

## HB0015S02 compared with HB0015S01

~~text~~ shows text that was in HB0015S01 but was deleted in HB0015S02.

text shows text that was not in HB0015S01 but was inserted into HB0015S02.

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Representative Susan Pulsipher proposes the following substitute bill:

### CHILD CARE AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Susan Pulsipher**

Senate Sponsor: \_\_\_\_\_

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#### LONG TITLE

##### General Description:

This bill modifies provisions related to child care.

##### Highlighted Provisions:

This bill:

- ▶ modifies definitions applicable to the Department of Health's licensing and certification of child care providers;
- ▶ clarifies the Department of Health's authority over municipalities and counties to regulate licensed and certified child care programs;
- ▶ allows a community reinvestment agency to use the agency's housing allocation to pay for the expansion of child care facilities within the agency's boundaries;
- ▶ requires the Department of Health to make rules allowing licensed and certified child care providers to provide after school care for a reasonable number of children

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in excess of capacity limits;

- ▶ increases the number of children that a residential child care provider may care for without a certificate from the Department of Health;
- ▶ removes limitations on the number of children under two years old that a certified residential child care provider may care for;
- ▶ establishes a limit on the total number of children that a person may care for in the person's home without a license or certificate from the Department of Health, regardless of whether a child is related;
- ▶ requires the Office of Child Care to provide grants to certain child care providers ~~{that provide child care on behalf of employers, using}~~ from COVID-19 relief funds;
- ▶ requires the Office of Child Care to report information about the office's expenditure of COVID-19 relief funds on an annual basis;
- ▶ requires a proposal for a housing and transportation reinvestment zone to promote the objective of increasing access to child care; and
- ▶ makes technical changes.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

**17C-1-412**, as last amended by Laws of Utah 2020, Chapter 241

**26-39-102**, as last amended by Laws of Utah 2015, Chapter 220

**26-39-301**, as last amended by Laws of Utah 2018, Chapter 58

**26-39-401**, as renumbered and amended by Laws of Utah 2008, Chapter 111

**26-39-402**, as last amended by Laws of Utah 2018, Chapter 415

**26-39-403**, as last amended by Laws of Utah 2017, Chapter 366

**63I-2-235**, as last amended by Laws of Utah 2021, Chapter 318

**63N-3-603**, as last amended by Laws of Utah 2021, First Special Session, Chapter 3

ENACTS:

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10-8-84.6, Utah Code Annotated 1953

17-50-339, Utah Code Annotated 1953

35A-3-212, Utah Code Annotated 1953

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

Section 1. Section **10-8-84.6** is enacted to read:

**10-8-84.6. Prohibition on licensing or certification of child care programs.**

(1) (a) As used in this section, "child care program" means a child care facility or program operated by a person who holds a license or certificate from the Department of Health under Title 26, Chapter 39, Utah Child Care Licensing Act.

(b) "Child care program" does not include a child care program for which a municipality provides oversight, as described in Subsection 26-39-403(2)(e).

(2) A municipality may not enact or enforce an ordinance that:

(a) imposes licensing or certification requirements for a child care program; or

(b) governs the manner in which child care is provided in a child care program.

(3) This section does not prohibit a municipality from:

(a) requiring a business license to operate a business within the municipality; or

(b) imposing requirements related to building, health, and fire codes.

Section 2. Section **17-50-339** is enacted to read:

**17-50-339. Prohibition on licensing or certification of child care programs.**

(1) (a) As used in this section, "child care program" means a child care facility or program operated by a person who holds a license or certificate from the Department of Health under Title 26, Chapter 39, Utah Child Care Licensing Act.

(b) "Child care program" does not include a child care program for which a county provides oversight, as described in Subsection 26-39-403(2)(e).

(2) A county may not enact or enforce an ordinance that:

(a) imposes licensing or certification requirements for a child care program; or

(b) governs the manner in which care is provided in a child care program.

(3) This section does not prohibit a county from:

(a) requiring a business license to operate a business within the county; or

(b) imposing requirements related to building, health, and fire codes.

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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 to:

(i) pay part or all of the cost of land or construction of income targeted housing within the boundary of the agency, if practicable in a mixed income development or area;

(ii) pay part or all of the cost of rehabilitation of income targeted housing within the boundary of the agency;

(iii) lend, grant, or contribute money to a person, public entity, housing authority, private entity or business, or nonprofit corporation for income targeted housing within the boundary of the agency;

(iv) plan or otherwise promote income targeted housing within the boundary of the agency;

(v) pay part or all of the cost of land or installation, construction, or rehabilitation of any building, facility, structure, or other housing improvement, including infrastructure improvements, related to housing located in a project area where a board has determined that a development impediment exists;

(vi) replace housing units lost as a result of the project area development;

(vii) make payments on or establish a reserve fund for bonds:

(A) issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and

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

(viii) if the community's fair share ratio at the time of the first adoption of the project area budget is at least 1.1 to 1.0, make payments on bonds:

(A) that were previously issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and

(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);

(ix) relocate mobile home park residents displaced by project area development;

(x) subject to Subsection (7), transfer funds to a community that created the agency; or

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(xi) pay for or make a contribution toward the acquisition, construction, or rehabilitation of housing that:

(A) is located in the same county as the agency;

(B) is owned in whole or in part by, or is dedicated to supporting, a public nonprofit college or university; and

(C) only students of the relevant college or university, including the students' immediate families, occupy.

(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;

(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; [or]

(v) pay for or make a contribution toward the acquisition, construction, or rehabilitation of income targeted housing that is outside of the community if the housing is located along or near a major transit investment corridor that services the community and the related project has been approved by the community in which the housing is or will be located[.]; or

(vi) pay for or make a contribution toward the expansion of child care facilities within the boundary of the agency, provided that any recipient of funds from the agency's housing allocation reports annually to the agency on how the funds were used.

(2) (a) An agency may combine all or any portion of the agency's housing allocation with all or any portion of one or more additional agency's housing allocations if the agencies

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execute an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

(b) An agency that has entered into an interlocal agreement as described in Subsection (2)(a), meets the requirements of Subsection (1)(a) or (1)(b) if the use of the housing allocation meets the requirements for at least one agency that is a party to the interlocal agreement.

(3) The agency shall create a housing fund and separately account for the agency's housing allocation, together with all interest earned by the housing allocation and all payments or repayments for loans, advances, or grants from the housing allocation.

(4) An agency may:

(a) issue bonds to finance a housing-related project under this section, including the payment of principal and interest upon advances for surveys and plans or preliminary loans; and

(b) issue refunding bonds for the payment or retirement of bonds under Subsection (4)(a) previously issued by the agency.

(5) (a) Except as provided in Subsection (5)(b), an agency shall allocate money to the housing fund each year in which the agency receives sufficient tax increment to make a housing allocation required by the project area budget.

(b) Subsection (5)(a) does not apply in a year in which tax increment is insufficient.

(6) (a) Except as provided in Subsection (5)(b), if an agency fails to provide a housing allocation in accordance with the project area budget and the housing plan adopted under Subsection 17C-2-204(2), the loan fund board may bring legal action to compel the agency to provide the housing allocation.

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

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

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

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

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Section 35A-8-606.

Section 4. Section **26-39-102** is amended to read:

### **26-39-102. Definitions.**

As used in this chapter:

(1) "Advisory committee" means the Residential Child Care Licensing Advisory Committee, created in Section 26-1-7.

(2) "Capacity limit" means the maximum number of qualifying children that a regulated provider may care for at any given time, in accordance with rules made by the department.

~~[(2)] (3)~~ (a) "Center based child care" means ~~[, except as provided in Subsection (2)(b), a child care program licensed under this chapter]~~ child care provided in a facility or program that is not the home of the provider.

(b) "Center based child care" does not include:

(i) ~~[a]~~ residential child care ~~[provider certified under Section 26-39-402];~~ or

(ii) care provided in a facility or program exempt under Section 26-39-403.

(4) "Certified provider" means a person who holds a certificate from the department under Section 26-39-402.

~~[(3)] (5)~~ "Child care" means continuous care and supervision of ~~[five or more]~~ a qualifying ~~[children]~~ child, that is:

(a) in lieu of care ordinarily provided by a parent in the parent's home;

(b) for less than 24 hours a day; and

(c) for direct or indirect compensation.

~~[(4)] (6)~~ "Child care program" means a child care facility or program operated by a ~~[person who holds a license or certificate issued in accordance with this chapter]~~ regulated provider.

~~[(5)] (7)~~ "Exempt provider" means a person who provides care described in Subsection 26-39-403(2).

(8) "Licensed provider" means a person who holds a license from the department under Section 26-39-401.

~~[(6)] (9)~~ "Licensing committee" means the Child Care Center Licensing Committee created in Section 26-1-7.

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[(7)] (10) "Public school" means:

(a) a school, including a charter school, that:

(i) is directly funded at public expense; and

(ii) provides education to qualifying children for any grade from first grade through twelfth grade; or

(b) a school, including a charter school, that provides:

(i) preschool or kindergarten to qualifying children, regardless of whether the preschool or kindergarten is funded at public expense; and

(ii) education to qualifying children for any grade from first grade through twelfth grade, if each grade, from first grade to twelfth grade, that is provided at the school, is directly funded at public expense.

[(8)] (11) "Qualifying child" means an individual who is:

(a) (i) under the age of 13; or

(ii) under the age of 18, if the person has a disability; and

(b) a child of:

(i) a person other than the person providing care to the child;

(ii) a [~~licensed or certified residential child care~~] regulated provider, if the child is under the age of four; or

(iii) an employee or owner of a licensed child care center, if the child is under the age of four.

(12) "Regulated provider" means a licensed provider or certified provider.

[(9)] (13) "Residential child care" means child care provided in the home of [a] the provider.

Section 5. Section **26-39-301** is amended to read:

**26-39-301. Duties of the department -- Enforcement of chapter -- Licensing committee requirements.**

(1) With regard to residential child care licensed or certified under this chapter, the department may:

(a) make and enforce rules to implement this chapter and, as necessary to protect qualifying children's common needs for a safe and healthy environment, to provide for:

(i) adequate facilities and equipment; and

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(ii) competent caregivers, considering the age of the children and the type of program offered by the licensee; and

(b) make and enforce rules necessary to carry out the purposes of this chapter, in the following areas:

(i) requirements for applications, the application process, and compliance with other applicable statutes and rules;

(ii) documentation and policies and procedures that providers shall have in place in order to be licensed, in accordance with Subsection (1)(a);

(iii) categories, classifications, and duration of initial and ongoing licenses;

(iv) changes of ownership or name, changes in licensure status, and changes in operational status;

(v) license expiration and renewal, contents, and posting requirements;

(vi) procedures for inspections, complaint resolution, disciplinary actions, and other procedural measures to encourage and assure compliance with statute and rule; and

(vii) guidelines necessary to assure consistency and appropriateness in the regulation and discipline of licensees.

(2) The department shall enforce the rules established by the licensing committee, with the concurrence of the department, for center based child care.

(3) The department shall make rules that allow a regulated provider to provide after school child care for a reasonable number of qualifying children in excess of the regulated provider's capacity limit, without requiring the regulated provider to obtain a waiver or new license from the department.

~~(3)~~ (4) Rules made under this chapter by the department, or the licensing committee with the concurrence of the department, shall be made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

~~(4)~~ (5) (a) The licensing committee and the department may not regulate educational curricula, academic methods, or the educational philosophy or approach of the provider.

(b) The licensing committee and the department shall allow for a broad range of educational training and academic background in certification or qualification of child day care directors.

~~(5)~~ (6) In licensing and regulating child care programs, the licensing committee and

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the department shall reasonably balance the benefits and burdens of each regulation and, by rule, provide for a range of licensure, depending upon the needs and different levels and types of child care provided.

~~[(6)]~~ (7) Notwithstanding the definition of "qualifying child" in Section 26-39-102, the licensing committee and the department shall count children through age 12 and children with disabilities through age 18 toward the minimum square footage requirement for indoor and outdoor areas, including the child of:

- (a) a licensed residential child care provider; or
- (b) an owner or employee of a licensed child care center.

~~[(7)]~~ (8) Notwithstanding Subsection (1)(a)(i), the licensing committee and the department may not exclude floor space used for furniture, fixtures, or equipment from the minimum square footage requirement for indoor and outdoor areas if the furniture, fixture, or equipment is used:

- (a) by qualifying children;
- (b) for the care of qualifying children; or
- (c) to store classroom materials.

~~[(8)]~~ (9) (a) A child care center constructed prior to January 1, 2004, and licensed and operated as a child care center continuously since January 1, 2004, is exempt from the licensing committee's and the department's group size restrictions, if the child to caregiver ratios are maintained, and adequate square footage is maintained for specific classrooms.

(b) An exemption granted under Subsection ~~[(7)]~~ (9)(a) is transferrable to subsequent licensed operators at the center if a licensed child care center is continuously maintained at the center.

~~[(9)]~~ (10) The licensing committee, with the concurrence of the department, shall develop, by rule, a five-year phased-in compliance schedule for playground equipment safety standards.

~~[(10)]~~ (11) The department shall set and collect licensing and other fees in accordance with Section 26-1-6.

~~[(11) Nothing in this chapter may be interpreted to grant a municipality or county the authority to license or certify a child care program.]~~

Section 6. Section **26-39-401** is amended to read:

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### 26-39-401. Licensure requirements -- Expiration -- Renewal.

(1) Except as provided in Section 26-39-403, and subject to Subsection (2), a person shall [be licensed or certified in accordance with this chapter if the person] obtain a license from the department if:

~~[(a) provides or offers child care; or]~~

~~[(b) provides care to qualifying children and requests to be licensed.]~~

(a) the person provides center based child care for five or more qualifying children;

(b) the person provides residential child care for nine or more qualifying children; or

(c) the person:

(i) provides child care;

(ii) is not required to obtain a license under Subsection (1)(a) or (b); and

(iii) requests to be licensed.

(2) Notwithstanding Subsection (1), a certified provider may, in accordance with rules made by the department under Subsection 26-39-301(3), exceed the certified provider's capacity limit to provide after school child care without obtaining a license from the department.

~~[(2)]~~ (3) The department may issue licenses for a period not exceeding 24 months to child care providers who meet the requirements of:

(a) this chapter; and

(b) the department's rules governing child care programs.

~~[(3)]~~ (4) A license issued under this chapter is not assignable or transferable.

Section 7. Section **26-39-402** is amended to read:

### **26-39-402. Residential Child Care Certificate.**

~~[(1) A residential child care provider of five to eight qualifying children shall obtain a Residential Child Care Certificate from the department, unless Section 26-39-403 applies.]~~

(1) Except as provided in Section 26-39-403, a person shall obtain a Residential Child Care Certificate from the department if:

(a) the person provides residential child care for seven or eight qualifying children; or

(b) the person:

(i) provides residential child care for six or less qualifying children; and

(ii) requests to be certified.

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(2) The minimum qualifications for a Residential Child Care Certificate are:

(a) the submission of:

(i) an application in the form prescribed by the department;

(ii) a certification and criminal background fee established in accordance with Section 26-1-6; and

(iii) in accordance with Section 26-39-404, identifying information for each adult person and each juvenile age 12 through 17 years of age who resides in the provider's home:

(A) for processing by the Department of Public Safety to determine whether any such person has been convicted of a crime;

(B) to screen for a substantiated finding of child abuse or neglect by a juvenile court; and

(C) to discover whether the person is listed in the Licensing Information System described in Section 62A-4a-1006;

(b) an initial and annual inspection of the provider's home within 90 days of sending an intent to inspect notice to:

(i) check the immunization record, as defined in Section 53G-9-301, of each qualifying child who receives child care in the provider's home;

(ii) identify serious sanitation, fire, and health hazards to qualifying children; and

(iii) make appropriate recommendations; and

(c) annual training consisting of 10 hours of department-approved training as specified by the department by administrative rule, including a current department-approved CPR and first aid course.

(3) If a serious sanitation, fire, or health hazard has been found during an inspection conducted pursuant to Subsection (2)(b), the department shall require corrective action for the serious hazards found and make an unannounced follow up inspection to determine compliance.

(4) In addition to an inspection conducted pursuant to Subsection (2)(b), the department may inspect the home of a [~~residential care~~] certified provider [~~of five to eight qualifying children~~] in response to a complaint of:

(a) child abuse or neglect;

(b) serious health hazards in or around the provider's home; or

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(c) providing residential child care without the appropriate certificate or license.

~~[(5) Notwithstanding this section:]~~

~~[(a) a license under Section 26-39-401 is required of a residential child care provider who cares for nine or more qualifying children;]~~

~~[(b) a certified residential child care provider may not provide care to more than two qualifying children under the age of two; and]~~

~~[(c) an inspection may be required of a residential child care provider in connection with a federal child care program.]~~

~~[(6)]~~ (5) With respect to residential child care, the department may only make and enforce rules necessary to implement this section.

Section 8. Section **26-39-403** is amended to read:

**26-39-403. Exclusions from chapter -- Criminal background checks by an excluded person.**

(1) (a) ~~[The]~~ Except as provided in Subsection (1)(b), the provisions and requirements of this chapter do not apply to:

~~[(a)]~~ (i) a facility or program owned or operated by an agency of the United States government;

~~[(b)]~~ (ii) group counseling provided by a mental health therapist, as defined in Section 58-60-102, who is licensed to practice in this state;

~~[(c)]~~ (iii) a health care facility licensed pursuant to Title 26, Chapter 21, Health Care Facility Licensing and Inspection Act;

~~[(d)]~~ (iv) care provided to a qualifying child by or in the home of a parent, legal guardian, grandparent, brother, sister, uncle, or aunt;

~~[(e)]~~ (v) care provided to a qualifying child, in the home of the provider, for less than four hours a day or on a sporadic basis, unless that child care directly affects or is related to a business licensed in this state; ~~[or]~~

~~[(f)]~~ (vi) care provided at a residential support program that is licensed by the Department of Human Services[-:];

(vii) center based child care for four or less qualifying children, unless the provider requests to be licensed under Section 26-39-401; or

(viii) residential child care for six or less qualifying children, unless the provider

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requests to be licensed under Section 26-39-401 or certified under Section 26-39-402.

(b) Notwithstanding Subsection (1)(a), a person who does not hold a license or certificate from the department under this chapter may not, at any given time, provide child care in the person's home for more than ~~12~~10 children in total under the age of 13, or under the age of 18 if a child has a disability, regardless of whether a child is related to the person providing child care.

(2) The licensing and certification requirements of this chapter do not apply to:

(a) care provided to a qualifying child as part of a course of study at or a program administered by an educational institution that is regulated by the boards of education of this state, a private education institution that provides education in lieu of that provided by the public education system, or by a parochial education institution;

(b) care provided to a qualifying child by a public or private institution of higher education, if the care is provided in connection with a course of study or program, relating to the education or study of children, that is provided to students of the institution of higher education;

(c) care provided to a qualifying child at a public school by an organization other than the public school, if:

(i) the care is provided under contract with the public school or on school property; or

(ii) the public school accepts responsibility and oversight for the care provided by the organization;

(d) care provided to a qualifying child as part of a summer camp that operates on federal land pursuant to a federal permit;

(e) care provided by an organization that:

(i) qualifies for tax exempt status under Section 501(c)(3) of the Internal Revenue Code;

(ii) provides care pursuant to a written agreement with:

(A) a municipality, as defined in Section 10-1-104, that provides oversight for the program; or

(B) a county that provides oversight for the program; and

(iii) provides care to a child who is over the age of four and under the age of 13; or

(f) care provided to a qualifying child at a facility where:

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(i) the parent or guardian of the qualifying child is at all times physically present in the building where the care is provided and the parent or guardian is near enough to reach the child within five minutes if needed;

(ii) the duration of the care is less than four hours for an individual qualifying child in any one day;

(iii) the care is provided on a sporadic basis;

(iv) the care does not include diapering a qualifying child; and

(v) the care does not include preparing or serving meals to a qualifying child.

(3) An exempt provider shall submit to the department:

(a) the information required under Subsections 26-39-404(1) and (2); and

(b) of the children receiving care from the exempt provider:

(i) the number of children who are less than two years old;

(ii) the number of children who are at least two years old and less than five years old;

and

(iii) the number of children who are five years old or older.

(4) An exempt provider shall post, in a conspicuous location near the entrance of the exempt provider's facility, a notice prepared by the department that:

(a) states that the facility is exempt from licensure and certification; and

(b) provides the department's contact information for submitting a complaint.

(5) (a) ~~[The]~~ Except as provided in Subsection (5)(b), the department may not release the information [it] the department collects from exempt providers under Subsection (3) [except in].

(b) The department may release an aggregate count of children receiving care from exempt providers, without identifying a specific provider.

Section 9. Section **35A-3-212** is enacted to read:

**35A-3-212. Use of COVID-19 relief funds -- Grants to child care providers --**

### **Reporting requirements.**

(1) As used in this section:

(a) "COVID-19 relief funds" means federal funds provided to the office under:

(i) the American Rescue Plan Act, Pub. L. No. 117-2;

(ii) the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136; or

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(iii) the Coronavirus Response and Relief Supplemental Appropriations Act, Pub. L. No. 116-260.

(b) "Eligible child care provider" means:

(i) a child care provider that enters into a contract with an employer to provide child care for the employer's employees, either on-site or off-site of the employer's place of business;

or

(ii) a regulated residential child care provider.

(f)(c) (i) "Employer" means:

(A) a public employer;

(B) a private employer; or

(C) a cooperative organized for the purpose of providing child care for members' employees.

(ii) "Employer" includes a local education agency, as defined in Section 53E-1-102.

(f)(d) "~~{Qualifying child care" means}~~ Regulated residential child care ~~{provided for an employer's employees, either on-site or off-site of the employer's place of business}~~ provider" means a person who holds a license or certificate from the Department of Health to provide residential child care in accordance with Title 26, Chapter 39, Utah Child Care Licensing Act.

(2) (a) Subject to availability of funds and requirements under applicable federal law, the office shall use COVID-19 relief funds to provide grants to eligible child care providers to assist in paying start-up costs associated with the provision of ~~{qualifying }~~ child care.

~~{ (b) To be eligible for a grant under this Subsection (2), a child care provider shall enter into a contract with an employer to provide qualifying child care on behalf of the employer.~~

~~{ (f)(b) The office shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish criteria and procedures for applying for and awarding grants under this Subsection (2).~~

(3) In fiscal years 2022 through 2024, the office shall submit to the department, for inclusion in the department's annual written report described in Section 35A-1-109, an annual report that provides:

(a) a complete accounting of the COVID-19 relief funds expended by the office during the previous fiscal year;

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(b) a description of the services, projects, and programs funded by the office with COVID-19 relief funds during the previous fiscal year, including the amount of COVID-19 relief funds allocated to each service, project, or program; and

(c) information regarding the outcomes and effectiveness of the services, projects, and programs funded by the office with COVID-19 relief funds during the previous fiscal year.

Section 10. Section **63I-2-235** is amended to read:

**63I-2-235. Repeal dates -- Title 35A.**

(1) Section 35A-1-104.6 is repealed June 30, 2022.

(2) Section 35A-3-212 is repealed June 30, 2025.

Section 11. Section **63N-3-603** is amended to read:

**63N-3-603. Applicability, requirements, and limitations on a housing and transit reinvestment zone.**

(1) A housing and transit reinvestment zone proposal created under this part shall promote the following objectives:

- (a) higher utilization of public transit;
- (b) increasing availability of housing, including affordable housing;
- (c) conservation of water resources through efficient land use;
- (d) improving air quality by reducing fuel consumption and motor vehicle trips;
- (e) encouraging transformative mixed-use development and investment in

transportation and public transit infrastructure in strategic areas;

(f) strategic land use and municipal planning in major transit investment corridors as described in Subsection 10-9a-403(2); [~~and~~]

(g) increasing access to employment and educational opportunities[~~;~~]; and

(h) increasing access to child care.

(2) In order to accomplish the objectives described in Subsection (1), a municipality or public transit county that initiates the process to create a housing and transit reinvestment zone as described in this part shall ensure that the proposal for a housing and transit reinvestment zone includes:

(a) except as provided in Subsection (3), at least 10% of the proposed housing units within the housing and transit reinvestment zone are affordable housing units;

(b) a dedication of at least 51% of the developable area within the housing and transit

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reinvestment zone to residential development with an average of 50 multi-family dwelling units per acre or greater; and

(c) mixed-use development.

(3) A municipality or public transit county that, at the time the housing and transit reinvestment zone proposal is approved by the housing and transit reinvestment zone committee, meets the affordable housing guidelines of the United States Department of Housing and Urban Development at 60% area median income is exempt from the requirement described in Subsection (2)(a).

(4) A municipality or public transit county may only propose a housing and transit reinvestment zone that:

(a) subject to Subsection (5):

(i) (A) for a municipality, does not exceed a 1/3 mile radius of a commuter rail station;

or

(B) for a public transit county, does not exceed a 1/3 mile radius of a public transit hub; and

(ii) has a total area of no more than 125 noncontiguous square acres;

(b) subject to Section 63N-3-607, proposes the capture of a maximum of 80% of each taxing entity's tax increment above the base year for a term of no more than 25 consecutive years on each parcel within a 45-year period not to exceed the tax increment amount approved in the housing and transit reinvestment zone proposal; and

(c) the commencement of collection of tax increment, for all or a portion of the housing and transit reinvestment zone, will be triggered by providing notice as described in Subsection (6).

(5) If a parcel is bisected by the 1/3 mile radius, the full parcel may be included as part of the housing and transit reinvestment zone area and will not count against the limitations described in Subsection (4)(a).

(6) The notice of commencement of collection of tax increment required in Subsection (4)(c) shall be sent by mail or electronically to:

(a) the tax commission;

(b) the State Board of Education;

(c) the state auditor;

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(d) the auditor of the county in which the housing and transit reinvestment zone is located;

(e) each taxing entity affected by the collection of tax increment from the housing and transit reinvestment zone; and

(f) the Governor's Office of Economic Opportunity.