

HB0462S02 compared with HB0462

~~text~~ shows text that was in HB0462 but was deleted in HB0462S02.

Inserted text shows text that was not in HB0462 but was inserted into HB0462S02.

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Representative Karianne Lisonbee proposes the following substitute bill:

HOMELESS SERVICES AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: ~~_____~~

~~Todd Weiler~~

Cosponsors:

Joel K. Briscoe

Gage Froerer

Francis D. Gibson

Sandra Hollins

Gregory H. Hughes

Eric K. Hutchings

Brian S. King

Michael E. Noel

Jeremy A. Peterson

Dixon M. Pitcher

Val K. Potter

Angela Romero

Douglas V. Sagers

Mike Schultz

Robert M. Spendlove

Elizabeth Weight

John R. Westwood

Mark A. Wheatley

LONG TITLE

General Description:

This bill amends ~~sales and use tax provisions and~~ provisions related to the Homeless

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to Housing ~~{and Community Development Division}~~ Reform Restricted Account.

Highlighted Provisions:

This bill:

- ▶ ~~{defines terms;~~
- ~~allows redevelopment agencies to transfer funds to counties and cities under certain circumstances;~~
- ~~requires the~~ } modifies the membership of the Homeless Coordinating Committee;
- ▶ modifies provisions related to the awarding of grants by the Homeless Coordinating Committee and the Division of Housing and Community ~~{Development Division to calculate an annual local contribution amount from municipalities in the state and provide the information to the State Tax Commission;~~
- ~~requires the State Tax Commission to retain certain local option sales taxes and deposit them into~~ } Development from the Homeless to Housing Reform Restricted Account ~~;~~
- ~~amends provisions related to how money in the Homeless to Housing Reform Restricted Account may be spent by the Housing and Community Development Division}~~; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

This bill appropriates:

- ▶ to the General Fund Restricted -- Homeless to Housing Reform Restricted Account, as an ongoing appropriation:
 - from the General Fund, ~~{ \$ } \$6, { 300 } 600,000; and~~
- ▶ to the Department of Workforce Services -- Housing and Community Development, as an ongoing appropriation:
 - from the General Fund Restricted -- Homeless to Housing Reform Restricted Account, ~~{ \$ } \$6, { 300 } 600,000.~~

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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~~{17C-1-409}~~35A-8-601, as last amended by Laws of Utah 2016, Chapter ~~{350~~

~~17C-1-411~~, as last amended by Laws of Utah 2016, Chapter 350

~~17C-1-412~~, as last amended by Laws of Utah 2016, Chapter 350

~~35A-8-505~~, as last amended by Laws of Utah 2016, Chapter 131

~~{278~~

35A-8-604, as last amended by Laws of Utah 2017, Chapter 21

~~{ 35A-8-605~~, as enacted by Laws of Utah 2016, Chapter 278

~~59-12-205~~, as last amended by Laws of Utah 2017, Chapters 230 and 385

ENACTS:

~~35A-8-606~~, Utah Code Annotated 1953

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

Section 1. Section ~~{17C-1-409}~~35A-8-601 is amended to read:

~~{ 17C-1-409. Allowable uses of agency funds:~~

~~(1) (a) An agency may use agency funds:~~

~~(i) for any purpose authorized under this title;~~

~~(ii) for administrative, overhead, legal, or other operating expenses of the agency, including consultant fees and expenses under Subsection 17C-2-102(1)(b)(ii)(B) or funding for a business resource center;~~

~~(iii) to pay for, including financing or refinancing, all or part of:~~

~~(A) project area development in a project area, including environmental remediation activities occurring before or after adoption of the project area plan;~~

~~(B) housing-related expenditures, projects, or programs as described in Section 17C-1-411 or 17C-1-412;~~

~~(C) an incentive or other consideration paid to a participant under a participation agreement;~~

~~(D) subject to Subsections (1)(c) and (4), the value of the land for and the cost of the installation and construction of any publicly owned building, facility, structure, landscaping, or other improvement within the project area from which the project area funds are collected; or~~

~~(E) the cost of the installation of publicly owned infrastructure and improvements outside the project area from which the project area funds are collected if the board and the~~

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~~community legislative body determine by resolution that the publicly owned infrastructure and improvements benefit the project area; [or]~~

~~—— (iv) in an urban renewal project area that includes some or all of an inactive industrial site and subject to Subsection (1)(c), to reimburse the Department of Transportation created under Section 72-1-201, or a public transit district created under Title 17B, Chapter 2a, Part 8, Public Transit District Act, for the cost of:~~

~~—— (A) construction of a public road, bridge, or overpass;~~

~~—— (B) relocation of a railroad track within the urban renewal project area; or~~

~~—— (C) relocation of a railroad facility within the urban renewal project area[.]; or~~

~~—— (v) subject to Subsection (5), to transfer funds to a community that created the agency.~~

~~—— (b) The determination of the board and the community legislative body under Subsection (1)(a)(iii)(E) regarding benefit to the project area shall be final and conclusive.~~

~~—— (c) An agency may not use project area funds received from a taxing entity for the purposes stated in Subsection (1)(a)(iii)(D) under an urban renewal project area plan, an economic development project area plan, or a community reinvestment project area plan without the community legislative body's consent.~~

~~—— (d) (i) Subject to Subsection (1)(d)(ii), an agency may loan project area funds from a project area fund to another project area fund if:~~

~~—— (A) the board approves; and~~

~~—— (B) the community legislative body approves.~~

~~—— (ii) An agency may not loan project area funds under Subsection (1)(d)(i) unless the projections for agency funds are sufficient to repay the loan amount.~~

~~—— (iii) A loan described in Subsection (1)(d) is not subject to Title 10, Chapter 5, Uniform Fiscal Procedures Act for Utah Towns, Title 10, Chapter 6, Uniform Fiscal Procedures Act for Utah Cities, Title 17, Chapter 36, Uniform Fiscal Procedures Act for Counties, or Title 17B, Chapter 1, Part 6, Fiscal Procedures for Local Districts.~~

~~—— (e) Before an agency may pay any tax increment or sales tax revenue under Subsection (1)(a)(iv), the agency shall enter into an interlocal agreement defining the terms of the reimbursement with:~~

~~—— (i) the Department of Transportation; or~~

~~—— (ii) a public transit district.~~

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~~—— (2) (a) Sales and use tax revenue that an agency receives from a taxing entity is not subject to the prohibition or limitations of Title 11, Chapter 41, Prohibition on Sales and Use Tax Incentive Payments Act.~~

~~—— (b) An agency may use sales and use tax revenue that the agency receives under an interlocal agreement under Section 17C-4-201 or 17C-5-204 for the uses authorized in the interlocal agreement.~~

~~—— (3) (a) An agency may contract with the community that created the agency or another public entity to use agency funds to reimburse the cost of items authorized by this title to be paid by the agency that are paid by the community or other public entity.~~

~~—— (b) If land is acquired or the cost of an improvement is paid by another public entity and the land or improvement is leased to the community, an agency may contract with and make reimbursement from agency funds to the community.~~

~~—— (4) Notwithstanding any other provision of this title, an agency may not use project area funds to construct a local government building unless the taxing entity committee or each taxing entity party to an interlocal agreement with the agency consents.~~

~~—— (5) The total amount an agency transfers in a calendar year to a community under Subsections (1)(a)(v), 17C-1-411(1)(d), and 17C-1-412(1)(a)(x) may not exceed the community's annual local contribution calculated by the Department of Workforce Services in accordance with Section 35A-8-606.~~

~~—— Section 2. Section **17C-1-411** is amended to read:~~

~~—— **17C-1-411. Use of project area funds for housing-related improvements and for relocating mobile home park residents == Funds to be held in separate accounts.**~~

~~—— (1) An agency may use project area funds:~~

~~—— (a) to pay all or part of the value of the land for and the cost of installation, construction, or rehabilitation of any housing-related building, facility, structure, or other housing improvement, including infrastructure improvements related to housing, located in any project area within the agency's boundaries;~~

~~—— (b) outside of a project area for the purpose of:~~

~~—— (i) replacing housing units lost by project area development; or~~

~~—— (ii) increasing, improving, or preserving the affordable housing supply within the boundary of the agency; [or]~~

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~~—— (c) for relocating mobile home park residents displaced by project area development, whether inside or outside a project area[.], or~~

~~—— (d) subject to Subsection (4), to transfer funds to a community that created the agency.~~

~~—— (2) (a) Each agency shall create a housing fund and separately account for project area funds allocated under this section.~~

~~—— (b) Interest earned by the housing fund described in Subsection (2)(a), and any payments or repayments made to the agency for loans, advances, or grants of any kind from the housing fund, shall accrue to the housing fund.~~

~~—— (c) An agency that designates a housing fund under this section shall use the housing fund for the purposes set forth in this section or Section 17C-1-412.~~

~~—— (3) An agency may lend, grant, or contribute funds from the housing fund to a person, public entity, housing authority, private entity or business, or nonprofit corporation for affordable housing or homeless assistance.~~

~~—— (4) The total amount an agency transfers in a calendar year to a community under Subsections (1)(d), 17C-1-409(1)(a)(v), and 17C-1-412(1)(a)(x) may not exceed the community's annual local contribution calculated by the Department of Workforce Services in accordance with Section 35A-8-606.~~

~~—— Section 3. Section 17C-1-412 is amended to read:~~

~~—— **17C-1-412. 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, if applicable, 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~~

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~~any building, facility, structure, or other housing improvement, including infrastructure improvements, related to housing located in a project area where blight has been found to exist;~~

~~—— (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~~

~~—— (B) all or part of the proceeds of which were used within the community for the purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi); [or]~~

~~—— (ix) relocate mobile home park residents displaced by project area development[.]; or~~

~~—— (x) subject to Subsection (6), transfer funds to a community that created the agency.~~

~~(b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or any portion of the agency's housing allocation to:~~

~~—— (i) the community for use as described in Subsection (1)(a);~~

~~—— (ii) a housing authority that provides income targeted housing within the community for use in providing income targeted housing within the community;~~

~~—— (iii) a housing authority established by the county in which the agency is located for providing:~~

~~—— (A) income targeted housing within the county;~~

~~—— (B) permanent housing, permanent supportive housing, or a transitional facility, as defined in Section 35A-5-302, within the county; or~~

~~—— (C) homeless assistance within the county; or~~

~~—— (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within the community.~~

~~—— (2) The agency shall create a housing fund and separately account for the agency's~~

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~~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:~~

~~—— (3) 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 (3)(a) previously issued by the agency.~~

~~—— (4) (a) Except as provided in Subsection (4)(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 (4)(a) does not apply in a year in which tax increment is insufficient.~~

~~—— (5) (a) Except as provided in Subsection (4)(b), if an agency fails to provide a housing allocation in accordance with the project area budget and, if applicable, 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 (5)(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.~~

~~—— (6) 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 calculated by the Department of Workforce Services in accordance with Section 35A-8-606.~~

~~—— Section 4. Section **35A-8-505** is amended to read:~~

~~—— **35A-8-505. Activities authorized to receive fund money -- Powers of the executive director:**~~

~~—— At the direction of the board, the executive director may:~~

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

~~—— (a) the acquisition, rehabilitation, or new construction of low-income housing units;~~

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~~—— (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; [and]~~

~~—— (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; and~~

~~—— [(c)] (f) other activities that will assist in minimizing homelessness or improving the availability or quality of housing in the state for low-income persons;~~

~~—— (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 director and board's duties and the exercise of the executive 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 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~~

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~~performance of its duties; and~~

~~_____ (c) selling, at a public or private sale, with public bidding, a mortgage or other obligation held by the fund.~~

‡ 35A-8-601. Creation.

(1) There is created within the division the Homeless Coordinating Committee.

(2) (a) The committee shall consist of the following members:

(i) the lieutenant governor or the lieutenant governor's designee;

(ii) the state planning coordinator or the coordinator's designee;

(iii) the state superintendent of public instruction or the superintendent's designee;

(iv) the chair of the board of trustees of the Utah Housing Corporation or the chair's designee;

(v) the executive director of the Department of Workforce Services or the executive director's designee;

(vi) the executive director of the Department of Corrections or the executive director's designee;

(vii) the executive director of the Department of Health or the executive director's designee;

(viii) the executive director of the Department of Human Services or the executive director's designee;

(ix) the mayor of Salt Lake City or the mayor's designee; [and]

(x) the mayor of Salt Lake County [-] or the mayor's designee;

(xi) the mayor of Ogden or the mayor's designee;

(xii) the mayor of Midvale or the mayor's designee; and

(xiii) the mayor of St. George or the mayor's designee.

(b) (i) The lieutenant governor shall serve as the chair of the committee.

(ii) The lieutenant governor may appoint a vice chair from among committee members, who shall conduct committee meetings in the absence of the lieutenant governor.

(3) The governor may appoint as members of the committee:

(a) representatives of local governments, local housing authorities, local law enforcement agencies;

(b) representatives of federal and private agencies and organizations concerned with

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the homeless, persons with a mental illness, the elderly, single-parent families, persons with a substance use disorder, and persons with a disability; and

(c) a resident of Salt Lake County.

(4) (a) Except as required by Subsection (4)(b), as terms of current committee members appointed under Subsection (3) expire, the governor shall appoint each new member or reappointed member to a four-year term.

(b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of committee members are staggered so that approximately half of the committee is appointed every two years.

(c) A member appointed under Subsection (3) may not be appointed to serve more than three consecutive terms.

(5) When a vacancy occurs in the membership for any reason, the replacement is appointed for the unexpired term.

(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 Sections 63A-3-106 and 63A-3-107.

Section ~~5}2~~. Section **35A-8-604** is amended to read:

35A-8-604. Uses of Homeless to Housing Reform Restricted Account.

(1) With the concurrence of the division and in accordance with this section, the Homeless Coordinating Committee members designated in Subsection 35A-8-601(2) may award ongoing or one-time grants or contracts funded from the Homeless to Housing Reform Restricted Account created in Section 35A-8-605.

(2) Before final approval of a grant or contract awarded under this section, the Homeless Coordinating Committee and the division shall provide written information regarding the grant or contract to, and shall consider the recommendations of, the Executive Appropriations Committee.

(3) As a condition of receiving money, including any ongoing money, from the

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~~[Homeless to Housing Reform Restricted Account]~~ restricted account, an entity awarded a grant or contract under this section shall provide detailed and accurate reporting on at least an annual basis to the division and the Homeless Coordinating Committee that describes:

(a) how money provided from the ~~[Homeless to Housing Reform Restricted Account]~~ restricted account has been spent by the entity; and

(b) the progress towards measurable outcome-based benchmarks agreed to between the entity and the Homeless Coordinating Committee before the awarding of the grant or contract.

(4) In determining the awarding of a grant or contract under this section, the Homeless Coordinating Committee, with the concurrence of the division, shall:

(a) ensure that the services to be provided through the grant or contract will be provided in a cost-effective manner;

(b) consider the advice of committee members designated in Subsection 35A-8-601(3);

(c) give priority to a project or contract that will include significant additional or matching funds from a private organization, nonprofit organization, or local government entity;

(d) ensure that the project or contract will target the distinct housing needs of one or more at-risk or homeless subpopulations, which may include:

(i) families with children;

(ii) transitional-aged youth;

(iii) single men or single women;

(iv) veterans;

(v) victims of domestic violence;

(vi) individuals with behavioral health disorders, including mental health or substance use disorders;

(vii) individuals who are medically frail or terminally ill;

(viii) individuals exiting prison or jail; or

(ix) individuals who are homeless without shelter; and

(e) consider whether the project will address one or more of the following goals:

(i) diverting homeless or imminently homeless individuals and families from emergency shelters by providing better housing-based solutions;

(ii) meeting the basic needs of homeless individuals and families in crisis;

(iii) providing homeless individuals and families with needed stabilization services;

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- (iv) decreasing the state's homeless rate;
- (v) implementing a coordinated entry system with consistent assessment tools to provide appropriate and timely access to services for homeless individuals and families;
- (vi) providing access to caseworkers or other individualized support for homeless individuals and families;
- (vii) encouraging employment and increased financial stability for individuals and families being diverted from or exiting homelessness;
- (viii) creating additional affordable housing for state residents;
- (ix) providing services and support to prevent homelessness among at-risk individuals and adults;
- (x) providing services and support to prevent homelessness among at-risk children, adolescents, and young adults; and
- (xi) preventing the reoccurrence of homelessness among individuals and families exiting homelessness.

(5) In addition to the other provisions of this section, in determining the awarding of a grant or contract under this section to design, build, create, or renovate a facility that will provide shelter or other resources for the homeless, the Homeless Coordinating Committee, with the concurrence of the division, may consider whether the facility will be:

- (a) located near mass transit services;
- (b) located in an area that meets or will meet all zoning regulations before a final dispersal of funds;
- (c) safe and welcoming both for individuals using the facility and for members of the surrounding community; and
- (d) located in an area with access to employment, job training, and positive activities.

(6) In accordance with Subsection (5), and subject to the approval of the Homeless Coordinating Committee with the concurrence of the division, the following may recommend a site location, acquire a site location, and hold title to real property, buildings, fixtures, and appurtenances of a facility that provides or will provide shelter or other resources for the homeless:

- (a) the county executive of a county of the first class on behalf of the county of the first class, if the facility is or will be located in the county of the first class in a location other than

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Salt Lake City;

(b) the state;

(c) a nonprofit entity approved by the Homeless Coordinating Committee with the concurrence of the division; and

(d) a mayor of a municipality on behalf of the municipality where a facility is or will be located.

(7) Subject to the requirements of Subsections (5) and (6), on or before March 30, 2017, the county executive of a county of the first class shall make a recommendation to the Homeless Coordinating Committee identifying a site location for one facility within the county of the first class that will provide shelter for the homeless in a location other than Salt Lake City.

(8) (a) As used in this Subsection (8) and Subsection (9), "homeless shelter" means a facility that:

(i) is located within a municipality;

(ii) provides temporary shelter year-round to homeless individuals; and

(iii) has the capacity to provide temporary shelter to at least 50 individuals per night.

(b) In addition to the other provisions of this section, the Homeless Coordinating Committee, with the concurrence of the division, may award a grant or contract:

(i) to a municipality to improve sidewalks, pathways, or roadways near a homeless shelter to provide greater safety to homeless individuals; and

(ii) to a municipality to hire one or more peace officers to provide greater safety to homeless individuals.

(9) If a ~~{qualified}~~ homeless shelter ~~{as defined in Section 35A-8-606}~~ commits to provide matching funds equal to the total grant awarded under this Subsection (9), the Homeless Coordinating Committee, with the concurrence of the division, may award money for the ongoing operations of the ~~{qualified}~~ homeless shelter.

~~[(9)] (10)~~ The division may expend money from the ~~[Homeless to Housing Reform Restricted Account]~~ restricted account to offset actual division and Homeless Coordinating Committee expenses related to administering this section.

Section ~~{6. Section 35A-8-605 is amended to read:~~

~~————— 35A-8-605. Homeless to Housing Reform Restricted Account.~~

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- ~~—— (1) There is created a restricted account within the General Fund known as the Homeless to Housing Reform Restricted Account.~~
- ~~—— (2) The restricted account shall be administered by the division for the purposes described in Section 35A-8-604.~~
- ~~—— (3) The state treasurer shall invest the money in the restricted account according to the procedures and requirements of Title 51, Chapter 7, State Money Management Act, except that interest and other earnings derived from the restricted account shall be deposited in the restricted account.~~
- ~~—— (4) The restricted account shall be funded by:~~
- ~~—— (a) appropriations made to the account by the Legislature; [and]~~
- ~~—— (b) the annual local contribution deposited into the restricted account by the State Tax Commission as described in Section 35A-8-606; and~~
- ~~—— [(b)] (c) private donations, grants, gifts, bequests, or money made available from any other source to implement this section and Section 35A-8-604.~~
- ~~—— (5) Subject to appropriation, the director shall use restricted account money:~~
- ~~—— (a) as described in Section 35A-8-604[.]; and~~
- ~~—— (b) from the annual local contribution described in Section 35A-8-606, and an additional amount equal to the annual local contribution, to fund the activities described in Subsection 35A-8-604(9).~~
- ~~—— (6) The Homeless Coordinating Committee, in cooperation with the division, shall submit an annual written report to the department that gives a complete accounting of the use of money from the restricted account for inclusion in the annual report described in Section 35A-1-109.~~
- ~~—— Section 7. Section **35A-8-606** is enacted to read:~~
- ~~—— **35A-8-606. Annual local contribution to restricted account.**~~
- ~~—— (1) As used in this section:~~
- ~~—— (a) "Affordable housing" means, as determined by the department, 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 income on housing costs.~~
- ~~—— (b) "Annual local contribution" means an annual amount calculated for each county~~

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~~and municipality in the state by the department in accordance with this section that will be withheld by the State Tax Commission from the local portion of a municipality or county's local sales tax distribution under Section 59-12-205 and deposited in the restricted account for the uses described in Subsection 35A-8-604(9):~~

~~—— (c) "Consumer Price Index" means the Consumer Price Index for All Urban Consumers as published by the Bureau of Labor Statistics of the United States Department of Labor:~~

~~—— (d) "County" means the unincorporated area of a county:~~

~~—— (e) "Large county" means the unincorporated area of a county of the first, second, or third class:~~

~~—— (f) "Large homeless shelter" means a facility that:~~

~~—— (i) provides temporary shelter to homeless individuals;~~

~~—— (ii) operates year round; and~~

~~—— (iii) has the capacity to provide, and offers to provide, temporary shelter and beds for at least 200 individuals per night:~~

~~—— (g) "Large municipality" means a city located within:~~

~~—— (i) a county of the first class; or~~

~~—— (ii) a county of the second or third class and that has a population of 5,000 or more:~~

~~—— (h) "Low-income housing" means, as determined by the department, the number of Section 42, Internal Revenue Code, housing units within a county or municipality:~~

~~—— (i) "Municipality" means a city or town:~~

~~—— (j) "Qualified homeless shelter" means a facility that:~~

~~—— (i) is a large homeless shelter; and~~

~~—— (ii) is located within a county of the first class:~~

~~—— (k) "Rural county" means the unincorporated area of a county of the fourth, fifth, or sixth class:~~

~~—— (l) "Rural municipality" means a city or town located within a county of the fourth, fifth, or sixth class:~~

~~—— (m) "Small municipality" means a city or town located within a county of the second or third class and that has a population of less than 5,000:~~

~~—— (2) The department shall calculate the initial annual contribution amount for each municipality and county in the state as follows:~~

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~~_____ (a) for a rural county, the department shall calculate the rural county's annual local contribution by multiplying:~~

~~_____ (i) \$1; and~~

~~_____ (ii) the population of the unincorporated area of the rural county;~~

~~_____ (b) for a rural municipality, the department shall calculate the rural municipality's annual local contribution by multiplying:~~

~~_____ (i) \$1; and~~

~~_____ (ii) the population of the rural municipality;~~

~~_____ (c) for a small municipality, the department shall calculate the small municipality's annual local contribution by multiplying:~~

~~_____ (i) \$1; and~~

~~_____ (ii) the population of the small municipality;~~

~~_____ (d) for a large county that has both a higher percentage of affordable housing and a higher percentage of low-income housing than the statewide average, the department shall calculate the large county's annual local contribution by multiplying:~~

~~_____ (i) \$0; and~~

~~_____ (ii) the population of the unincorporated area of the large county;~~

~~_____ (e) for a large county that has a higher percentage of affordable housing or a higher percentage of low-income housing than the statewide average, but not both, the department shall calculate the large county's annual local contribution by multiplying:~~

~~_____ (i) 50 cents; and~~

~~_____ (ii) the population of the unincorporated area of the large county;~~

~~_____ (f) for a large county that has both a lower percentage of affordable housing and a lower percentage of low-income housing than the statewide average, the department shall calculate the large county's annual local contribution by multiplying:~~

~~_____ (i) \$2; and~~

~~_____ (ii) the population of the unincorporated area of the large county;~~

~~_____ (g) for a large municipality that has both a higher percentage of affordable housing and a higher percentage of low-income housing than the statewide average, the department shall calculate the large municipality's annual local contribution by multiplying:~~

~~_____ (i) \$0; and~~

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- ~~—— (ii) the population of the large municipality;~~
- ~~—— (h) for a large municipality that has a higher percentage of affordable housing or a higher percentage of low-income housing than the statewide average, but not both, the department shall calculate the large municipality's annual local contribution by multiplying:~~
 - ~~—— (i) 50 cents; and~~
 - ~~—— (ii) the population of the large municipality; and~~
- ~~—— (i) for a large municipality that has both a lower percentage of affordable housing and a lower percentage of low-income housing than the statewide average, the department shall calculate the large municipality's annual local contribution by multiplying:~~
 - ~~—— (i) \$2; and~~
 - ~~—— (ii) the population of the large municipality;~~
- ~~—— (3) The department shall make the following adjustments to the initial annual local contribution amount described in Subsection (2):~~
 - ~~—— (a) if a municipality has a large homeless shelter within its boundaries, the division shall replace the municipality's initial annual local contribution calculation and calculate the municipality's annual local contribution by multiplying:~~
 - ~~—— (i) \$0; and~~
 - ~~—— (ii) the population of the municipality;~~
 - ~~—— (b) if a municipality provides evidence before September 1 to the department that the municipality has given Community Development Block Grant Money awarded to the municipality by the United States Department of Housing and Urban Development to a qualified homeless shelter during the calendar year, the division shall calculate the municipality's annual local contribution by subtracting the amount of that spending from the initial annual local contribution calculation; and~~
 - ~~—— (c) if a municipality or a county has an initial annual local contribution calculation that is more than \$200,000, the annual local contribution shall be reduced to \$200,000;~~
- ~~—— (4) The total local contribution amount from all counties and municipalities shall equal at least \$3,300,000.~~
- ~~—— (5) If, after the calculation described in Subsections (2) and (3), the initial total local contribution amount equals less than \$3,300,000, the department shall proportionally adjust the local contribution amount of municipalities and counties that have an initial annual local~~

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~~contribution calculation amount greater than \$0 so that the final total local contribution amount equals \$3,300,000:~~

~~—— (6) On or before October 1 of each year, the department shall:~~

~~—— (a) calculate the final annual contribution amount for each county and municipality;~~

~~—— (b) send the final annual contribution amount for each county and municipality to the State Tax Commission; and~~

~~—— (c) publish the final annual contribution amount for each county and municipality on the department's website.~~

~~—— (7) For calculations made in 2019 and every year thereafter, the department shall adjust the monetary amounts under Subsections (2), (3)(a), (3)(c), (4), and (5) for inflation using the Consumer Price Index:~~

~~—— (8) (a) Population figures for purposes of this section shall be based on the most recent official census or census estimate of the United States Census Bureau.~~

~~—— (b) If a needed population estimate is not available from the United States Census Bureau, population figures shall be derived from the estimate from the Utah Population Estimates Committee.~~

~~—— (c) The population of a county for purposes of this section shall be determined only from the unincorporated area of the county.~~

~~—— (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department may make rules in accordance with this section to calculate and administer the annual local contribution described in this section.~~

~~—— Section 8. Section 59-12-205 is amended to read:~~

~~—— **59-12-205. Ordinances to conform with statutory amendments -- Distribution of tax revenue -- Determination of population:**~~

~~—— (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or town's sales and use tax ordinances:~~

~~—— (a) within 30 days of the day on which the state makes an amendment to an applicable provision of Part 1, Tax Collection; and~~

~~—— (b) as required to conform to the amendments to Part 1, Tax Collection.~~

~~—— (2) Except as provided in Subsections (3) through [(6)] (7) and subject to Subsection~~

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~~[(7)](8):~~

~~—— (a) 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the percentage that the population of the county, city, or town bears to the total population of all counties, cities, and towns in the state; and~~

~~—— (b) (i) except as provided in Subsection (2)(b)(ii), 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215; and~~

~~—— (ii) 50% of each dollar collected from the sales and use tax authorized by this part within a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act, shall be distributed to the military installation development authority created in Section 63H-1-201.~~

~~—— (3) (a) Beginning on July 1, 2017, and ending on June 30, 2022, the commission shall distribute annually to a county, city, or town the distribution required by this Subsection (3) if:~~

~~—— (i) the county, city, or town is a:~~

~~—— (A) county of the third, fourth, fifth, or sixth class;~~

~~—— (B) city of the fifth class; or~~

~~—— (C) town;~~

~~—— (ii) the county, city, or town received a distribution under this section for the calendar year beginning on January 1, 2008, that was less than the distribution under this section that the county, city, or town received for the calendar year beginning on January 1, 2007;~~

~~—— (iii) (A) for a county described in Subsection (3)(a)(i)(A), the county had located within the unincorporated area of the county for one or more days during the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget; or~~

~~—— (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection (3)(a)(i)(C), the city or town had located within the city or town for one or more days during~~

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~~the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget, and~~

~~—— (iv) (A) for a county described in Subsection (3)(a)(i)(A), at least one establishment described in Subsection (3)(a)(iii)(A) located within the unincorporated area of the county for one or more days during the calendar year beginning on January 1, 2008, was not the holder of a direct payment permit under Section 59-12-107.1; or~~

~~—— (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection (3)(a)(i)(C), at least one establishment described in Subsection (3)(a)(iii)(B) located within a city or town for one or more days during the calendar year beginning on January 1, 2008, was not the holder of a direct payment permit under Section 59-12-107.1.~~

~~—— (b) The commission shall make the distribution required by this Subsection (3) to a county, city, or town described in Subsection (3)(a):~~

~~—— (i) from the distribution required by Subsection (2)(a); and~~

~~—— (ii) before making any other distribution required by this section.~~

~~—— (c) (i) For purposes of this Subsection (3), the distribution is the amount calculated by multiplying the fraction calculated under Subsection (3)(c)(ii) by \$333,583.~~

~~—— (ii) For purposes of Subsection (3)(c)(i):~~

~~—— (A) the numerator of the fraction is the difference calculated by subtracting the distribution a county, city, or town described in Subsection (3)(a) received under this section for the calendar year beginning on January 1, 2008, from the distribution under this section that the county, city, or town received for the calendar year beginning on January 1, 2007; and~~

~~—— (B) the denominator of the fraction is \$333,583.~~

~~—— (d) A distribution required by this Subsection (3) is in addition to any other distribution required by this section.~~

~~—— (4) (a) For fiscal years beginning with fiscal year 1983-84 and ending with fiscal year 2005-06, a county, city, or town may not receive a tax revenue distribution less than .75% of the taxable sales within the boundaries of the county, city, or town.~~

~~—— (b) The commission shall proportionally reduce monthly distributions to any county, city, or town that, but for the reduction, would receive a distribution in excess of 1% of the~~

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~~sales and use tax revenue collected within the boundaries of the county, city, or town:~~

~~—— (5) (a) As used in this Subsection (5):~~

~~—— (i) "Eligible county, city, or town" means a county, city, or town that receives \$2,000 or more in tax revenue distributions in accordance with Subsection (4) for each of the following fiscal years:~~

~~—— (A) fiscal year 2002-03;~~

~~—— (B) fiscal year 2003-04; and~~

~~—— (C) fiscal year 2004-05.~~

~~—— (ii) "Minimum tax revenue distribution" means the greater of:~~

~~—— (A) the total amount of tax revenue distributions an eligible county, city, or town receives from a tax imposed in accordance with this part for fiscal year 2000-01; or~~

~~—— (B) the total amount of tax revenue distributions an eligible county, city, or town receives from a tax imposed in accordance with this part for fiscal year 2004-05.~~

~~—— (b) (i) Except as provided in Subsection (5)(b)(ii), beginning with fiscal year 2006-07 and ending with fiscal year 2012-13, an eligible county, city, or town shall receive a tax revenue distribution for a tax imposed in accordance with this part equal to the greater of:~~

~~—— (A) the payment required by Subsection (2); or~~

~~—— (B) the minimum tax revenue distribution.~~

~~—— (ii) If the tax revenue distribution required by Subsection (5)(b)(i) for an eligible county, city, or town is equal to the amount described in Subsection (5)(b)(i)(A) for three consecutive fiscal years, for fiscal years beginning with the fiscal year immediately following that three consecutive fiscal year period, the eligible county, city, or town shall receive the tax revenue distribution equal to the payment required by Subsection (2).~~

~~—— (c) For a fiscal year beginning with fiscal year 2013-14 and ending with fiscal year 2015-16, an eligible county, city, or town shall receive the minimum tax revenue distribution for that fiscal year if for fiscal year 2012-13 the payment required by Subsection (2) to that eligible county, city, or town is less than or equal to the product of:~~

~~—— (i) the minimum tax revenue distribution; and~~

~~—— (ii) .90.~~

~~—— (6) (a) As used in this Subsection (6):~~

~~—— (i) "Eligible county, city, or town" means a county, city, or town that:~~

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- ~~—— (A) receives, in accordance with Subsection (4), \$2,000 or more in tax revenue distributions for fiscal year 2002-03;~~
- ~~—— (B) receives, in accordance with Subsection (4), \$2,000 or more in tax revenue distributions for fiscal year 2003-04;~~
- ~~—— (C) receives, in accordance with Subsection (4), \$2,000 or more in tax revenue distributions for fiscal year 2004-05;~~
- ~~—— (D) for a fiscal year beginning with fiscal year 2012-13 and ending with fiscal year 2015-16, does not receive a tax revenue distribution described in Subsection (5) equal to the amount described in Subsection (5)(b)(i)(A) for three consecutive fiscal years; and~~
- ~~—— (E) does not impose a sales and use tax under Section 59-12-2103 on or before July 1, 2016.~~
- ~~—— (ii) "Minimum tax revenue distribution" means the total amount of tax revenue distributions an eligible county, city, or town receives from a tax imposed in accordance with this part for fiscal year 2004-05.~~
- ~~—— (b) Beginning with fiscal year 2016-17, an eligible county, city, or town shall receive a tax revenue distribution for a tax imposed in accordance with this part equal to the greater of:~~
 - ~~—— (i) the payment required by Subsection (2); or~~
 - ~~—— (ii) the minimum tax revenue distribution.~~
- ~~—— (7) (a) As used in this subsection:~~
 - ~~—— (i) "Annual local contribution" means the same as that term is defined in Section 35A-8-606.~~
 - ~~—— (ii) "Department" means the Department of Workforce Services created in Section 35A-1-103.~~
 - ~~—— (iii) "Monthly local contribution" means the annual local contribution divided by 12 for each county, city, and town in the state.~~
- ~~—— (b) For each tax revenue distribution the commission makes under this section on or after January 1, 2019, the commission shall:~~
 - ~~—— (i) retain an amount of each county's, city's, and town's distribution equal to the monthly local contribution; and~~
 - ~~—— (ii) deposit the amount the commission retains into the Homeless to Housing Reform Restricted Account created in Section 35A-8-605.~~

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~~(c) On or before October 1 of each year, the department shall provide the commission with the annual local contribution that the commission will use to determine how much tax revenue to retain from distributions made in the following calendar year.~~

~~(d) The commission may use the annual local contribution the commission used for the previous calendar year to determine how much tax revenue to retain under this Subsection (7) if:~~

~~(i) the department does not provide an updated annual local contribution; or~~

~~(ii) (A) the department provides an annual local contribution after October 1; and~~

~~(B) the commission does not have sufficient time to incorporate the new annual local contribution into its distribution model.~~

~~[(7)] (8) (a) Population figures for purposes of this section shall be based on the most recent official census or census estimate of the United States Census Bureau.~~

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

~~(c) The population of a county for purposes of this section shall be determined only from the unincorporated area of the county.~~

~~Section 9}~~ 3. **Appropriation.**

For Item 1 and Item 2, the following sums of money are appropriated for the fiscal year beginning July 1, 2018, and ending June 30, 2019. These are additions to amounts previously appropriated for fiscal year 2019. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the Legislature appropriates the following sums of money from the funds or accounts indicated for the use and support of the government of the state of Utah.

ITEM 1

To Fund and Account Transfers -- General Fund Restricted -- Homeless to

Housing Reform Restricted Account

From General Fund

~~+\$3}~~ \$6,300} 600,000

Schedule of Programs:

General Fund Restricted -- Homeless to Housing Reform

Restricted Account

~~+\$3}~~ \$6,300} 600,000

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To Department of Workforce Services -- Housing and Community Development

From General Fund Restricted -- Homeless to Housing

Reform Restricted Account ~~+\$3,300,000~~ +\$6,600,000

Schedule of Programs:

Homeless to Housing Reform Program ~~+\$3,300,000~~ +\$6,600,000

The Legislature intends that:

(1) under Section 63J-1-603 appropriations provided under this section not lapse at the close of fiscal year 2019; and

(2) the appropriation to the Homeless to Housing Reform Restricted Account be used for the purposes described in Subsection 35A-8-604(9).

†

Legislative Review Note

~~Office of Legislative Research and General Counsel~~