

Effective 11/6/2025

Chapter 21 Municipalities and Housing Supply

Part 1 General Provisions

10-21-101 Definitions.

As used in this part:

- (1) "Accessory dwelling unit" means a habitable living unit added to, created within, or detached from a single-family dwelling and contained on one lot or parcel.
- (2) "Accessory structure" means a detached structure located on the same lot or parcel as a principal structure and is incidental and subordinate to the size and use of the principal structure.
- (3) "Affordable housing" means housing offered for sale at 80% or less of the median county home price for housing of that type.
- (4) "Agency" means the same as that term is defined in Section 17C-1-102.
- (5) "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.
- (6) "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.
- (7) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.
- (8) "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.
- (9) "Detached accessory dwelling unit" means an accessory dwelling unit that is not attached to or within a primary detached single-family dwelling and located on the same lot or parcel as the primary detached single-family dwelling.
- (10) "Division" means the Division of Housing and Community Development within the Governor's Office of Economic Development.
- (11) "Existing fixed guideway public transit station" means a fixed guideway public transit station for which construction begins before June 1, 2022.
- (12) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- (13) "Home ownership promotion zone" means a home ownership promotion zone created in accordance with Title 63N, Chapter 23, Part 5, Home Ownership Promotion Zone for Municipalities.
- (14) "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).
- (15) "Initial report" or "initial moderate income housing report" means the one-time report described in Subsection 10-21-202(1).
- (16) "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 (16)(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.

- (17) "Moderate income housing strategy" means a strategy described in Subsection 10-21-201(3)(a)(iii).
- (18) "New fixed guideway public transit station" means a fixed guideway public transit station for which construction begins on or after June 1, 2022.
- (19) "Participant" means the same as that term is defined in Section 17C-1-102.
- (20) "Participation agreement" means the same as that term is defined in Section 17C-1-102.
- (21)
- (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.
- (22) "Project improvements" means the same as that term is defined in Section 11-36a-102.
- (23) "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 63N-23-104(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 63N-23-104(1)(a) for the station area in which the development is proposed, subject to Subsection 63N-23-104(2)(d).
- (24) "Report" means an initial report or a subsequent progress report.
- (25) "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 within a county of the first, second, or third class.
- (26)
- (a) "Station area" means:
- (i) for a fixed guideway public transit station that provides rail services, the area within a one-half mile radius of the center of the fixed guideway public transit station platform; or
 - (ii) for a fixed guideway public transit station that provides bus services only, the area within a one-fourth mile radius of the center of the fixed guideway public transit station platform.
- (b) "Station area" includes any parcel bisected by the radius limitation described in Subsection (26)(a)(i) or (ii).
- (27) "Station area plan" means a plan that:
- (a) establishes a vision, and the actions needed to implement that vision, for the development of land within a station area; and
 - (b) is developed and adopted in accordance with this section.
- (28) "Subsequent progress report" means the annual report described in Subsection 10-21-202(2).
- (29) "System improvements" means the same as that term is defined in Section 11-36a-102.

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

(31)

(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 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 a multicounty assessing and collecting levy or a county additional property tax described in Section 59-2-1602.

(32) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

Amended by Chapter 393, 2026 General Session

10-21-102 Applicability.

- (1) The provisions of Chapter 20, Municipal Land Use, Development, and Management Act, apply to this chapter.
- (2) The definitions in Section 10-21-101 are in addition to the definitions in Section 10-20-102, except that if there is any conflict between a definition in this chapter and a definition in Chapter 20, Municipal Land Use, Development, and Management Act, the definition in this chapter prevails in regard to the provisions in this chapter.

Enacted by Chapter 15, 2025 Special Session 1

Part 2

Municipal Plans for Housing

10-21-201 Moderate income housing plan required.

- (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 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 Division of Housing and Community Development within the Governor's Office of Economic Development, 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 63N-23-104;
- (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 zones;
- (W) demonstrate implementation of any other program or strategy to address the housing needs of residents of the municipality 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;
- (X) create a housing and transit reinvestment zone in accordance with Title 63N, Chapter 23, Part 2, Housing and Transit Reinvestment Zone;
- (Y) create a home ownership promotion zone in accordance with Title 63N, Chapter 23, Part 5, Home Ownership Promotion Zone for Municipalities;
- (Z) create a first home investment zone in accordance with Title 63N, Chapter 23, Part 7, First Home Investment Zone;
- (AA) 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;
- (BB) adopt or approve a qualifying affordable home ownership density bonus for single-family residential units, as described in Section 10-21-401; and
- (CC) adopt or approve a qualifying affordable home ownership density bonus for multi-family residential units, as described in Section 10-21-402; and

- (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)(iii).
- (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 municipality 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 municipality, whether one-time or ongoing; and
 - (ii) provide flexibility for the municipality to make adjustments as needed.

Amended by Chapter 393, 2026 General Session

10-21-202 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.
 - (d) For reporting year 2026:
 - (i) a specified municipality complies with the reporting requirements described in this section if the specified municipality satisfied the reporting requirements in 2025;
 - (ii) a specified municipality qualifies for priority consideration under Subsection (5)(a) if the specified municipality qualified for priority consideration in 2025;
 - (iii) the Department of Transportation shall consider all municipalities that the Department of Transportation received a notice of prioritization for in 2025 eligible for priority consideration under Subsection (5)(a); and
 - (iv) on or before July 1, 2026, a specified municipality shall report to the division on the number of residential certificates of occupancy the municipality issued during the previous 12-month period.
- (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;
 - (iv) information regarding the number of internal and external or detached accessory dwelling units located within the specified municipality for which the specified municipality:
 - (A) issued a building permit to construct; or
 - (B) issued a business license or comparable license or permit to rent;
 - (v) the number of residential dwelling units that have been entitled that have not received a building permit as of the submission date of the progress report;
 - (vi) the number of new residential dwelling units, as measured by the number of residential certificates of occupancy the specified municipality issued during the previous 12-month period;
 - (vii) the estimated percent change of total residential dwelling units, as measured by comparing the number of residential certificates of occupancy the specified municipality issued during the previous 12-month period to the number of housing units that existed in the specified municipality before the day on which the previous 12-month period began;
 - (viii) shapefiles, or website links if shapefiles are not available, to current maps and tables related to zoning;
 - (ix) a description of how the market has responded to the selected moderate income housing strategies, including the number of entitled moderate income housing units or other relevant data; and
 - (x) any recommendations on how the state can support the specified municipality in implementing the moderate income housing strategies.
- (c) For purposes of describing actions taken by a specified municipality under Subsection (2)(b)(i), the specified municipality may include an ongoing action taken by the specified municipality before the 12-month reporting period applicable to the subsequent progress report if the specified municipality:
 - (i) has already adopted an ordinance, approved a land use application, made an investment, or approved an agreement or financing that substantially promotes the implementation of a moderate income housing strategy identified in the initial report; and
 - (ii) demonstrates in the subsequent progress report that the action taken under Subsection (2)(c)(i) is relevant to making meaningful progress towards the specified municipality's implementation plan.
- (d) A specified municipality's report shall be in a form:
 - (i) approved by the division; and
 - (ii) made available by the division on or before May 1 of the year in which the report is required.
- (3) Within 90 days after the day on which the division receives a specified municipality's report, the division shall:
 - (a) post the report on the division's website;

- (b) send a copy of the report to the Department of Transportation, the Governor's Office 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;
 - (E) determine if the percent change of new residential dwelling units in the municipality during the previous 12-month period is 2.5% or greater; and
 - (F) 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 or completion 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 reporting requirement described in this section for:
 - (A) the year in which the specified municipality submits the initial report or subsequent report; and
 - (B) two subsequent reporting years.
- (5)
 - (a) A specified municipality qualifies for priority consideration under this Subsection (5) if the specified municipality's report:
 - (i) complies with this section; and
 - (ii) demonstrates to the division that the specified municipality made plans to implement:
 - (A) five or more moderate income housing strategies if the specified municipality does not have a fixed guideway public transit station; or
 - (B) six or more moderate income housing strategies if the specified municipality has a fixed guideway public transit station.
 - (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c), give priority consideration to transportation projects located within the boundaries of a specified municipality described in Subsection (5)(a) until the Department of Transportation receives notice from the division under Subsection (7)(c).
- (6)
 - (a) In addition to the priority consideration a specified municipality may receive under Subsection (5), a specified municipality qualifies for priority consideration under this Subsection (6) if the specified municipality's report:
 - (i) complies with this section; and
 - (ii) demonstrates to the division that the specified municipality's percent change of new residential dwelling units in the municipality during the previous 12-month period, as described in Subsection (2)(b)(vii), is 2.5% or greater.
 - (b) The Transportation Commission shall, in accordance with Subsection 72-1-304(3)(c), give priority consideration to a significant regional transportation project, as determined by the Transportation Commission, that benefits a specified municipality described in Subsection (6)(a) and is located within or outside the boundaries of the specified municipality until the Department of Transportation receives notice from the division under Subsection (7)(c).

- (7)
- (a) Upon determining that a specified municipality qualifies for priority consideration under Subsection (5) or (6), the division shall send a notice of prioritization to the legislative body of the specified municipality and the Department of Transportation.
 - (b) The notice described in Subsection (7)(a) shall:
 - (i) name the specified municipality that qualifies for priority consideration;
 - (ii) describe the funds or projects for which the specified municipality qualifies to receive priority consideration under Subsection (5) or (6); and
 - (iii) state the basis for the division's determination that the specified municipality qualifies for priority consideration.
 - (c) The division shall notify the legislative body of a specified municipality and the Department of Transportation in writing if the division determines that the specified municipality no longer qualifies for priority consideration under Subsection (5) or (6).
- (8)
- (a) If the division, after reviewing a specified municipality's report, determines that the report does not comply with this section, the division shall send a notice of noncompliance to the legislative body of the specified municipality.
 - (b) A specified municipality that receives a notice of noncompliance may:
 - (i) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or
 - (ii) request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent.
 - (c) The notice described in Subsection (8)(a) shall:
 - (i) describe each deficiency in the report and the actions needed to cure each deficiency;
 - (ii) state that the specified municipality has an opportunity to:
 - (A) submit to the division a corrected report that cures each deficiency in the report within 90 days after the day on which the notice of compliance is sent; or
 - (B) 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 notice of noncompliance is sent; and
 - (iii) state that failure to take action under Subsection (8)(c)(ii) will result in the specified municipality's ineligibility for funds under Subsection (10).
 - (d) For purposes of curing the deficiencies in a report under this Subsection (8), if the action needed to cure the deficiency as described by the division requires the specified municipality to make a legislative change, the specified municipality may cure the deficiency by making that legislative change within the 90-day cure period.
- (e)
- (i) If a specified municipality submits to the division a corrected report in accordance with Subsection (8)(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 municipality within 30 days after the day on which the corrected report is submitted.
 - (ii) A specified municipality that receives a second notice of noncompliance may 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.
 - (iii) The notice described in Subsection (8)(e)(i) shall:

- (A) state that the specified municipality 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 (8)(e)(iii)(A) will result in the specified municipality's ineligibility for funds under Subsection (10).

(9)

- (a) A specified municipality that receives a notice of noncompliance under Subsection (8)(a) or (8)(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.

(10)

- (a) A specified municipality is ineligible for funds under this Subsection (10) 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 (9), 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 (10)(a) until the division provides notice under Subsection (10)(e):
 - (i) the executive director of the Department of Transportation may not program funds from the Transportation Investment Fund of 2005, including the Transit Transportation Investment Fund, to projects located within the boundaries of the specified municipality in accordance with Subsection 72-2-124(5);
 - (ii) beginning with a report submitted in 2024, the specified municipality shall pay a fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the specified municipality:
 - (A) fails to submit the report to the division in accordance with this section, beginning the day after the day on which the report was due; or

- (B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was required to occur as described in the notice of noncompliance under Subsection (8); and
- (iii) beginning with the report submitted in 2025, the specified municipality shall pay a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the specified municipality, in a consecutive year:
 - (A) fails to submit the report to the division in accordance with this section, beginning the day after the day on which the report was due; or
 - (B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was required to occur as described in the notice of noncompliance under Subsection (8).
- (c) Upon determining that a specified municipality is ineligible for funds under this Subsection (10), and is required to pay a fee under Subsection (10)(b), if applicable, the division shall send a notice of ineligibility to the legislative body of the specified municipality, the Department of Transportation, the State Tax Commission, and the Governor's Office of Planning and Budget.
- (d) The notice described in Subsection (10)(c) shall:
 - (i) name the specified municipality that is ineligible for funds;
 - (ii) describe the funds for which the specified municipality is ineligible to receive;
 - (iii) describe the fee the specified municipality is required to pay under Subsection (10)(b), if applicable; and
 - (iv) state the basis for the division's determination that the specified municipality is ineligible for funds.
- (e) The division shall notify the legislative body of a specified municipality and the Department of Transportation in writing if the division determines that the provisions of this Subsection (10) 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 (10)(b) is in compliance with the reporting requirements of this section until the specified municipality pays all outstanding fees required under Subsection (10)(b) to the Olene Walker Housing Loan Fund, created in Section 63N-24-302.
- (11) 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.

Amended by Chapter 393, 2026 General Session

Part 3

Provisions Unique to Residential Zones and Residential Units

10-21-301 Moderate income housing.

- (1) A municipality may only require the development of a certain number of moderate income housing units as a condition of approval of a land use application if:
 - (a) the municipality and the applicant enter into a written agreement regarding the number of moderate income housing units;
 - (b) the municipality provides incentives for an applicant who agrees to include moderate income housing units in a development; or

- (c) the municipality offers or approves, and an applicant accepts, an incentive described in Section 10-21-401 or 10-21-402.
- (2) If an applicant does not agree to participate in the development of moderate income housing units under Subsection (1)(a) or (b), a municipality may not take into consideration the applicant's decision in the municipality's determination of whether to approve or deny a land use application.
- (3) Notwithstanding Subsections (1) and (2), a municipality that imposes a resort community sales and use tax as described in Section 59-12-401, may require the development of a certain number of moderate income housing units as a condition of approval of a land use application if the requirement is in accordance with an ordinance enacted by the municipality before January 1, 2022.

Renumbered and Amended by Chapter 15, 2025 Special Session 1

10-21-302 Manufactured homes.

- (1)
 - (a) For purposes of this section, a manufactured home is the same as defined in Section 15A-1-302, except that the manufactured home shall be attached to a permanent foundation in accordance with plans providing for vertical loads, uplift, and lateral forces and frost protection in compliance with the applicable building code.
 - (b) All appendages, including carports, garages, storage buildings, additions, or alterations shall be built in compliance with the applicable building code.
- (2) A manufactured home may not be excluded from any land use zone or area in which a single-family residence would be permitted, provided the manufactured home complies with all local land use ordinances, building codes, and any restrictive covenants, applicable to a single family residence within that zone or area.
- (3) A municipality may not:
 - (a) adopt or enforce an ordinance or regulation that treats a proposed development that includes manufactured homes differently than one that does not include manufactured homes; or
 - (b) reject a development plan based on the fact that the development is expected to contain manufactured homes.

Renumbered and Amended by Chapter 15, 2025 Special Session 1

10-21-303 Internal accessory dwelling units.

- (1) In any area zoned primarily for residential use:
 - (a) the use of an internal accessory dwelling unit is a permitted use;
 - (b) except as provided in Subsections (2) and (3), a municipality may not establish any restrictions or requirements for the construction or use of one internal accessory dwelling unit within a primary dwelling, including a restriction or requirement governing:
 - (i) the size of the internal accessory dwelling unit in relation to the primary dwelling;
 - (ii) total lot size;
 - (iii) street frontage; or
 - (iv) internal connectivity; and
 - (c) a municipality's regulation of architectural elements for internal accessory dwelling units shall be consistent with the regulation of single-family units, including single-family units located in historic districts.

- (2) An internal accessory dwelling unit shall comply with all applicable building, health, and fire codes.
- (3) A municipality may:
 - (a) prohibit the installation of a separate utility meter for an internal accessory dwelling unit;
 - (b) require that an internal accessory dwelling unit be designed in a manner that does not change the appearance of the primary dwelling as a single-family dwelling;
 - (c) require a primary dwelling:
 - (i) regardless of whether the primary dwelling is existing or new construction, to include one additional on-site parking space for an internal accessory dwelling unit, in addition to the parking spaces required under the municipality's land use regulation, except that if the municipality's land use ordinance requires four off-street parking spaces, the municipality may not require the additional space contemplated under this Subsection (3)(c)(i); and
 - (ii) to replace any parking spaces contained within a garage or carport if an internal accessory dwelling unit is created within the garage or carport and is a habitable space;
 - (d) prohibit the creation of an internal accessory dwelling unit within a mobile home as defined in Section 57-16-3;
 - (e) require the owner of a primary dwelling to obtain a permit or license for renting an internal accessory dwelling unit;
 - (f) prohibit the creation of an internal accessory dwelling unit within a zoning district covering an area that is equivalent to:
 - (i) 25% or less of the total area in the municipality that is zoned primarily for residential use, except that the municipality may not prohibit newly constructed internal accessory dwelling units that:
 - (A) have a final plat approval dated on or after October 1, 2021; and
 - (B) comply with applicable land use regulations; or
 - (ii) 67% or less of the total area in the municipality that is zoned primarily for residential use, if the main campus of a state or private university with a student population of 10,000 or more is located within the municipality;
 - (g) prohibit the creation of an internal accessory dwelling unit if the primary dwelling is served by a failing septic tank;
 - (h) prohibit the creation of an internal accessory dwelling unit if the lot containing the primary dwelling is 6,000 square feet or less in size;
 - (i) prohibit the rental or offering the rental of an internal accessory dwelling unit for a period of less than 30 consecutive days;
 - (j) prohibit the rental of an internal accessory dwelling unit if the internal accessory dwelling unit is located in a dwelling that is not occupied as the owner's primary residence;
 - (k) hold a lien against a property that contains an internal accessory dwelling unit in accordance with Subsection (4); and
 - (l) record a notice for an internal accessory dwelling unit in accordance with Subsection (5).
- (4)
 - (a) In addition to any other legal or equitable remedies available to a municipality, a municipality may hold a lien against a property that contains an internal accessory dwelling unit if:
 - (i) the owner of the property violates any of the provisions of this section or any ordinance adopted under Subsection (3);
 - (ii) the municipality provides a written notice of violation in accordance with Subsection (4)(b);
 - (iii) the municipality holds a hearing and determines that the violation has occurred in accordance with Subsection (4)(d), if the owner files a written objection in accordance with Subsection (4)(b)(iv);

- (iv) the owner fails to cure the violation within the time period prescribed in the written notice of violation under Subsection (4)(b);
 - (v) the municipality provides a written notice of lien in accordance with Subsection (4)(c); and
 - (vi) the municipality records a copy of the written notice of lien described in Subsection (4)(a)(v) with the county recorder of the county in which the property is located.
- (b) The written notice of violation shall:
- (i) describe the specific violation;
 - (ii) provide the owner of the internal accessory dwelling unit a reasonable opportunity to cure the violation that is:
 - (A) no less than 14 days after the day on which the municipality sends the written notice of violation, if the violation results from the owner renting or offering to rent the internal accessory dwelling unit for a period of less than 30 consecutive days; or
 - (B) no less than 30 days after the day on which the municipality sends the written notice of violation, for any other violation;
 - (iii) state that if the owner of the property fails to cure the violation within the time period described in Subsection (4)(b)(ii), the municipality may hold a lien against the property in an amount of up to \$100 for each day of violation after the day on which the opportunity to cure the violation expires;
 - (iv) notify the owner of the property:
 - (A) that the owner may file a written objection to the violation within 14 days after the day on which the written notice of violation is post-marked or posted on the property; and
 - (B) of the name and address of the municipal office where the owner may file the written objection;
 - (v) be mailed to:
 - (A) the property's owner of record; and
 - (B) any other individual designated to receive notice in the owner's license or permit records; and
 - (vi) be posted on the property.
- (c) The written notice of lien shall:
- (i) comply with the requirements of Section 38-12-102;
 - (ii) state that the property is subject to a lien;
 - (iii) specify the lien amount, in an amount of up to \$100 for each day of violation after the day on which the opportunity to cure the violation expires;
 - (iv) be mailed to:
 - (A) the property's owner of record; and
 - (B) any other individual designated to receive notice in the owner's license or permit records; and
 - (v) be posted on the property.
- (d)
- (i) If an owner of property files a written objection in accordance with Subsection (4)(b)(iv), the municipality shall:
 - (A) hold a hearing in accordance with Title 52, Chapter 4, Open and Public Meetings Act, to conduct a review and determine whether the specific violation described in the written notice of violation under Subsection (4)(b) has occurred; and
 - (B) notify the owner in writing of the date, time, and location of the hearing described in Subsection (4)(d)(i)(A) no less than 14 days before the day on which the hearing is held.

- (ii) If an owner of property files a written objection under Subsection (4)(b)(iv), a municipality may not record a lien under this Subsection (4) until the municipality holds a hearing and determines that the specific violation has occurred.
 - (iii) If the municipality determines at the hearing that the specific violation has occurred, the municipality may impose a lien in an amount of up to \$100 for each day of violation after the day on which the opportunity to cure the violation expires, regardless of whether the hearing is held after the day on which the opportunity to cure the violation has expired.
 - (e) If an owner cures a violation within the time period prescribed in the written notice of violation under Subsection (4)(b), the municipality may not hold a lien against the property, or impose any penalty or fee on the owner, in relation to the specific violation described in the written notice of violation under Subsection (4)(b).
- (5)
- (a) A municipality that issues, on or after October 1, 2021, a permit or license to an owner of a primary dwelling to rent an internal accessory dwelling unit, or a building permit to an owner of a primary dwelling to create an internal accessory dwelling unit, may record a notice in the office of the recorder of the county in which the primary dwelling is located.
 - (b) The notice described in Subsection (5)(a) shall include:
 - (i) a description of the primary dwelling;
 - (ii) a statement that the primary dwelling contains an internal accessory dwelling unit; and
 - (iii) a statement that the internal accessory dwelling unit may only be used in accordance with the municipality's land use regulations.
 - (c) The municipality shall, upon recording the notice described in Subsection (5)(a), deliver a copy of the notice to the owner of the internal accessory dwelling unit.

Renumbered and Amended by Chapter 15, 2025 Special Session 1

Effective 10/1/2026

10-21-304 Detached accessory dwelling units.

- (1)
- (a) A specified municipality shall adopt a land use regulation that permits a detached accessory dwelling unit on any lot or parcel that is 11,000 square feet or larger and contains a single-family dwelling, if the single-family dwelling is a permitted use on the lot or parcel.
 - (b) This section does not prohibit a municipality from adopting a land use regulation that permits a detached accessory dwelling unit on a lot or parcel that is smaller than 11,000 square feet.
- (2) A land use regulation described in Subsection (1) shall:
- (a) require that a detached accessory dwelling unit comply with all applicable building, health, and fire codes; and
 - (b) include a process for the owner of a legally constructed accessory structure to convert the accessory structure to a detached accessory dwelling unit subject to applicable:
 - (i) dwelling and accessory structure setback requirements; and
 - (ii) building, health, and fire codes.
- (3) A land use regulation described in Subsection (1) may not:
- (a) require a conditional use permit for a detached accessory dwelling unit if the proposed detached accessory dwelling unit is located in a primarily residential zone;
 - (b) require more than two on-site parking spaces assigned to a detached accessory dwelling unit that is 650 square feet or larger;
 - (c) require more than one on-site parking space assigned to a detached accessory dwelling unit that is smaller than 650 square feet; or

- (d) include design standards for a detached accessory dwelling unit that conflict with Section 10-20-618.
- (4) A land use regulation described in Subsection (1) may:
 - (a) require a detached accessory dwelling unit to:
 - (i) conform to applicable land use regulations that regulate structure size, dimension, height, and maximum lot coverage;
 - (ii) conform to setback requirements, that may take into account proximity to property lines and other structures, easements, window orientation, massing, or other elements; and
 - (iii) be designed consistent with the design of the single-family dwelling;
 - (b) prohibit a detached accessory dwelling unit from being:
 - (i) larger in size than the single-family dwelling located on the same lot or parcel;
 - (ii) located within a public utility easement or other recorded easement;
 - (iii) located in a front-yard area of a lot or parcel; or
 - (iv) rented for less than 90 consecutive days;
 - (c) require that the owner of a lot or parcel where a detached accessory dwelling unit is located reside in the detached single-family dwelling or detached accessory dwelling unit located on the lot or parcel;
 - (d) require that when a detached garage is converted to a detached accessory dwelling unit, any parking spaces required for the single-family dwelling that were located within the detached garage are replaced on-site;
 - (e) prohibit more than one accessory dwelling unit on a lot or parcel; and
 - (f) prohibit a detached accessory dwelling unit if:
 - (i) the detached accessory dwelling unit will not have adequate access to a required utility service that is a project improvement, including sanitary sewer, culinary water, electrical, or storm water; or
 - (ii) a utility service that is a system improvement, including sanitary sewer, culinary water, electrical, or storm water, to which the detached accessory dwelling unit is required to connect does not have sufficient capacity to support the addition of the detached accessory dwelling unit to the utility service system improvements.
- (5) This section does not supersede:
 - (a) a land use regulation that regulates a detached accessory building that is not a detached accessory dwelling unit;
 - (b) prohibitions or restrictions on detached accessory dwelling units in a development agreement signed by a municipality on or before May 6, 2026; or
 - (c) a land use regulation or administrative action that:
 - (i) is not prohibited by law; and
 - (ii) relates to a detached accessory dwelling unit.

Enacted by Chapter 166, 2026 General Session

Part 4

Optional Tools for Municipalities to Promote Housing Supply

10-21-401 Affordable home ownership density bonus for single-family residential units.

- (1) As used in this section:
 - (a) "Affordable housing" means a dwelling:

- (i) offered for sale to an owner-occupier at a purchase price affordable to a household with a gross income of no more than 120% of area median income for the county in which the residential unit is offered for sale; or
 - (ii) offered for rent at a rental price affordable to a household with a gross income of no more than 80% of area median income for the county in which the residential unit is offered for rent.
- (b) "Owner-occupier" means an individual who owns, solely or jointly, a housing unit in which the individual lives as the individual's primary residence.
- (c) "Qualifying affordable home ownership single-family density bonus" means:
 - (i) for an area with an underlying zoning density of less than six residential units per acre, municipal approval of a density at least six residential units per acre; or
 - (ii) for an area with an underlying zoning density of six residential units per acre or more, municipal approval of a density at least 0.5 residential units per acre greater than the underlying zoning density for the area.
- (2) If a municipality approves a qualifying affordable home ownership single-family density bonus, either through a zoning ordinance or a development agreement, the municipality may adopt requirements for the qualifying affordable home ownership single-family density bonus area to ensure:
 - (a) at least 60% of the total single-family residential units be deed-restricted to owner-occupancy for at least five years;
 - (b) at least 25% of the total single-family residential units qualify as affordable housing;
 - (c) at least 25% of the single-family residential units per acre to be no larger than 1,600 square feet; or
 - (d) the applicant creates a preferential qualifying buyer program in which a single-family residential unit is initially offered for sale, for up to 30 days, to a category of preferred qualifying buyers established by the municipality, in accordance with provisions of the Fair Housing Act, 42 U.S.C. Sec. 3601.
- (3) A municipality may offer additional incentives in a qualifying affordable home ownership single-family density bonus area approved for single-family residential units to promote owner-occupied, affordable housing.

Renumbered and Amended by Chapter 15, 2025 Special Session 1

10-21-402 Affordable home ownership density bonus for multi-family residential units.

- (1) As used in this section:
 - (a) "Affordable housing" means the same as that term is defined in Section 10-21-401.
 - (b) "Owner-occupier" means the same as that term is defined in Section 10-21-401.
 - (c) "Qualifying affordable home ownership multi-family density bonus" means municipal approval of a density of at least 20 residential units per acre.
- (2) If a municipality approves a qualifying affordable home ownership multi-family density bonus, either through a zoning ordinance or a development agreement, the municipality may adopt requirements for the qualifying affordable home ownership multi-family density bonus area to ensure:
 - (a) at least 20% more residential units per acre than are otherwise allowed in the area;
 - (b) at least 60% of the total units in the multi-family residential building be deed-restricted to owner-occupancy for at least five years;
 - (c) at least 25% of the total units in the multi-family residential building qualify as affordable housing;

- (d) at least 25% of the total units in a multi-family residential building to be no larger than 1,600 square feet; or
 - (e) the applicant creates a preferential qualifying buyer program in which a unit in a multi-family residential building is initially offered for sale, for up to 30 days, to a category of preferred qualifying buyers established by the municipality, in accordance with provisions of the Fair Housing Act, 42 U.S.C. Sec. 3601.
- (3) A municipality may offer additional incentives in a qualifying affordable home ownership multi-family density bonus area for multi-family residential units to promote owner-occupied, affordable housing.

Renumbered and Amended by Chapter 15, 2025 Special Session 1

Part 6

Other Housing Supply Tools

10-21-601 Reserved.

Reserved.

Enacted by Chapter 15, 2025 Special Session 1