third, fourth, fifth, or sixth class; or

(ii) a municipality in a county of the second class with a population of 10,000 or less;

(b) include moderate income housing units; and

(c) have been approved by the board in accordance with Section [35A-8-510] 63N-22-312.

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

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

(i) the location of the project;

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

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

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

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

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

Section 46. Section **63N-22-312**, which is renumbered from Section 35A-8-510 is renumbered
 and amended to read:

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

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

- (2)(a) The board may approve a project that meets the requirements of [~~Subsections 35A-8-509(4) and (5)] Section 63N-22-310 to receive funds from the Economic Revitalization and Investment Fund.~~
- (b) The board may approve a project that meets the requirements of [~~Subsections 35A-8-509.5(4) and (5)] Section 63N-22-311 to receive funds from the Rural Housing Fund.~~
- (3) The board shall give preference to projects:
- (a) that include significant additional or matching funds from an individual, private organization, or local government entity;
 - (b) that include significant contributions by the applicant to total project costs, including contributions secured by the applicant from other sources such as professional, craft, and trade services and lender interest rate subsidies;
 - (c) with significant local government contributions in the form of infrastructure, improvements, or other assistance;
 - (d) where the applicant has demonstrated the ability, stability, and resources to complete the project;
 - (e) that will serve the greatest need;
 - (f) that promote economic development benefits;
 - (g) that allow integration into a local government housing plan;
 - (h) that would mitigate or correct existing health, safety, or welfare concerns; or
 - (i) that remedy a gap in the supply of and demand for affordable housing.

Section 47. Section **63N-22-313**, which is renumbered from Section 35A-8-511 is renumbered and amended to read:

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

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

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

Section 48. Section **63N-22-314**, which is renumbered from Section 35A-8-512 is renumbered and amended to read:

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

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

Section 49. Section **63N-22-315**, which is renumbered from Section 35A-8-513 is renumbered and amended to read:

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

- (1) The ~~[executive-]~~ deputy director shall monitor the activities of recipients of funds from the Economic Revitalization and Investment Fund and the Rural Housing Fund on a yearly basis to ensure compliance with the terms and conditions imposed on the recipient by the ~~[executive-]~~ deputy director with the approval of the board.
- (2)(a) A housing sponsor that receives funds from the Economic Revitalization and Investment Fund shall provide the ~~[executive-]~~ deputy director with an annual accounting of how the money the entity received from the Economic Revitalization and Investment Fund has been spent and evidence that the commitment described in ~~[Subsection 35A-8-509(5)]~~ Section 63N-22-310 has been met.
- (b) A housing sponsor that receives funds from the Rural Housing Fund shall provide the ~~[executive-]~~ deputy director with an annual accounting of how the money the

entity received from the Rural Housing Fund has been spent and evidence that the commitment described in [~~Subsection 35A-8-509.5(5)~~] Section 63N-22-311 has been met.

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

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

- (a) an accounting for expenditures authorized by the board; and
- (b) an evaluation of the effectiveness of each program.

Section 50. Section **63N-22-316**, which is renumbered from Section 35A-8-2401 is renumbered and amended to read:

[~~35A-8-2401~~] 63N-22-316 (Effective 07/01/26). Pass-through funding agreements -- Accounting for expenditures of a housing organization.

(1) As used in this section:

- (a) "Housing organization" means an entity that:
 - (i) manages a portfolio of investments;
 - (ii) is dedicated to the preservation, enhancement, improvement, and rehabilitation of affordable housing through property investment; and
 - (iii) is controlled by a registered nonprofit.

(b) "Pass-through funding" means state money appropriated by the Legislature to the [~~department~~] division with the intent that the [~~department~~] division grant or otherwise disburse the state money to a third party.

(c) "Rural" means the same as that term is defined in Section [~~35A-8-501~~] 63N-22-301.

(2)(a) This section applies to funds appropriated by the Legislature to the [~~department~~] division for pass-through to a housing organization.

(b) The [~~department~~] division shall ensure that pass-through funding granted or distributed before May 1, 2024 to a housing organization is subject to an agreement as described in this section, either through amending existing agreements or canceling existing agreements and issuing new agreements.

(3)(a) The [~~department~~] division shall create agreements governing the use of pass-through funding as described in this section.

(b) Before a housing organization may accept pass-through funding [~~pursuant to~~] in accordance with this section, the entity shall enter into an agreement with the [

- 3396 ~~department]~~ division governing the use of pass-through funding.
- 3397 (4) An agreement for pass-through funding shall require, at a minimum:
- 3398 (a) the housing organization match pass-through funding with private funding at no less
- 3399 than a 70% private, 30% state split;
- 3400 (b) all pass-through funding be used by the housing organization to invest in housing
- 3401 units that are rented at rates affordable to households with an annual income at or
- 3402 below 80% of the area median income for a family within the county in which the
- 3403 housing is located;
- 3404 (c) that 50% of pass-through funding be used by the housing organization to invest in
- 3405 housing units that are rented at rates affordable to households with an annual income
- 3406 at or below 50% of the area median income for a family within the county in which
- 3407 the housing is located;
- 3408 (d) that at least 30% of pass-through funding be used by the housing organization to
- 3409 invest in housing units that are located in a rural county;
- 3410 (e) that any property purchased with pass-through funding be subject to a deed
- 3411 restriction for a minimum of 40 years to ensure the property remains a rental property
- 3412 affordable to households as described in Subsection (4)(b);
- 3413 (f) that returns on investment generated by pass-through funding shall be reinvested by
- 3414 the housing organization the same as if the returns on investment are pass-through
- 3415 funding; and
- 3416 (g) that the housing organization shall provide the division with the following
- 3417 information at the end of each fiscal year:
- 3418 (i) the housing organization's annual audit, including:
- 3419 (A) a third-party independent auditor's findings on the housing organization's
- 3420 compliance with this section and the terms of the housing organization's
- 3421 agreement for pass-through funding; and
- 3422 (B) the audited financial statements for a legal entity used by the housing
- 3423 organization to carry out activities authorized by this section;
- 3424 (ii) allocation of pass-through funds by county and housing type;
- 3425 (iii) progress and status of funded projects; and
- 3426 (iv) impact of pass-through funds on the availability of affordable housing across the
- 3427 state and by region.
- 3428 (5) The [~~department]~~ division shall include in the annual written report described in Section [
- 3429 ~~35A-1-109]~~ 63N-1a-306 a report accounting for the expenditures authorized by a housing

organization ~~[pursuant to]~~ in accordance with an agreement with the ~~[department]~~ division.

Section 51. Section **63N-22-401**, which is renumbered from Section 35A-8-2102 is renumbered and amended to read:

Part 4. Private Activity Bonds

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

As used in this part:

- (1) "Allocated volume cap" means a volume cap for which:
 - (a) a certificate of allocation is in effect; or
 - (b) bonds have been issued.
- (2) "Allotment accounts" means the various accounts created in Section ~~[35A-8-2106]~~ 63N-22-405.
- (3) "Board of review" means the Private Activity Bond Review Board created in Section ~~[35A-8-2103]~~ 63N-22-402.
- (4) "Bond" means any obligation for which an allocation of volume cap is required by the code.
- (5) "Code" means the Internal Revenue Code of 1986, as amended, and any related Internal Revenue Service regulations.
- (6) "Form 8038" means the Department of the Treasury tax form 8038 (OMB No. 1545-0720) or any other federal tax form or other method of reporting required by the Department of the Treasury under Section 149(e) of the code.
- (7) "Issuing authority" means:
 - (a) any county, city, or town in the state;
 - (b) any not-for-profit corporation or joint agency, or other entity acting on behalf of one or more counties, cities, towns, or any combination of these;
 - (c) the state; or
 - (d) any other entity authorized to issue bonds under state law.
- (8) "State" means the state of Utah and any ~~[of its]~~ state agencies, institutions, and divisions authorized to issue bonds or certificates under state law.
- (9) "Volume cap" means the private activity bond volume cap for the state as computed under Section 146 of the code.
- (10) "Year" means each calendar year.

Section 52. Section **63N-22-402**, which is renumbered from Section 35A-8-2103 is renumbered and amended to read:

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

Board.

- (1) There is created within the ~~[department]~~ division the Private Activity Bond Review Board, composed of the following 11 members:
- (a)(i) the ~~[executive-]~~ deputy director ~~[of the department-]~~ or the ~~[executive-]~~ deputy director's designee;
 - (ii) the executive director ~~[of the Governor's Office of Economic Opportunity-]~~ or the executive director's designee;
 - (iii) the state treasurer or the state treasurer's designee;
 - (iv) the chair of the Utah Board of Higher Education or the chair's designee; and
 - (v) the chair of the Utah Housing Corporation or the chair's designee; and
- (b) six local government members who are:
- (i) three elected or appointed county officials, nominated by the Utah Association of Counties and appointed or reappointed by the governor with the advice and consent of the Senate and in accordance with Title 63G, Chapter 24, Part 2, Vacancies; and
 - (ii) three elected or appointed municipal officials, nominated by the Utah League of Cities and Towns and appointed or reappointed by the governor with the advice and consent of the Senate and in accordance with Title 63G, Chapter 24, Part 2, Vacancies.
- (2)(a) Except as required by Subsection (2)(b), the terms of office for the local government members of the board of review shall be four-year terms.
- (b) Notwithstanding the requirements of Subsection (2)(a), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of board of review members are staggered so that approximately half of the board of review is appointed every two years.
- (c) Members may be reappointed only once.
- (3)(a) If a local government member ceases to be an elected or appointed official of the city or county the member is appointed to represent, that membership on the board of review terminates immediately and there shall be a vacancy in the membership.
- (b) When a vacancy occurs in the local government membership for any reason:
- (i) the Utah Association of Counties or the Utah League of Cities and Towns shall, within 30 days after the date of the vacancy, nominate an official described in Subsection (1)(b)(i) or (ii), as applicable, to fill the vacancy; and
 - (ii) the governor shall, with the advice and consent of the Senate in accordance with

Title 63G, Chapter 24, Part 2, Vacancies, appoint the nominee for the unexpired term.

(4)(a) The chair of the board of review is the ~~[executive director of the department or the executive]~~ deputy director or the deputy director's designee.

(b) The chair is nonvoting except in the case of a tie vote.

(5) Six members of the board of review constitute a quorum.

(6) Formal action by the board of review requires a majority vote of a quorum.

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

(a) Section 63A-3-106;

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

(c) rules made by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

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

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

Section 53. Section **63N-22-403**, which is renumbered from Section 35A-8-2104 is renumbered and amended to read:

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

The board of review shall:

(1) make, subject to the limitations of the code, allocations of volume cap to issuing authorities;

(2) determine the amount of volume cap to be allocated with respect to approved applications;

(3) maintain a record of all applications filed by issuing authorities under Section [~~35A-8-2105~~] 63N-22-404 and all certificates of allocation issued under Section [~~35A-8-2107~~] 63N-22-406;

(4) maintain a record of all bonds issued by issuing authorities during each year;

(5) determine the amount of volume cap to be treated as a carryforward under Section 146(f) of the code and allocate this carryforward to one or more qualified carryforward purposes;

- (6) make available upon reasonable request a certified copy of all or any part of the records maintained by the board of review under this part or a summary of them, including information relating to the volume cap for each year and any amounts available for allocation under this part;
- (7) make rules for the allocation of volume cap under this part; and
- (8) charge reasonable fees for the performance of duties prescribed by this part, including application, filing, and processing fees.

Section 54. Section **63N-22-404**, which is renumbered from Section 35A-8-2105 is renumbered and amended to read:

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

- (1)(a) Subject to Subsection (1)(b), the volume cap for each year shall be distributed by the board of review to the allotment accounts as described in Section [35A-8-2106] 63N-22-405.
- (b) The board of review may distribute up to 50% of each increase in the volume cap for use in development that occurs in quality growth areas, depending upon the board's analysis of the relative need for additional volume cap between development in quality growth areas and the allotment accounts under Section [35A-8-2106] 63N-22-405.
- (2) To obtain an allocation of the volume cap, issuing authorities shall submit to the board of review an application containing information required by the procedures and processes of the board of review.
- (3)(a) The board of review shall establish criteria for making allocations of volume cap that are consistent with the purposes of the code and this part.
- (b) In making an allocation of volume cap the board of review shall consider the following:
- (i) the principal amount of the bonds proposed to be issued;
 - (ii) the nature and the location of the project or the type of program;
 - (iii) the likelihood that the bonds will be sold and the timeframe of bond issuance;
 - (iv) whether the project or program could obtain adequate financing without an allocation of volume cap;
 - (v) the degree to which an allocation of volume cap is required for the project or program to proceed or continue;
 - (vi) the social, health, economic, and educational effects of the project or program on the local community and state as a whole;

- (vii) the anticipated economic development created or retained within the local community and the state as a whole;
- (viii) the anticipated number of jobs, both temporary and permanent, created or retained within the local community and the state as a whole; and
- (ix) if the project is a residential rental project, the degree to which the residential rental project:
 - (A) targets lower income populations; and
 - (B) is accessible housing.

(4) The board of review shall provide evidence of an allocation of volume cap by issuing a certificate in accordance with Section ~~[35A-8-2107]~~ 63N-22-406.

(5)(a) Subject to Subsection (5)(c), from January 1 to June 30 of each year, the board of review shall set aside at least 50% of the Small Issue Bond Account that may only be allocated to manufacturing projects.

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

(c) The board of review is not required to set aside any unused volume cap under Subsection ~~[35A-8-2106(2)(e)]~~ 63N-22-405(2)(c) to satisfy the requirements of Subsection (5)(a) or (b).

Section 55. Section **63N-22-405**, which is renumbered from Section 35A-8-2106 is renumbered and amended to read:

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

(1) There are created the following allotment accounts:

- (a) the Single Family Housing Account, for which eligible issuing authorities are those authorized under the code and state statute to issue qualified mortgage bonds under Section 143 of the code;
- (b) the Student Loan Account, for which eligible issuing authorities are those authorized under the code and state statute to issue qualified student loan bonds under Section 144(b) of the code;
- (c) the Small Issue Bond Account, for which eligible issuing authorities are those authorized under the code and state statute to issue:
 - (i) qualified small issue bonds under Section 144(a) of the code;
 - (ii) qualified exempt facility bonds for qualified residential rental projects under Section 142(d) of the code; or

- 3600 (iii) qualified redevelopment bonds under Section 144(c) of the code;
- 3601 (d) the Exempt Facilities Account, for which eligible issuing authorities are those
- 3602 authorized under the code and state statute to issue any bonds requiring an allocation
- 3603 of volume cap other than for purposes described in Subsection (1)(a), (b), or (c);
- 3604 (e) the Pool Account, for which eligible issuing authorities are those authorized under
- 3605 the code and state statute to issue any bonds requiring an allocation of volume cap;
- 3606 and
- 3607 (f) the Carryforward Account, for which eligible issuing authorities are those with
- 3608 projects or programs qualifying under Section 146(f) of the code.
- 3609 (2)(a) The volume cap shall be distributed to the allotment accounts on January 1 of
- 3610 each year on the following basis:
- 3611 (i) 42% to the Single Family Housing Account;
- 3612 (ii) 33% to the Student Loan Account;
- 3613 (iii) 1% to the Exempt Facilities Account; and
- 3614 (iv) 24% to the Small Issue Bond Account.
- 3615 (b) From July 1 to September 30 of each year, the board of review may transfer any
- 3616 unallocated volume cap from the Exempt Facilities Account or the Small Issue Bond
- 3617 Account to the Pool Account.
- 3618 (c) Upon written notification by the issuing authorities eligible for volume cap allocation
- 3619 from the Single Family Housing Account or the Student Loan Account that all or a
- 3620 portion of volume cap distributed into that allotment account will not be used, the
- 3621 board of review may transfer the unused volume cap to any other allotment account.
- 3622 (d) From October 1 to the third Friday of December of each year, the board of review
- 3623 shall transfer all unallocated volume cap into the Pool Account.
- 3624 (e) On the third Saturday of December of each year, the board of review shall transfer
- 3625 uncollected volume cap, or allocated volume cap for which bonds have not been
- 3626 issued prior to the third Saturday of December, into the Carryforward Account.
- 3627 (f) If the authority to issue bonds designated in any allotment account is rescinded by
- 3628 amendment to the code, the board of review may transfer any unallocated volume cap
- 3629 from that allotment account to any other allotment account.

3630 Section 56. Section **63N-22-406**, which is renumbered from Section 35A-8-2107 is renumbered
 3631 and amended to read:

3632 **[35A-8-2107] 63N-22-406 (Effective 07/01/26). Certificates of allocation.**

- 3633 (1)(a) After an allocation of volume cap for a project or program is approved by the

board of review, the board of review shall issue a numbered certificate of allocation stating the amount of the allocation, the allotment account for which the allocation is being made, and the expiration date of the allocation.

(b) The certificates of allocation shall be mailed to the issuing authority within 10 working days of the date of approval.

(c) Bonds are not entitled to any allocation of the volume cap unless the issuing authority received a certificate of allocation with respect to the bonds.

(d)(i) Certificates of allocation shall remain in effect for a period of 90 days from the date of approval.

(ii) If bonds for which a certificate has been approved are not issued within the 90-day period, the certificate of allocation is void and volume cap shall be returned to the applicable allotment account for reallocation by the board of review.

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

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

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

Section 57. Section **63N-22-407**, which is renumbered from Section 35A-8-2108 is renumbered and amended to read:

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

(1)(a) Notwithstanding any law to the contrary, an issuing authority issuing bonds without a certificate of allocation issued under Section [35A-8-2107] **63N-22-406**, or an issuing authority issuing bonds after the expiration of a certificate of allocation, is

not entitled to an allocation of the volume cap for those bonds.

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

(2) Each issuing authority shall:

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

(b) if all or a stated portion of the bonds for which a certificate of allocation was received will not be issued, advise the board of review in writing, within 15 days of the earlier of:

(i) the final decision not to issue all or a stated portion of the bonds; or

(ii) the expiration of the certificate of allocation.

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

Section 58. Section **63N-22-408**, which is renumbered from Section 35A-8-2109 is renumbered and amended to read:

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

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

Section 59. Section **63N-22-409**, which is renumbered from Section 35A-8-2110 is renumbered and amended to read:

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

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

- (2) To promote and encourage the issuance of bonds from the Small Issue Bond Account for manufacturing projects, the [department] division may:
- (a) develop campaigns and materials that inform qualified small manufacturing businesses about the existence of the program and the application process;
 - (b) assist small businesses in applying for and qualifying for these bonds; and
 - (c) develop strategies to lower the cost to small businesses of applying for and qualifying for these bonds, including making arrangements with financial advisors, underwriters, bond counsel, and other professionals involved in the issuance process to provide services at a reduced rate when the [~~department~~] division can provide such service providers with a high volume of applicants or issues.

Section 60. Section **72-1-215** is amended to read:

72-1-215 (Effective 07/01/26). Affordable housing study.

- (1) As used in this section, "moderate income housing unit" means a housing unit that has an appraised value that would allow, as estimated by the department, a household whose income is no more than 80% of the area median income to occupy the housing unit paying no more than 30% of the household's income for gross housing costs, including utilities.
- (2) On or before September 15, the department shall provide a written report to the Economic Development and Workforce Services Interim Committee [~~and to the Commission on Housing Affordability created in Section 35A-8-2201-~~] and the Political Subdivisions Interim Committee that describes:
 - (a) the total number of housing units that were permanently vacated or destroyed as a result of department action in the previous fiscal year, including separate subtotals describing the total number of housing units with one bedroom, two bedrooms, three bedrooms, and four or more bedrooms, which were permanently vacated or destroyed as a result of department action in the previous fiscal year; and
 - (b) the total number of moderate income housing units that were permanently vacated or destroyed as a result of department action in the previous fiscal year, including separate subtotals describing the total number of moderate income housing units with one bedroom, two bedrooms, three bedrooms, and four or more bedrooms, which were permanently vacated or destroyed as a result of department action in the previous fiscal year.

Section 61. Section **72-1-304** is amended to read:

72-1-304 (Effective 07/01/26). Written project prioritization process for new

transportation capacity projects -- Rulemaking.

- (1)(a) The Transportation Commission, in consultation with the department and the metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a written prioritization process for the prioritization of:
- (i) new transportation capacity projects that are or will be part of the state highway system under Chapter 4, Part 1, State Highways;
 - (ii) paved pedestrian or paved nonmotorized transportation projects described in Section 72-2-124;
 - (iii) public transit projects that directly add capacity to the public transit systems within the state, not including facilities ancillary to the public transit system; and
 - (iv) pedestrian or nonmotorized transportation projects that provide connection to a public transit system.
- (b)(i) A local government or public transit district may nominate a project for prioritization in accordance with the process established by the commission in rule.
- (ii) If a local government or public transit district nominates a project for prioritization by the commission, the local government or public transit district shall provide data and evidence to show that:
- (A) the project will advance the purposes and goals described in Section 72-1-211;
 - (B) for a public transit project, the local government or public transit district has an ongoing funding source for operations and maintenance of the proposed development; and
 - (C) the local government or public transit district will provide the percentage of the costs for the project as required by Subsection 72-2-124(4)(a)(viii) or 72-2-124(10)(e).
- (2) The following shall be included in the written prioritization process under Subsection (1):
- (a) a description of how the strategic initiatives of the department adopted under Section 72-1-211 are advanced by the written prioritization process;
 - (b) a definition of the type of projects to which the written prioritization process applies;
 - (c) specification of a weighted criteria system that is used to rank proposed projects and how it will be used to determine which projects will be prioritized;
 - (d) specification of the data that is necessary to apply the weighted ranking criteria; and
 - (e) any other provisions the commission considers appropriate, which may include consideration of:
 - (i) regional and statewide economic development impacts, including improved local

access to:

(A) employment;

(B) educational facilities;

(C) recreation;

(D) commerce; and

(E) residential areas, including moderate income housing as demonstrated in the local government's or public transit district's general plan in accordance with Section 10-20-404 or 17-79-403;

(ii) the extent to which local land use plans relevant to a project support and accomplish the strategic initiatives adopted under Section 72-1-211; and

(iii) any matching funds provided by a political subdivision or public transit district in addition to the percentage of costs required by Subsections 72-2-124(4)(a)(viii) and 72-2-124(10)(e).

(3)(a) When prioritizing a public transit project that increases capacity, the commission:

(i) may give priority consideration to projects that are part of a transit-oriented development or transit-supportive development as defined in Section 17B-2a-802; and

(ii) shall give priority consideration to projects that are within the boundaries of a housing and transit reinvestment zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

(b) When prioritizing a transportation project that increases capacity, the commission may give priority consideration to projects that are:

(i) part of a transportation reinvestment zone created under Section 11-13-227 if:

(A) the state is a participant in the transportation reinvestment zone; or

(B) the commission finds that the transportation reinvestment zone provides a benefit to the state transportation system; or

(ii) within the boundaries of a housing and transit reinvestment zone created pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

(c) If the department receives a notice of prioritization for a municipality as described in Subsection 10-21-202(5), or a notice of prioritization for a county as described in Subsection 17-80-202(5), the commission may give priority consideration to transportation projects that are within the boundaries of the municipality or the unincorporated areas of the county until the department receives notification from the [Housing and Community Development Division within the Department of Workforce

Services] Division of Housing within the Governor's Office of Economic Opportunity
that the municipality or county no longer qualifies for prioritization under this
Subsection (3)(c).

- (d) When prioritizing a transportation project described in Subsection (1)(a)(ii) or (iv),
the commission may give priority consideration to projects that improve connectivity
in accordance with Section 10-8-87.

- (4) In developing the written prioritization process, the commission:

(a) shall seek and consider public comment by holding public meetings at locations
throughout the state; and

(b) may not consider local matching dollars as provided under Section 72-2-123 unless
the state provides an equal opportunity to raise local matching dollars for state
highway improvements within each county.

- (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
Transportation Commission, in consultation with the department, shall make rules
establishing the written prioritization process under Subsection (1).

- (6) The commission shall submit the proposed rules under this section to the Transportation
Interim Committee for review before taking final action on the proposed rules or any
proposed amendment to the rules described in Subsection (5).

Section 62. Section **72-2-124** is amended to read:

72-2-124 (Effective 07/01/26). Transportation Investment Fund of 2005.

- (1) There is created a capital projects fund entitled the Transportation Investment Fund of
2005.

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

(a) any voluntary contributions received for the maintenance, construction,
reconstruction, or renovation of state and federal highways;

(b) appropriations made to the fund by the Legislature;

(c) registration fees designated under Section 41-1a-1201;

(d) the sales and use tax revenues deposited into the fund in accordance with Section
59-12-103;

(e) revenues transferred to the fund in accordance with Section 72-2-106;

(f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and

(g) revenue from bond proceeds described in Section 63B-34-201.

- (3)(a) The fund shall earn interest.

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

- (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund money to pay:
- (i) the costs of maintenance, construction, reconstruction, or renovation to state and federal highways prioritized by the Transportation Commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304;
 - (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway projects described in Subsections 63B-18-401(2), (3), and (4);
 - (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in Section 72-5-401;
 - (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401 minus the costs paid from the County of the First Class Highway Projects Fund in accordance with Subsection 72-2-121(4)(e);
 - (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;
 - (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101 for projects prioritized in accordance with Section 72-2-125;
 - (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described in Section 72-2-121;
 - (viii) if a political subdivision provides a contribution equal to or greater than 40% of the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved nonmotorized transportation for projects that:
 - (A) mitigate traffic congestion on the state highway system;
 - (B) are part of an active transportation plan approved by the department; and
 - (C) are prioritized by the commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304;
 - (ix) \$705,000,000 for the costs of right-of-way acquisition, construction, reconstruction, or renovation of or improvement to the following projects:
 - (A) the connector road between Main Street and 1600 North in the city of Vineyard;

- 3872 (B) Geneva Road from University Parkway to 1800 South;
3873 (C) the SR-97 interchange at 5600 South on I-15;
3874 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
3875 South Jordan Parkway;
3876 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
3877 (F) improvements to 1600 North in Orem from 1200 West to State Street;
3878 (G) widening I-15 between mileposts 6 and 8;
3879 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
3880 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
3881 in Spanish Fork Canyon;
3882 (J) I-15 northbound between mileposts 43 and 56;
3883 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
3884 43 and 45.1;
3885 (L) east Zion SR-9 improvements;
3886 (M) Toquerville Parkway;
3887 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
3888 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
3889 for construction of an interchange on Bangerter Highway at 13400 South; and
3890 (P) an environmental impact study for Kimball Junction in Summit County;
3891 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
3892 costs based upon a statement of cash flow that the local jurisdiction where the
3893 project is located provides to the department demonstrating the need for money
3894 for the project, for the following projects in the following amounts:
3895 (A) \$5,000,000 for Payson Main Street repair and replacement;
3896 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
3897 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
3898 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
3899 40 between mile markers 7 and 10;
3900 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way
3901 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road
3902 over the railroad and to U.S. Highway 6;
3903 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from
3904 revenue deposited into the fund in accordance with Section 59-12-103, for the
3905 following projects:

- 3906 (A) \$3,000,000 for the department to perform an environmental study for the I-15
3907 Salem and Benjamin project; and
- 3908 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand
3909 Dunes Road project; and
- 3910 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of
3911 right-of-way acquisition and construction for improvements on SR-89 in a county
3912 of the first class.
- 3913 (b) The executive director may use fund money to exchange for an equal or greater
3914 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 3915 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
3916 not commence until a right-of-way not owned by a federal agency that is required
3917 for the realignment and extension of U-111, as described in the department's 2023
3918 environmental study related to the project, is dedicated to the department.
- 3919 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the
3920 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the
3921 department may proceed with the project, except that the project will be limited to
3922 two lanes on U-111 from Herriman Parkway to 11800 South.
- 3923 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of
3924 ineligibility for a municipality as described in Subsection 10-21-202(8), the executive
3925 director may not program fund money to a project prioritized by the commission
3926 under Section 72-1-304, including fund money from the Transit Transportation
3927 Investment Fund, within the boundaries of the municipality until the department
3928 receives notification from the [~~Housing and Community Development Division~~
3929 ~~within the Department of Workforce Services~~] Division of Housing within the
3930 Governor's Office of Economic Opportunity that ineligibility under this Subsection
3931 (5) no longer applies to the municipality.
- 3932 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive
3933 director:
- 3934 (i) may program fund money in accordance with Subsection (4)(a) for a
3935 limited-access facility or interchange connecting limited-access facilities;
- 3936 (ii) may not program fund money for the construction, reconstruction, or renovation
3937 of an interchange on a limited-access facility;
- 3938 (iii) may program Transit Transportation Investment Fund money for a
3939 multi-community fixed guideway public transportation project; and

(iv) may not program Transit Transportation Investment Fund money for the construction, reconstruction, or renovation of a station that is part of a fixed guideway public transportation project.

(c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive director before July 1, 2022, for projects prioritized by the commission under Section 72-1-304.

(6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of ineligibility for a county as described in Subsection 17-80-202(8), the executive director may not program fund money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the unincorporated area of the county until the department receives notification from the ~~[Housing and Community Development Division within the Department of Workforce Services]~~ Division of Housing within the Governor's Office of Economic Opportunity that ineligibility under this Subsection (6) no longer applies to the county.

(b) Within the boundaries of the unincorporated area of a county described in Subsection (6)(a), the executive director:

(i) may program fund money in accordance with Subsection (4)(a) for a limited-access facility to a project prioritized by the commission under Section 72-1-304;

(ii) may not program fund money for the construction, reconstruction, or renovation of an interchange on a limited-access facility;

(iii) may program Transit Transportation Investment Fund money for a multi-community fixed guideway public transportation project; and

(iv) may not program Transit Transportation Investment Fund money for the construction, reconstruction, or renovation of a station that is part of a fixed guideway public transportation project.

(c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive director before July 1, 2022, for projects prioritized by the commission under Section 72-1-304.

(7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in any fiscal year, the department and the commission shall appear before the Executive Appropriations Committee of the Legislature and present the amount of bond proceeds that the department needs to provide funding for the projects identified in

Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.

(b) The Executive Appropriations Committee of the Legislature shall review and comment on the amount of bond proceeds needed to fund the projects.

(8) The Division of Finance shall, from money deposited into the fund, transfer the amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt service or sinking fund.

(9) The executive director may only use money in the fund for corridor preservation as described in Subsection (4)(a)(iii):

(a) if the project has been prioritized by the commission, including the use of fund money for corridor preservation; or

(b) for a project that has not been prioritized by the commission, if the commission:

(i) approves the use of fund money for the corridor preservation; and

(ii) finds that the use of fund money for corridor preservation will not result in any delay to a project that has been prioritized by the commission.

(10)(a) There is created in the Transportation Investment Fund of 2005 the Transit Transportation Investment Fund.

(b) The fund shall be funded by:

(i) contributions deposited into the fund in accordance with Section 59-12-103;

(ii) appropriations into the account by the Legislature;

(iii) deposits of sales and use tax increment related to a housing and transit reinvestment zone as described in Section 63N-3-610;

(iv) transfers of local option sales and use tax revenue as described in Subsection 59-12-2220(11)(b) or (c);

(v) private contributions; and

(vi) donations or grants from public or private entities.

(c)(i) The fund shall earn interest.

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

(d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:

(i) for public transit capital development of new capacity projects and fixed guideway capital development projects to be used as prioritized by the commission through the prioritization process adopted under Section 72-1-304;

(ii) to the department for oversight of a fixed guideway capital development project

- 4008 for which the department has responsibility; or
- 4009 (iii) up to \$500,000 per year, to be used for a public transit study.
- 4010 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize
- 4011 money from the fund for a public transit capital development project or pedestrian
- 4012 or nonmotorized transportation project that provides connection to the public
- 4013 transit system if the public transit district or political subdivision provides funds of
- 4014 equal to or greater than 30% of the costs needed for the project.
- 4015 (ii) A public transit district or political subdivision may use money derived from a
- 4016 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide
- 4017 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
- 4018 (A) the loan is approved by the commission as required in Part 2, State
- 4019 Infrastructure Bank Fund; and
- 4020 (B) the proposed capital project has been prioritized by the commission pursuant
- 4021 to Section 72-1-303.
- 4022 (f) Before July 1, 2022, the department and a large public transit district shall enter into
- 4023 an agreement for a large public transit district to pay the department \$5,000,000 per
- 4024 year for 15 years to be used to facilitate the purchase of zero emissions or low
- 4025 emissions rail engines and trainsets for regional public transit rail systems.
- 4026 (g) For any revenue transferred into the fund in accordance with Subsection
- 4027 59-12-2220(11)(b):
- 4028 (i) the commission may prioritize money from the fund for public transit projects,
- 4029 operations, or maintenance within the county of the first class; and
- 4030 (ii) Subsection (10)(e) does not apply.
- 4031 (h) For any revenue transferred into the fund in accordance with Subsection
- 4032 59-12-2220(11)(c):
- 4033 (i) the commission may prioritize public transit projects, operations, or maintenance
- 4034 in the county from which the revenue was generated; and
- 4035 (ii) Subsection (10)(e) does not apply.
- 4036 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
- 4037 the project described in Subsection (10)(e) does not apply to a public transit capital
- 4038 development project or pedestrian or nonmotorized transportation project that the
- 4039 department proposes.
- 4040 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may
- 4041 prioritize money from the fund for public transit innovation grants, as defined in

- 4042 Section 72-2-401, for public transit capital development projects requested by a
4043 political subdivision within a public transit district.
- 4044 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
4045 Canyons Transportation Investment Fund.
- 4046 (b) The fund shall be funded by:
- 4047 (i) money deposited into the fund in accordance with Section 59-12-103;
4048 (ii) appropriations into the account by the Legislature;
4049 (iii) private contributions; and
4050 (iv) donations or grants from public or private entities.
- 4051 (c)(i) The fund shall earn interest.
4052 (ii) All interest earned on fund money shall be deposited into the fund.
- 4053 (d) The Legislature may appropriate money from the fund for public transit or
4054 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 4055 (e) The department may use up to 2% of the revenue deposited into the account under
4056 Subsection 59-12-103(4)(f) to contract with local governments as necessary for
4057 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- 4058 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any
4059 sales and use tax growth over sales and use tax collections during the 2025 fiscal year
4060 to fund projects to provide ingress and egress for a public transit hub, including
4061 construction of the public transit hub, in the Big Cottonwood Canyon area.
- 4062 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
4063 Transportation Investment Fund.
- 4064 (b) The fund shall be funded by:
- 4065 (i) money deposited into the fund in accordance with Section 59-12-103;
4066 (ii) appropriations into the account by the Legislature; and
4067 (iii) donations or grants from public or private entities.
- 4068 (c)(i) The fund shall earn interest.
4069 (ii) All interest earned on fund money shall be deposited into the fund.
- 4070 (d) The executive director may only use fund money to pay the costs needed for:
- 4071 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
4072 paved pedestrian or paved nonmotorized trail projects that:
4073 (A) are prioritized by the commission through the prioritization process for new
4074 transportation capacity projects adopted under Section 72-1-304;
4075 (B) serve a regional purpose; and

- 4076 (C) are part of an active transportation plan approved by the department or the
4077 plan described in Subsection (12)(d)(ii);
- 4078 (ii) the development of a plan for a statewide network of paved pedestrian or paved
4079 nonmotorized trails that serve a regional purpose; and
- 4080 (iii) the administration of the fund, including staff and overhead costs.
- 4081 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is
4082 defined in Section 63N-3-602.
- 4083 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
4084 Subaccount.
- 4085 (c) The subaccount shall be funded by:
- 4086 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 4087 (ii) appropriations into the subaccount by the Legislature;
- 4088 (iii) private contributions; and
- 4089 (iv) donations or grants from public or private entities.
- 4090 (d)(i) The subaccount shall earn interest.
- 4091 (ii) All interest earned on money in the subaccount shall be deposited into the
4092 subaccount.
- 4093 (e) As prioritized by the commission through the prioritization process adopted under
4094 Section 72-1-304 or as directed by the Legislature, the department may only use
4095 money from the subaccount for projects that improve the state's commuter rail
4096 infrastructure, including the building or improvement of grade-separated crossings
4097 between commuter rail lines and public highways.
- 4098 (f) Appropriations made in accordance with this section are nonlapsing in accordance
4099 with Section 63J-1-602.1.
- 4100 Section 63. Section **72-5-117** is amended to read:
- 4101 **72-5-117 (Effective 07/01/26). Rulemaking for sale of real property -- Licensed**
4102 **or certified appraisers -- Exceptions.**
- 4103 (1) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if the
4104 department buys, sells, or exchanges real property, the department shall make rules to
4105 ensure that the value of the real property is congruent with the proposed price and other
4106 terms of the purchase, sale, or exchange.
- 4107 (2) The rules:
- 4108 (a) shall establish procedures for determining the value of the real property;
- 4109 (b) may provide that an appraisal, as defined under Section 61-2g-102, demonstrates the

- 4110 real property's value;
- 4111 (c) may require that the appraisal be completed by a state-certified general appraiser, as
- 4112 defined under Section 61-2g-102;
- 4113 (d) may provide for the sale or exchange of real property, with or without charge, to a
- 4114 large public transit district if the executive director enters into an agreement with the
- 4115 large public transit district and determines that the real property:
- 4116 (i) is within the boundaries of a station area that has a station area plan certified by a
- 4117 metropolitan planning organization in accordance with Section 10-21-203;
- 4118 (ii) is part of a transit-oriented development or transit-supportive development as
- 4119 defined in Section 17B-2a-802;
- 4120 (iii) is adjacent to a completed fixed guideway capital development that was overseen
- 4121 by the department; or
- 4122 (iv) will only be used by the large public transit district in a manner that the executive
- 4123 director determines will provide a benefit to the state transportation system; and
- 4124 (e) subject to Subsection (4), may provide for a sale of surplus real property to a state
- 4125 agency or an independent entity, as defined in Section 63E-1-102, that administers
- 4126 public interests in housing for a pre-entitlement appraised value the payment of
- 4127 which may be deferred [until] no more than five years after the development of
- 4128 owner-occupied housing.
- 4129 (3) Subsection (1) does not apply to the purchase, sale, or exchange of real property, or to
- 4130 an interest in real property:
- 4131 (a) that is under a contract or other written agreement before May 5, 2008; or
- 4132 (b) with a value of less than \$100,000, as estimated by the state agency.
- 4133 (4) If the department chooses to provide for sale surplus real property to a state agency or
- 4134 an independent entity in accordance with Subsection (2)(e), the department shall:
- 4135 (a) identify the surplus real property described in Subsection (2)(e) as suitable for sale;
- 4136 (b) ensure that the property is appraised at fair market value in accordance with this
- 4137 section;
- 4138 (c) ensure that:
- 4139 (i) the boundary of the property is within one-half mile of a station or loading zone of
- 4140 a public transit facility, as that term is defined in Section 72-1-102; or
- 4141 (ii) the property is developed to include:
- 4142 (A) at least one parking space for each bedroom in a dwelling unit; or
- 4143 (B) the number of parking spaces required for a dwelling unit under local zoning

and land use regulations; and

(d) sell the property:

(i) at the appraisal price within 12 months from the date on which the department receives the appraisal described in Subsection (4)(b); and

(ii) within 18 months from the date on which the department determines that the surplus real property is suitable for development.

(5)(a) The department shall coordinate with the director of the Division of Housing within the Governor's Office of Economic Opportunity:

(i) on the sale of surplus property as described in this section; or

(ii) on the sale of surplus property to be used for the development or conversion of moderate income housing that is granted or leased in accordance with Section 63L-12-102.

Section 64. Section **73-10c-3** is amended to read:

73-10c-3 (Effective 07/01/26). Water Development Coordinating Council created -- Purpose -- Members.

(1)(a) There is created within the Department of Natural Resources a Water Development Coordinating Council. The council is comprised of:

(i) the director of the Division of Water Resources;

(ii) the executive secretary of the Water Quality Board;

(iii) the executive secretary of the Drinking Water Board;

(iv) the director of the [~~Housing and~~]Community Development Division or the director's designee;

(v) the state treasurer or the state treasurer's designee;

(vi) the commissioner of the Department of Agriculture and Food, or the commissioner's designee; and

(vii) an individual appointed by the governor with the advice and consent of the Senate who is:

(A) familiar with water infrastructure projects, including planning, financing, construction, or operation; and

(B) employed by a water conservancy district that is subject to the asset management criteria [of] described in Section 17B-2a-1010.

(b) The council shall choose a chair and vice chair from among the council's own members, except the chair and vice chair may not be from the same department.

(c) A member may not receive compensation or benefits for the member's service, but

may receive per diem and travel expenses in accordance with:

(i) Section 63A-3-106;

(ii) Section 63A-3-107; and

(iii) rules made by the Division of Finance [~~pursuant to~~] in accordance with Sections 63A-3-106 and 63A-3-107.

(2) The purposes of the council are to:

(a) coordinate the use and application of the money available to the state to give financial assistance to political subdivisions of this state so as to promote the conservation, development, treatment, restoration, and protection of the waters of this state;

(b) promote the coordination of the financial assistance programs administered by the state and the use of the financing alternative most economically advantageous to the state and [~~its-~~] the political subdivisions of the state;

(c) promote the consideration by the Board of Water Resources, Drinking Water Board, and Water Quality Board of regional solutions to the water and wastewater needs of individual political subdivisions of this state;

(d) assess the adequacy and needs of the state and [~~its-~~] the political subdivisions [~~with respect to~~] of the state concerning water-related infrastructures and advise the governor and the Legislature on those funding needs;

(e) conduct reviews and reports on water-related infrastructure issues as directed by statute;

(f) engage in planning and prioritization of water infrastructure projects in accordance with Chapter 10g, Part 6, Planning and Prioritization; and

(g) expend money from the Water Infrastructure Fund in accordance with Section 73-10g-107.

Section 65. Section **78B-6-521** is amended to read:

78B-6-521 (Effective 07/01/26). Sale of property acquired by eminent domain.

(1) As used in this section:

(a) "Condemnation" or "threat of condemnation" means:

(i) acquisition through an eminent domain proceeding; or

(ii) an official body of the state or a subdivision of the state, having the power of eminent domain, has specifically authorized the use of eminent domain to acquire the real property.

(b)(i) "Highest offer" means all material terms of the best bona fide offer received by

the state or one of the state's subdivisions, including:

(A) purchase price;

(B) conditions; and

(C) terms of performance.

(ii) "Highest offer" does not mean the terms and conditions of an agreement to exchange real property or an interest in real property for other real property or an interest in real property.

(2) If the state or one of the state's subdivisions, at the state's or the state subdivision's sole discretion, declares real property or an easement the state or state subdivision acquires through condemnation or threat of condemnation to be surplus real property, the state or state subdivision may not sell the real property or easement at a private or public sale unless:

(a)(i) for real property, the state or state subdivision gives the right of first refusal to the original grantor for the highest offer if, since the date of the original transfer to the state or state subdivision, the original grantor has owned real property adjacent to the transferred real property; or

(ii) for an easement, the state or state subdivision gives the right of first refusal to:

(A) if the original grantor owns the servient estate subject to the easement, the original grantor for the highest offer; or

(B) if a subsequent bona fide purchaser owns the servient estate subject to the easement, the subsequent bona fide purchaser for the highest offer;

(b) the original grantor or subsequent bona fide purchaser described in Subsection (2)(a):

(i) expressly waives in writing the right of first refusal on the offer; or

(ii) fails to accept the offer within 90 days after the day on which the original grantor or subsequent bona fide purchaser receives notification by registered mail to the original grantor's or subsequent bona fide purchaser's last-known address; and

(c) neither the state nor the state subdivision selling the property is involved in the rezoning of the property or the acquisition of additional property to enhance the value of the real property to be sold.

(3)(a) If the original grantor or subsequent bona fide purchaser has not waived the right of first refusal as described in Subsection (2)(b), an original grantor or subsequent bona fide purchaser may assign the right of first refusal.

(b) The assignment of a right of first refusal in accordance with Subsection (3)(a) does not extend the time for acceptance of an offer as described in Subsection (2)(b).

(4)(a) Real property acquired through condemnation or the threat of condemnation is not considered surplus if the real property is approved for use in an exchange for other real property.

(b) An exchange of real property for other real property is not a private or public sale.

(c) The right of first refusal described in Subsection (2)(a) shall terminate upon an exchange of the acquired real property.

(5) If the original grantor or subsequent bona fide purchaser fails to purchase the real property or easement as described in this section, the state or a political subdivision of the state that owns real property may advertise the real property for sale or lease for moderate income housing for the purposes described in Section 63L-12-102 or 72-5-117.

~~[(5)]~~ (6) This section shall only apply to property acquired after July 1, 1983.

Section 66. **Repealer.**

This bill repeals:

Section **35A-8-504.5, Low-income ADU loan guarantee pilot program.**

Section **35A-8-504.6, Subordinate shared appreciation loan program.**

Section **35A-8-801, Title.**

Section **35A-8-802, Legislative policy and purpose.**

Section **35A-8-901, Assistance to domestic violence shelters -- Rulemaking authority.**

Section **35A-8-2101, Title -- Purpose.**

Section **35A-8-2201, Definitions.**

Section **35A-8-2202, Commission on Housing Affordability.**

Section **35A-8-2203, Duties of the commission.**

Section **35A-8-2204, Annual report.**

Section 67. **Effective Date.**

This bill takes effect on July 1, 2026.