

**Senator Karen Mayne** proposes the following substitute bill:

**INDIVIDUAL INCOME TAX CONTRIBUTION  
FOR METHAMPHETAMINE HOUSING  
RECONSTRUCTION AND REHABILITATION  
FUND**

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Karen Mayne**

House Sponsor: Jennifer M. Seelig

---

---

**LONG TITLE**

**General Description:**

This bill amends the Housing and Community Development part and the Individual Income Tax Contribution Act to enact the Methamphetamine Housing Reconstruction and Rehabilitation Fund Act and to enact an income tax contribution.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ enacts the Methamphetamine Housing Reconstruction and Rehabilitation Fund Act;
- ▶ creates a restricted account known as the Methamphetamine Housing

Reconstruction and Rehabilitation Fund;

- ▶ enacts an individual income tax contribution for the Methamphetamine Housing Reconstruction and Rehabilitation Fund for ~~H→ [the] a ←H~~ taxable year beginning on or after January 1, 2009, but beginning on or before ~~H→ [December 31, 2009] December 31, 2010 ←H~~ ;

- ▶ provides that monies received from the income tax contribution shall be deposited into the Methamphetamine Housing Reconstruction and Rehabilitation Fund and



26 expended by a qualified housing organization to:

- 27 • reconstruct or rehabilitate residences contaminated by methamphetamine; or
- 28 • purchase property upon which a residence contaminated by methamphetamine is
- 29 reconstructed or rehabilitated;

- 30 ▶ grants rulemaking authority to the Division of Housing and Community
- 31 Development; and

- 32 ▶ makes technical changes.

33 **Monies Appropriated in this Bill:**

34 None

35 **Other Special Clauses:**

36 This bill has retrospective operation for a taxable year beginning on or after January 1,  
37 2009.

38 **Utah Code Sections Affected:**

39 ENACTS:

40 **9-4-1501**, Utah Code Annotated 1953

41 **9-4-1502**, Utah Code Annotated 1953

42 **9-4-1503**, Utah Code Annotated 1953

43 **59-10-1313**, Utah Code Annotated 1953



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

46 Section 1. Section **9-4-1501** is enacted to read:

47 **Part 15. Methamphetamine Housing Reconstruction and**  
 48 **Rehabilitation Fund Act**

49 **9-4-1501. Title.**

50 This part is known as the "Methamphetamine Housing Reconstruction and  
51 Rehabilitation Fund Act."

52 Section 2. Section **9-4-1502** is enacted to read:

53 **9-4-1502. Definitions.**

54 As used in this part:

55 (1) "Contaminated by methamphetamine" means that a residence is:

56 (a) polluted by hazardous materials as a result of the use, production, or presence of

57 methamphetamine in excess of decontamination standards adopted by the Department of  
58 Health under Section 26-51-201; and

59 (b) placed on a contamination list by a local health department in accordance with  
60 Section 19-6-901.

61 (2) "Fund" means the Methamphetamine Housing Reconstruction and Rehabilitation  
62 Fund created in Section 9-4-1503.

63 (3) "Qualified housing organization" means an affiliate located in this state of an  
64 organization if that organization:

65 (a) is exempt from federal income taxation under Section 501(c)(3), Internal Revenue  
66 Code;

67 (b) operates on a worldwide basis;

68 (c) has the primary purposes of:

69 (i) constructing, reconstructing, and rehabilitating residences that are:

70 (A) sold to low-income persons selected by the organization in accordance with any  
71 rules the division makes as authorized by Section 9-4-1503; and

72 (B) financed with loans that are not subject to interest as determined by the  
73 organization in accordance with any rules the division makes as authorized by Section  
74 9-4-1503; and

75 (ii) purchasing property upon which residences described in Subsection (3)(c)(i) are  
76 constructed, reconstructed, or rehabilitated;

77 (d) expends a portion of the repayment on the loans described in Subsection  
78 (3)(c)(i)(B) to finance:

79 (i) the construction, reconstruction, and rehabilitation of residences described in  
80 Subsection (3)(c)(i); and

81 (ii) the purchase of property upon which residences described in Subsection (3)(c)(i)  
82 are constructed, reconstructed, or rehabilitated; and

83 (e) has built more than 250,000 residences in total.

84 (4) (a) "Residence" means a single-family residence.

85 (b) "Residence" includes:

86 (i) a condominium;

87 (ii) a garage;

- 88 (iii) real property appurtenant to a residence:
- 89 (A) as determined by the division in accordance with any rules the division makes as
- 90 authorized by Section 9-4-1503; and
- 91 (B) if that real property is contaminated by methamphetamine:
- 92 (iv) a shed; or
- 93 (v) a town home.

- 94 (c) "Residence" does not include:
- 95 (i) an apartment or other rental unit as determined by the division in accordance with
- 96 any rules the division makes as authorized by Section 9-4-1503; or
- 97 (ii) an outbuilding except for a garage or shed.

98 Section 3. Section **9-4-1503** is enacted to read:

99 **9-4-1503. Methamphetamine Housing Reconstruction and Rehabilitation Fund --**  
100 **Creation -- Interest -- Use of contributions and interest.**

- 101 (1) There is created within the General Fund a restricted account known as the
- 102 Methamphetamine Housing Reconstruction and Rehabilitation Fund.
- 103 (2) The fund shall be funded by:
- 104 (a) contributions deposited into the fund in accordance with Section 59-10-1313; and
- 105 (b) interest described in Subsection (3).
- 106 (3) (a) The fund shall earn interest.
- 107 (b) Interest earned on the fund shall be deposited into the fund.
- 108 (4) (a) The division shall distribute contributions and interest deposited into the fund to
- 109 one or more qualified housing organizations.
- 110 (b) (i) Subject to Subsection (4)(b)(ii), a qualified housing organization that receives a
- 111 distribution from the division in accordance with Subsection (4)(a) shall expend the
- 112 distribution to:
- 113 (A) reconstruct or rehabilitate one or more residences that are:
- 114 (I) sold to low-income persons selected by the qualified housing organization in
- 115 accordance with any rules the division makes as authorized by this section; and
- 116 (II) financed with loans that are not subject to interest as determined by the qualified
- 117 housing organization in accordance with any rules the division makes as authorized by this
- 118 section; or

119 (B) purchase property upon which a residence described in Subsection (4)(b)(i)(A) is  
120 reconstructed or rehabilitated.

121 (ii) A qualified housing organization may not expend a distribution the qualified  
122 housing organization receives in accordance with this Subsection (4) for any administrative  
123 cost relating to an expenditure authorized by Subsection (4)(b)(i).

124 (5) (a) In accordance with any rules the division makes as authorized under Subsection  
125 (6)(c), a qualified housing organization may apply to the division to receive a distribution  
126 under Subsection (4).

127 (b) A qualified housing organization may apply to the division to receive a distribution  
128 under Subsection (4) by filing an application with the division:

129 (i) on or before November 1; and

130 (ii) on a form provided by the division.

131 (c) The application:

132 (i) shall include information required by the division establishing that the qualified  
133 housing organization owns each residence with respect to which the qualified housing  
134 organization plans to expend a distribution under Subsection (4);

135 (ii) shall include information required by the division establishing the qualified housing  
136 organization's plan to expend the distribution for a purpose described in Subsection (4)(b)(i);

137 (iii) shall include information required by the division establishing that the qualified  
138 housing organization's plan to expend the distribution meets conditions established in  
139 accordance with Title 19, Chapter 6, Part 9, Illegal Drug Operations Site Reporting and  
140 Decontamination Act, for a local health department to remove the residence from the local  
141 health department's decontamination list; and

142 (iv) may include other information the division requires by rule.

143 (d) The division shall determine on or before the November 30 immediately following  
144 the November 1 described in Subsection (5)(b) whether a qualified housing organization's  
145 application to the division meets the requirements of Subsection (5)(c).

146 (e) (i) The division shall distribute monies credited to the fund to each qualified  
147 housing organization that meets the requirements of Subsection (5)(c) as determined by the  
148 division:

149 (A) on or before the December 31 immediately following the November 1 described in

150 Subsection (5)(b); and  
151 (B) in accordance with this Subsection (5)(e).  
152 (ii) The division shall determine:  
153 (A) the population of the county in which a qualified housing organization that meets  
154 the requirements of Subsection (5)(c) is headquartered; and  
155 (B) the total population of all of the counties in which the qualified housing  
156 organizations that meet the requirements of Subsection (5)(c) are headquartered.  
157 (iii) Except as provided in Subsection (5)(e)(iv), the division shall determine a  
158 qualified housing organization's distribution by making the following calculation:  
159 (A) calculating a percentage determined by dividing the population of the county in  
160 which the qualified housing organization that meets the requirements of Subsection (5)(c) is  
161 headquartered by the population calculated under Subsection (5)(e)(ii)(B); and  
162 (B) multiplying the percentage determined under Subsection (5)(e)(iii)(A) by the fund  
163 balance.  
164 (iv) If two or more qualified housing organizations that meet the requirements of  
165 Subsection (5)(c) as determined by the division are headquartered within one county, the  
166 division shall determine each qualified housing organization's distribution by:  
167 (A) making the calculation required by Subsection (5)(e)(iii); and  
168 (B) dividing the amount calculated under Subsection (5)(e)(iii) by the number of  
169 qualified housing organizations that meet the requirements of Subsection (5)(c) as determined  
170 by the division that are headquartered within the county.  
171 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
172 division may make rules:  
173 (a) to define what constitutes:  
174 (i) a low-income person;  
175 (ii) a loan that is not subject to interest; or  
176 (iii) an apartment or other rental unit;  
177 (b) for determining the circumstances under which real property is appurtenant to a  
178 residence;  
179 (c) prescribing information a qualified housing organization is required to include with  
180 an application under Subsection (5);

181 (d) for purposes of Subsection (5)(e), for determining the population of a county; or  
182 (e) for determining the county in which a qualified housing organization is  
183 headquartered.

184 Section 4. Section **59-10-1313** is enacted to read:

185 **59-10-1313. Contribution to Methamphetamine Housing Reconstruction and**  
186 **Rehabilitation Fund.**

187 (1) Except as provided in Section 59-10-1304, for ~~H→~~ [the] a ~~←H~~ taxable year beginning  
187a on or

188 after January 1, 2009, but beginning on or before ~~H→~~ [December 31, 2009] **December 31, 2010** ~~←H~~  
188a1 only, a

188a resident or

189 nonresident individual that files an individual income tax return under this chapter may  
190 designate on the resident or nonresident individual's individual income tax return a contribution  
191 as provided in this section to be:

192 (a) deposited into the Methamphetamine Housing Reconstruction and Rehabilitation  
193 Fund created in Section 9-4-1503; and

194 (b) expended for the purposes described in Section 9-4-1503.

195 (2) The commission shall:

196 (a) determine the total amount of contributions designated in accordance with this  
197 section for the taxable year described in Subsection (1); and

198 (b) credit the amount described in Subsection (2)(a) to the Methamphetamine Housing  
199 Reconstruction and Rehabilitation Fund created in Section 9-4-1503.

200 Section 5. **Retrospective operation.**

201 This bill has retrospective operation for a taxable year beginning on or after January 1,  
202 2009.

---

---

**Fiscal Note****S.B. 132 1st Sub. (Green) - Individual Income Tax Contribution for  
Methamphetamine Housing Reconstruction and Rehabilitation Fund - As  
Amended**

2009 General Session

State of Utah

**State Impact**

Enactment of this bill creates the Methamphetamine Housing Reconstruction and Rehabilitation Fund. Revenue to the fund and expenditures from the fund have a net zero fiscal impact. The account is funded by voluntary contributions made on individual income tax returns. The expected amount of contributions is \$50,000 in FY 2010 and \$50,000 FY 2011. The contribution is thereafter not included on the individual income tax return.

|                         | <u>2009</u><br><u>Approp.</u> | <u>2010</u><br><u>Approp.</u> | <u>2011</u><br><u>Approp.</u> | <u>2009</u><br><u>Revenue</u> | <u>2010</u><br><u>Revenue</u> | <u>2011</u><br><u>Revenue</u> |
|-------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| General Fund Restricted | \$0                           | \$50,000                      | \$50,000                      | \$0                           | \$50,000                      | \$50,000                      |
| <b>Total</b>            | <b>\$0</b>                    | <b>\$50,000</b>               | <b>\$50,000</b>               | <b>\$0</b>                    | <b>\$50,000</b>               | <b>\$50,000</b>               |

**Individual, Business and/or Local Impact**

Individuals and businesses may contribute to projects related to housing reconstruction and rehabilitation. Local taxing entities may benefit by having funds available for housing reconstruction.