

**Representative Stephen L. Whyte** proposes the following substitute bill:

**HOUSING AFFORDABILITY AMENDMENTS**

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Stephen L. Whyte**

Senate Sponsor: Lincoln Fillmore

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to affordable housing and the provision of services related to affordable housing.

**Highlighted Provisions:**

This bill:

- ▶ modifies provisions related to the moderate income housing reporting requirements for certain cities and counties;
- ▶ allows a city or county to appeal the Housing and Community Development Division's determination of noncompliance in relation to city and county moderate income housing reports;
- ▶ establishes an appeal board to hear and decide appeals in relation to city and county moderate income housing reports;
- ▶ requires the Department of Workforce Services to report annually on expenditures authorized by the Utah Housing Preservation Fund;
- ▶ establishes the Housing Support Grant Program within the Office of Homeless Services for supporting residential projects that include affordable housing units;
- ▶ allows for state low-income housing tax credits to be allocated, by pass-through, to certain business entities;



- 26           ▶ increases the aggregate annual amount of state low-income housing tax credits that
- 27 may be allocated in certain years;
- 28           ▶ allows a taxpayer to claim a state low-income housing tax credit before final
- 29 certification from the Utah Housing Corporation in certain circumstances;
- 30           ▶ requires the Legislature to conduct reviews of the aggregate annual amount of state
- 31 low-income housing tax credits that the Utah Housing Corporation is authorized to
- 32 allocate and has allocated; and
- 33           ▶ makes technical and conforming changes.

34 **Money Appropriated in this Bill:**

35           This bill appropriates in fiscal year 2024:

- 36           ▶ to Department of Health and Human Services -- Integrated Health Care Services, as
- 37 an ongoing appropriation:
- 38           • from Medicaid Expansion Fund, \$3,900,000.

39 **Other Special Clauses:**

40           This bill provides a special effective date.

41           This bill provides retrospective operation.

42 **Utah Code Sections Affected:**

43 AMENDS:

- 44           10-9a-401, as last amended by Laws of Utah 2022, Chapters 282, 406
- 45           10-9a-403, as last amended by Laws of Utah 2022, Chapters 282, 406 and last amended
- 46 by Coordination Clause, Laws of Utah 2022, Chapter 406
- 47           10-9a-408, as last amended by Laws of Utah 2022, Chapter 406
- 48           17-27a-401, as last amended by Laws of Utah 2022, Chapters 282, 406
- 49           17-27a-403, as last amended by Laws of Utah 2022, Chapters 282, 406
- 50           17-27a-408, as last amended by Laws of Utah 2022, Chapter 406
- 51           59-7-607, as last amended by Laws of Utah 2020, Chapter 241
- 52           59-9-108, as enacted by Laws of Utah 2020, Chapter 241
- 53           59-10-1010, as last amended by Laws of Utah 2020, Chapter 241
- 54           63J-4-802, as last amended by Laws of Utah 2022, Chapter 406
- 55           72-1-304, as last amended by Laws of Utah 2022, Chapter 406
- 56           72-2-124, as last amended by Laws of Utah 2022, Chapters 69, 259 and 406

57 ENACTS:

58 [35A-8-2401](#), Utah Code Annotated 1953

59 [35A-16-701](#), Utah Code Annotated 1953



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

62 Section 1. Section **10-9a-401** is amended to read:

63 **10-9a-401. General plan required -- Content.**

64 (1) To accomplish the purposes of this chapter, a municipality shall prepare and adopt  
65 a comprehensive, long-range general plan for:

- 66 (a) present and future needs of the municipality; and
- 67 (b) growth and development of all or any part of the land within the municipality.

68 (2) The general plan may provide for:

- 69 (a) health, general welfare, safety, energy conservation, transportation, prosperity, civic  
70 activities, aesthetics, and recreational, educational, and cultural opportunities;

- 71 (b) the reduction of the waste of physical, financial, or human resources that result  
72 from either excessive congestion or excessive scattering of population;

73 (c) the efficient and economical use, conservation, and production of the supply of:

- 74 (i) food and water; and
- 75 (ii) drainage, sanitary, and other facilities and resources;

76 (d) the use of energy conservation and solar and renewable energy resources;

77 (e) the protection of urban development;

78 (f) if the municipality is a town, the protection or promotion of moderate income  
79 housing;

80 (g) the protection and promotion of air quality;

81 (h) historic preservation;

82 (i) identifying future uses of land that are likely to require an expansion or significant  
83 modification of services or facilities provided by an affected entity; and

84 (j) an official map.

85 (3) (a) The general plan of a specified municipality, as defined in Section [10-9a-408](#),  
86 shall include a moderate income housing element that meets the requirements of Subsection  
87 [10-9a-403\(2\)\(a\)\(iii\)](#).

88 ~~[(b) On or before October 1, 2022, a specified municipality, as defined in Section~~  
89 ~~10-9a-408, with a general plan that does not comply with Subsection (3)(a) shall amend the~~  
90 ~~general plan to comply with Subsection (3)(a)]~~

91 (b) (i) This Subsection (3)(b) applies to a municipality that is not a specified  
92 municipality as of January 1, 2023.

93 (ii) If a municipality described in Subsection (3)(b)(i) changes from one class to  
94 another or grows in population to qualify as a specified municipality as defined in Section  
95 10-9a-408, the municipality shall amend the municipality's general plan to comply with  
96 Subsection (3)(a) on or before September 1 of the first calendar year beginning on January 1 in  
97 which the municipality qualifies as a specified municipality.

98 (4) Subject to Subsection 10-9a-403(2), the municipality may determine the  
99 comprehensiveness, extent, and format of the general plan.

100 Section 2. Section 10-9a-403 is amended to read:

101 **10-9a-403. General plan preparation.**

102 (1) (a) The planning commission shall provide notice, as provided in Section  
103 10-9a-203, of the planning commission's intent to make a recommendation to the municipal  
104 legislative body for a general plan or a comprehensive general plan amendment when the  
105 planning commission initiates the process of preparing the planning commission's  
106 recommendation.

107 (b) The planning commission shall make and recommend to the legislative body a  
108 proposed general plan for the area within the municipality.

109 (c) The plan may include areas outside the boundaries of the municipality if, in the  
110 planning commission's judgment, those areas are related to the planning of the municipality's  
111 territory.

112 (d) Except as otherwise provided by law or with respect to a municipality's power of  
113 eminent domain, when the plan of a municipality involves territory outside the boundaries of  
114 the municipality, the municipality may not take action affecting that territory without the  
115 concurrence of the county or other municipalities affected.

116 (2) (a) At a minimum, the proposed general plan, with the accompanying maps, charts,  
117 and descriptive and explanatory matter, shall include the planning commission's  
118 recommendations for the following plan elements:

119 (i) a land use element that:

120 (A) designates the long-term goals and the proposed extent, general distribution, and  
121 location of land for housing for residents of various income levels, business, industry,  
122 agriculture, recreation, education, public buildings and grounds, open space, and other  
123 categories of public and private uses of land as appropriate;

124 (B) includes a statement of the projections for and standards of population density and  
125 building intensity recommended for the various land use categories covered by the plan;

126 (C) except for a city of the fifth class or a town, is coordinated to integrate the land use  
127 element with the water use and preservation element; and

128 (D) except for a city of the fifth class or a town, accounts for the effect of land use  
129 categories and land uses on water demand;

130 (ii) a transportation and traffic circulation element that:

131 (A) provides the general location and extent of existing and proposed freeways, arterial  
132 and collector streets, public transit, active transportation facilities, and other modes of  
133 transportation that the planning commission considers appropriate;

134 (B) for a municipality that has access to a major transit investment corridor, addresses  
135 the municipality's plan for residential and commercial development around major transit  
136 investment corridors to maintain and improve the connections between housing, employment,  
137 education, recreation, and commerce;

138 (C) for a municipality that does not have access to a major transit investment corridor,  
139 addresses the municipality's plan for residential and commercial development in areas that will  
140 maintain and improve the connections between housing, transportation, employment,  
141 education, recreation, and commerce; and

142 (D) correlates with the population projections, the employment projections, and the  
143 proposed land use element of the general plan;

144 (iii) [~~for a specified municipality as defined in Section 10-9a-408;~~] a moderate income  
145 housing element that:

146 (A) provides a realistic opportunity to meet the need for additional moderate income  
147 housing within the municipality during the next five years;

148 (B) [~~selects~~] for a town, may include a recommendation to implement three or more of  
149 the moderate income housing strategies described in Subsection (2)(b)(iii) [for implementation,

150 including one additional moderate income housing strategy as provided in Subsection (2)(b)(iv)  
151 for a specified municipality that has a fixed guideway public transit station];

152 (C) for a specified municipality, as defined in Section [10-9a-408](#), that does not have a  
153 fixed guideway public transit station, shall include a recommendation to implement three or  
154 more of the moderate income housing strategies described in Subsection (2)(b)(iii);

155 (D) for a specified municipality, as defined in Section [10-9a-408](#), that has a fixed  
156 guideway public transit station, shall include a recommendation to implement five or more of  
157 the moderate income housing strategies described in Subsection (2)(b)(iii), of which one shall  
158 be the moderate income housing strategy described in Subsection (2)(b)(iii)(V), and one shall  
159 be a moderate income housing strategy described in Subsection (2)(b)(iii)(G), (H), or (Q); and

160 [~~C~~] (E) [includes] for a specified municipality, as defined in Section [10-9a-408](#), shall  
161 include an implementation plan as provided in Subsection (2)(c); and

162 (iv) except for a city of the fifth class or a town, a water use and preservation element  
163 that addresses:

164 (A) the effect of permitted development or patterns of development on water demand  
165 and water infrastructure;

166 (B) methods of reducing water demand and per capita consumption for future  
167 development;

168 (C) methods of reducing water demand and per capita consumption for existing  
169 development; and

170 (D) opportunities for the municipality to modify the municipality's operations to  
171 eliminate practices or conditions that waste water.

172 (b) In drafting the moderate income housing element, the planning commission:

173 (i) shall consider the Legislature's determination that municipalities shall facilitate a  
174 reasonable opportunity for a variety of housing, including moderate income housing:

175 (A) to meet the needs of people of various income levels living, working, or desiring to  
176 live or work in the community; and

177 (B) to allow people with various incomes to benefit from and fully participate in all  
178 aspects of neighborhood and community life;

179 (ii) for a town, may include, and for a specified municipality as defined in Section  
180 [10-9a-408](#), shall include, an analysis of how the municipality will provide a realistic

181 opportunity for the development of moderate income housing within the next five years;

182 (iii) for a town, may include, and for ~~[other municipalities]~~ a specified municipality as  
183 defined in Section 10-9a-408, shall include, a recommendation to implement ~~[three or more of~~  
184 ~~the following]~~ the required number of any of the following moderate income housing strategies  
185 as specified in Subsection (2)(a)(iii):

186 (A) rezone for densities necessary to facilitate the production of moderate income  
187 housing;

188 (B) demonstrate investment in the rehabilitation or expansion of infrastructure that  
189 facilitates the construction of moderate income housing;

190 (C) demonstrate investment in the rehabilitation of existing uninhabitable housing  
191 stock into moderate income housing;

192 (D) identify and utilize general fund subsidies or other sources of revenue to waive  
193 construction related fees that are otherwise generally imposed by the municipality for the  
194 construction or rehabilitation of moderate income housing;

195 (E) create or allow for, and reduce regulations related to, internal or detached accessory  
196 dwelling units in residential zones;

197 (F) zone or rezone for higher density or moderate income residential development in  
198 commercial or mixed-use zones near major transit investment corridors, commercial centers, or  
199 employment centers;

200 (G) amend land use regulations to allow for higher density or new moderate income  
201 residential development in commercial or mixed-use zones near major transit investment  
202 corridors;

203 (H) amend land use regulations to eliminate or reduce parking requirements for  
204 residential development where a resident is less likely to rely on the resident's own vehicle,  
205 such as residential development near major transit investment corridors or senior living  
206 facilities;

207 (I) amend land use regulations to allow for single room occupancy developments;

208 (J) implement zoning incentives for moderate income units in new developments;

209 (K) preserve existing and new moderate income housing and subsidized units by  
210 utilizing a landlord incentive program, providing for deed restricted units through a grant  
211 program, or, notwithstanding Section 10-9a-535, establishing a housing loss mitigation fund;

- 212 (L) reduce, waive, or eliminate impact fees related to moderate income housing;
- 213 (M) demonstrate creation of, or participation in, a community land trust program for  
214 moderate income housing;
- 215 (N) implement a mortgage assistance program for employees of the municipality, an  
216 employer that provides contracted services to the municipality, or any other public employer  
217 that operates within the municipality;
- 218 (O) apply for or partner with an entity that applies for state or federal funds or tax  
219 incentives to promote the construction of moderate income housing, an entity that applies for  
220 programs offered by the Utah Housing Corporation within that agency's funding capacity, an  
221 entity that applies for affordable housing programs administered by the Department of  
222 Workforce Services, an entity that applies for affordable housing programs administered by an  
223 association of governments established by an interlocal agreement under Title 11, Chapter 13,  
224 Interlocal Cooperation Act, an entity that applies for services provided by a public housing  
225 authority to preserve and create moderate income housing, or any other entity that applies for  
226 programs or services that promote the construction or preservation of moderate income  
227 housing;
- 228 (P) demonstrate utilization of a moderate income housing set aside from a community  
229 reinvestment agency, redevelopment agency, or community development and renewal agency  
230 to create or subsidize moderate income housing;
- 231 (Q) create a housing and transit reinvestment zone pursuant to Title 63N, Chapter 3,  
232 Part 6, Housing and Transit Reinvestment Zone Act;
- 233 (R) eliminate impact fees for any accessory dwelling unit that is not an internal  
234 accessory dwelling unit as defined in Section [10-9a-530](#);
- 235 (S) create a program to transfer development rights for moderate income housing;
- 236 (T) ratify a joint acquisition agreement with another local political subdivision for the  
237 purpose of combining resources to acquire property for moderate income housing;
- 238 (U) develop a moderate income housing project for residents who are disabled or 55  
239 years old or older;
- 240 (V) develop and adopt a station area plan in accordance with Section [10-9a-403.1](#);
- 241 (W) create or allow for, and reduce regulations related to, multifamily residential  
242 dwellings compatible in scale and form with detached single-family residential dwellings and



243 located in walkable communities within residential or mixed-use zones; and

244 (X) demonstrate implementation of any other program or strategy to address the  
245 housing needs of residents of the municipality who earn less than 80% of the area median  
246 income, including the dedication of a local funding source to moderate income housing or the  
247 adoption of a land use ordinance that requires 10% or more of new residential development in a  
248 residential zone be dedicated to moderate income housing; and

249 ~~[(iv) in addition to the recommendations required under Subsection (2)(b)(iii), for a~~  
250 ~~municipality that has a fixed guideway public transit station, shall include a recommendation to~~  
251 ~~implement:]~~

252 ~~[(A) the strategy described in Subsection (2)(b)(iii)(V); and]~~

253 ~~[(B) a strategy described in Subsection (2)(b)(iii)(G), (H), or (Q).]~~

254 (iv) shall identify each moderate income housing strategy recommended to the  
255 legislative body for implementation by restating the exact language used to describe the  
256 strategy in Subsection (2)(b)(iii).

257 (c) (i) In drafting the implementation plan portion of the moderate income housing  
258 element as described in Subsection (2)(a)(iii)(C), the planning commission shall ~~[establish]~~  
259 recommend to the legislative body the establishment of a five-year timeline for implementing  
260 each of the moderate income housing strategies selected by the municipality for  
261 implementation.

262 (ii) The timeline described in Subsection (2)(c)(i) shall:

263 (A) identify specific measures and benchmarks for implementing each moderate  
264 income housing strategy selected by the municipality, whether one-time or ongoing; and

265 (B) provide flexibility for the municipality to make adjustments as needed.

266 (d) In drafting the land use element, the planning commission shall:

267 (i) identify and consider each agriculture protection area within the municipality;

268 (ii) avoid proposing a use of land within an agriculture protection area that is  
269 inconsistent with or detrimental to the use of the land for agriculture; and

270 (iii) consider and coordinate with any station area plans adopted by the municipality if  
271 required under Section [10-9a-403.1](#).

272 (e) In drafting the transportation and traffic circulation element, the planning  
273 commission shall:

274 (i) (A) consider and coordinate with the regional transportation plan developed by the  
275 municipality's region's metropolitan planning organization, if the municipality is within the  
276 boundaries of a metropolitan planning organization; or

277 (B) consider and coordinate with the long-range transportation plan developed by the  
278 Department of Transportation, if the municipality is not within the boundaries of a  
279 metropolitan planning organization; and

280 (ii) consider and coordinate with any station area plans adopted by the municipality if  
281 required under Section 10-9a-403.1.

282 (f) In drafting the water use and preservation element, the planning commission:

283 (i) shall consider:

284 (A) applicable regional water conservation goals recommended by the Division of  
285 Water Resources; and

286 (B) if Section 73-10-32 requires the municipality to adopt a water conservation plan  
287 pursuant to Section 73-10-32, the municipality's water conservation plan;

288 (ii) shall include a recommendation for:

289 (A) water conservation policies to be determined by the municipality; and

290 (B) landscaping options within a public street for current and future development that  
291 do not require the use of lawn or turf in a parkstrip;

292 (iii) shall review the municipality's land use ordinances and include a recommendation  
293 for changes to an ordinance that promotes the inefficient use of water;

294 (iv) shall consider principles of sustainable landscaping, including the:

295 (A) reduction or limitation of the use of lawn or turf;

296 (B) promotion of site-specific landscape design that decreases stormwater runoff or  
297 runoff of water used for irrigation;

298 (C) preservation and use of healthy trees that have a reasonable water requirement or  
299 are resistant to dry soil conditions;

300 (D) elimination or regulation of ponds, pools, and other features that promote  
301 unnecessary water evaporation;

302 (E) reduction of yard waste; and

303 (F) use of an irrigation system, including drip irrigation, best adapted to provide the  
304 optimal amount of water to the plants being irrigated;

305 (v) shall consult with the public water system or systems serving the municipality with  
306 drinking water regarding how implementation of the land use element and water use and  
307 preservation element may affect:

308 (A) water supply planning, including drinking water source and storage capacity  
309 consistent with Section 19-4-114; and

310 (B) water distribution planning, including master plans, infrastructure asset  
311 management programs and plans, infrastructure replacement plans, and impact fee facilities  
312 plans;

313 (vi) may include recommendations for additional water demand reduction strategies,  
314 including:

315 (A) creating a water budget associated with a particular type of development;

316 (B) adopting new or modified lot size, configuration, and landscaping standards that  
317 will reduce water demand for new single family development;

318 (C) providing one or more water reduction incentives for existing development such as  
319 modification of existing landscapes and irrigation systems and installation of water fixtures or  
320 systems that minimize water demand;

321 (D) discouraging incentives for economic development activities that do not adequately  
322 account for water use or do not include strategies for reducing water demand; and

323 (E) adopting water concurrency standards requiring that adequate water supplies and  
324 facilities are or will be in place for new development; and

325 (vii) for a town, may include, and for another municipality, shall include, a  
326 recommendation for low water use landscaping standards for a new:

327 (A) commercial, industrial, or institutional development;

328 (B) common interest community, as defined in Section 57-25-102; or

329 (C) multifamily housing project.

330 (3) The proposed general plan may include:

331 (a) an environmental element that addresses:

332 (i) the protection, conservation, development, and use of natural resources, including  
333 the quality of:

334 (A) air;

335 (B) forests;

- 336 (C) soils;
- 337 (D) rivers;
- 338 (E) groundwater and other waters;
- 339 (F) harbors;
- 340 (G) fisheries;
- 341 (H) wildlife;
- 342 (I) minerals; and
- 343 (J) other natural resources; and
- 344 (ii) (A) the reclamation of land, flood control, prevention and control of the pollution
- 345 of streams and other waters;
- 346 (B) the regulation of the use of land on hillsides, stream channels and other
- 347 environmentally sensitive areas;
- 348 (C) the prevention, control, and correction of the erosion of soils;
- 349 (D) the preservation and enhancement of watersheds and wetlands; and
- 350 (E) the mapping of known geologic hazards;
- 351 (b) a public services and facilities element showing general plans for sewage, water,
- 352 waste disposal, drainage, public utilities, rights-of-way, easements, and facilities for them,
- 353 police and fire protection, and other public services;
- 354 (c) a rehabilitation, redevelopment, and conservation element consisting of plans and
- 355 programs for:
- 356 (i) historic preservation;
- 357 (ii) the diminution or elimination of a development impediment as defined in Section
- 358 [17C-1-102](#); and
- 359 (iii) redevelopment of land, including housing sites, business and industrial sites, and
- 360 public building sites;
- 361 (d) an economic element composed of appropriate studies and forecasts, as well as an
- 362 economic development plan, which may include review of existing and projected municipal
- 363 revenue and expenditures, revenue sources, identification of basic and secondary industry,
- 364 primary and secondary market areas, employment, and retail sales activity;
- 365 (e) recommendations for implementing all or any portion of the general plan, including
- 366 the adoption of land and water use ordinances, capital improvement plans, community

367 development and promotion, and any other appropriate action;

368 (f) provisions addressing any of the matters listed in Subsection 10-9a-401(2) or (3);

369 and

370 (g) any other element the municipality considers appropriate.

371 Section 3. Section 10-9a-408 is amended to read:

372 **10-9a-408. Moderate income housing report -- Contents -- Prioritization for**  
 373 **funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

374 (1) As used in this section:

375 (a) "Division" means the Housing and Community Development Division within the  
 376 Department of Workforce Services.

377 (b) "Implementation plan" means the implementation plan adopted as part of the  
 378 moderate income housing element of a specified municipality's general plan as provided in  
 379 Subsection 10-9a-403(2)(c).

380 (c) ~~["Moderate income housing report" or "report"]~~ "Initial report" or "initial moderate  
 381 income housing report" means the one-time report described in Subsection ~~[(2)(a)]~~ (2).

382 (d) "Moderate income housing strategy" means a strategy described in Subsection  
 383 10-9a-403(2)(b)(iii).

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

385 ~~[(e)]~~ (f) "Specified municipality" means:

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

387 (ii) a city of the fifth class with a population of 5,000 or more, if the city is located  
 388 within a county of the first, second, or third class; or

389 (iii) a metro township with a population of 5,000 or more.

390 (g) "Subsequent progress report" means the annual report described in Subsection (3).

391 (2) (a) ~~[Beginning in 2022, on or before October 1 of each calendar year, the]~~ The  
 392 legislative body of a specified municipality shall [annually submit a written moderate income  
 393 housing report] submit an initial report to the division.

394 ~~[(b) The moderate income housing report submitted in 2022 shall include:]~~

395 (b) (i) This Subsection (2)(b) applies to a municipality that is not a specified  
 396 municipality as of January 1, 2023.

397 (ii) If a municipality described in Subsection (2)(b)(i) changes from one class to

398 another or grows in population to qualify as a specified municipality, the municipality shall  
399 submit an initial plan to the division on or before September 1 of the first calendar year  
400 beginning on January 1 in which the municipality qualifies as a specified municipality.

401 (c) The initial report shall:

402 (i) [~~a description of~~] identify each moderate income housing strategy selected by the  
403 specified municipality for continued, ongoing, or one-time implementation, restating the exact  
404 language used to describe the moderate income housing strategy in Subsection  
405 10-9a-403(2)(b)(iii); and

406 (ii) include an implementation plan.

407 [~~(c)~~] (3) (a) [~~The moderate income housing report submitted in each calendar year after~~  
408 2022] After the division approves a specified municipality's initial report under this section,  
409 the specified municipality shall annually submit to the division a subsequent progress report on  
410 or before September 1 of each year after the year in which the specified municipality is  
411 required to submit the initial report.

412 (b) The subsequent progress report shall include:

413 [~~(i) the information required under Subsection (2)(b);~~]

414 [~~(ii)~~] (i) subject to Subsection (3)(c), a description of each action, whether one-time or  
415 ongoing, taken by the specified municipality during the previous [fiscal year] 12-month period  
416 to implement the moderate income housing strategies [selected by the specified municipality]  
417 identified in the initial report for implementation;

418 [~~(iii)~~] (ii) a description of each land use regulation or land use decision made by the  
419 specified municipality during the previous [fiscal year] 12-month period to implement the  
420 moderate income housing strategies, including an explanation of how the land use regulation or  
421 land use decision supports the specified municipality's efforts to implement the moderate  
422 income housing strategies;

423 [~~(iv)~~] (iii) a description of any barriers encountered by the specified municipality in the  
424 previous [fiscal year] 12-month period in implementing the moderate income housing  
425 strategies;

426 [~~(v)~~] (iv) information regarding the number of internal and external or detached  
427 accessory dwelling units located within the specified municipality for which the specified  
428 municipality:

- 429 (A) issued a building permit to construct; or
- 430 (B) issued a business license or comparable license or permit to rent;
- 431 ~~[(vi)]~~ (v) a description of how the market has responded to the selected moderate
- 432 income housing strategies, including the number of entitled moderate income housing units or
- 433 other relevant data; and
- 434 ~~[(vii)]~~ (vi) any recommendations on how the state can support the specified
- 435 municipality in implementing the moderate income housing strategies.
- 436 (c) For purposes of describing actions taken by a specified municipality under
- 437 Subsection (3)(b)(i), the specified municipality may include an ongoing action taken by the
- 438 specified municipality prior to the 12-month reporting period applicable to the subsequent
- 439 progress report if the specified municipality:
- 440 (i) has already adopted an ordinance, approved a land use application, made an
- 441 investment, or approved an agreement or financing that substantially promotes the
- 442 implementation of a moderate income housing strategy identified in the initial report; and
- 443 (ii) demonstrates in the subsequent progress report that the action taken under
- 444 Subsection (3)(c)(i) is relevant to making meaningful progress towards the specified
- 445 municipality's implementation plan.
- 446 (d) ~~[The moderate income housing]~~ A specified municipality's report shall be in a
- 447 form:
- 448 (i) approved by the division; and
- 449 (ii) made available by the division on or before ~~[July]~~ May 1 of the year in which the
- 450 report is required.
- 451 ~~[(3)]~~ (4) Within 90 days after the day on which the division receives a specified
- 452 municipality's ~~[moderate income housing]~~ report, the division shall:
- 453 (a) post the report on the division's website;
- 454 (b) send a copy of the report to the Department of Transportation, the Governor's
- 455 Office of Planning and Budget, the association of governments in which the specified
- 456 municipality is located, and, if the specified municipality is located within the boundaries of a
- 457 metropolitan planning organization, the appropriate metropolitan planning organization; and
- 458 (c) subject to Subsection ~~[(4)]~~ (5), review the report to determine compliance with
- 459 ~~[Subsection (2)]~~ this section.

460           ~~[(4)]~~ (5) (a) ~~[The report described in Subsection (2)(b) complies with Subsection (2) if~~  
461 ] An initial report does not comply with this section unless the report:

462           (i) includes the information required under Subsection ~~[(2)(b)]~~ (2)(c);

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

465           (A) three or more moderate income housing strategies if the specified municipality  
466 does not have a fixed guideway public transit station; or

467           (B) subject to Subsection 10-9a-403(2)(b)(iv), five or more moderate income housing  
468 strategies if the specified municipality has a fixed guideway public transit station; and

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

470           (b) ~~[The report described in Subsection (2)(c) complies with Subsection (2) if]~~ A  
471 subsequent progress report does not comply with this section unless the report:

472           ~~[(i) includes the information required under Subsection (2)(c);]~~

473           ~~[(ii)]~~ (i) demonstrates to the division that the specified municipality made plans to  
474 implement:

475           (A) three or more moderate income housing strategies if the specified municipality  
476 does not have a fixed guideway public transit station; or

477           (B) ~~[four]~~ subject to the requirements of Subsection 10-9a-403(2)(a)(iii)(D), five or  
478 more moderate income housing strategies if the specified municipality has a fixed guideway  
479 public transit station;

480           ~~[(iii)]~~ (ii) is in a form approved by the division; and

481           ~~[(iv)]~~ (iii) provides sufficient information for the division to:

482           (A) assess the specified municipality's progress in implementing the moderate income  
483 housing strategies;

484           (B) monitor compliance with the specified municipality's implementation plan;

485           (C) identify a clear correlation between the specified municipality's land use  
486 regulations and land use decisions and the specified municipality's efforts to implement the  
487 moderate income housing strategies; ~~[and]~~

488           (D) identify how the market has responded to the specified municipality's selected  
489 moderate income housing strategies~~[-];~~ and

490           (E) identify any barriers encountered by the specified municipality in implementing the



491 selected moderate income housing strategies.

492 ~~[(5)]~~ (6) (a) A specified municipality qualifies for priority consideration under this  
493 Subsection ~~[(5)]~~ (6) if the specified municipality's ~~[moderate income housing]~~ report:

494 (i) complies with ~~[Subsection (2)]~~ this section; and

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

497 (A) five or more moderate income housing strategies if the specified municipality does  
498 not have a fixed guideway public transit station; or

499 (B) six or more moderate income housing strategies if the specified municipality has a  
500 fixed guideway public transit station.

501 (b) The ~~[following apply to]~~ Transportation Commission may, in accordance with  
502 Subsection 72-1-304(3)(c), give priority consideration to transportation projects located within  
503 the boundaries of a specified municipality described in Subsection ~~[(5)(a) during the fiscal year~~  
504 immediately following the fiscal year in which the report is required:] (6)(a) until the  
505 Department of Transportation receives notice from the division under Subsection (6)(e).

506 ~~[(i) the Transportation Commission may give priority consideration to transportation~~  
507 ~~projects located within the boundaries of the specified municipality in accordance with~~  
508 ~~Subsection 72-1-304(3)(c); and]~~

509 ~~[(ii) the Governor's Office of Planning and Budget may give priority consideration for~~  
510 ~~awarding financial grants to the specified municipality under the COVID-19 Local Assistance~~  
511 ~~Matching Grant Program in accordance with Subsection 63J-4-802(6).]~~

512 (c) Upon determining that a specified municipality qualifies for priority consideration  
513 under this Subsection ~~[(5)]~~ (6), the division shall send a notice of prioritization to the  
514 legislative body of the specified municipality~~;~~ and the Department of Transportation~~;~~ and the  
515 Governor's Office of Planning and Budget].

516 (d) The notice described in Subsection ~~[(5)(e)]~~ (6)(c) shall:

517 (i) name the specified municipality that qualifies for priority consideration;

518 (ii) describe the funds or projects for which the specified municipality qualifies to  
519 receive priority consideration; and

520 ~~[(iii) specify the fiscal year during which the specified municipality qualifies for~~  
521 ~~priority consideration; and]~~

522 ~~[(iv)]~~ (iii) state the basis for the division's determination that the specified municipality  
523 qualifies for priority consideration.

524 (e) The division shall notify the legislative body of a specified municipality and the  
525 Department of Transportation in writing if the division determines that the specified  
526 municipality no longer qualifies for priority consideration under this Subsection (6).

527 ~~[(6)]~~ (7) (a) If the division, after reviewing a specified municipality's [~~moderate income~~  
528 ~~housing~~] report, determines that the report does not comply with [~~Subsection (2)]~~ this section,  
529 the division shall send a notice of noncompliance to the legislative body of the specified  
530 municipality.

531 (b) A specified municipality that receives a notice of noncompliance may:

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

534 (ii) request an appeal of the division's determination of noncompliance within 10 days  
535 after the day on which the notice of noncompliance is sent.

536 ~~[(b)]~~ (c) The notice described in Subsection ~~[(6)(a)]~~ (7)(a) shall:

537 (i) describe each deficiency in the report and the actions needed to cure each  
538 deficiency;

539 (ii) state that the specified municipality has an opportunity to [~~cure the deficiencies~~]:

540 (A) submit to the division a corrected report that cures each deficiency in the report  
541 within 90 days after the day on which the notice of compliance is sent; [and] or

542 (B) submit to the division a request for an appeal of the division's determination of  
543 noncompliance within 10 days after the day on which the notice of noncompliance is sent; and

544 (iii) state that failure to [~~cure the deficiencies within 90 days after the day on which the~~  
545 ~~notice is sent~~] take action under Subsection (7)(c)(ii) will result in the specified municipality's  
546 ineligibility for funds under Subsection ~~[(7)]~~ (9).

547 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the  
548 action needed to cure the deficiency as described by the division requires the specified  
549 municipality to make a legislative change, the specified municipality may cure the deficiency  
550 by making that legislative change within the 90-day cure period.

551 (e) (i) If a specified municipality submits to the division a corrected report in  
552 accordance with Subsection (7)(b)(i) and the division determines that the corrected report does

553 not comply with this section, the division shall send a second notice of noncompliance to the  
554 legislative body of the specified municipality within 30 days after the day on which the  
555 corrected report is submitted.

556 (ii) A specified municipality that receives a second notice of noncompliance may  
557 submit to the division a request for an appeal of the division's determination of noncompliance  
558 within 10 days after the day on which the second notice of noncompliance is sent.

559 (iii) The notice described in Subsection (7)(e)(i) shall:

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

563 (B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the  
564 specified municipality's ineligibility for funds under Subsection (9).

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

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

571 (i) one individual appointed by the Utah League of Cities and Towns;

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

573 (iii) one individual appointed by the presiding member of the association of  
574 governments, established pursuant to an interlocal agreement under Title 11, Chapter 13,  
575 Interlocal Cooperation Act, of which the specified municipality is a member.

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

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

579 ~~[(7)]~~ (9) (a) A specified municipality is ineligible for funds under this Subsection ~~[(7)~~  
580 ~~if the specified municipality]~~ (9) if:

581 (i) the specified municipality fails to submit a [moderate income housing] report to the  
582 division; [or]

583 (ii) [fails to cure the deficiencies in the specified municipality's moderate income

584 ~~housing report]~~ after submitting a report to the division, the division determines that the report  
585 does not comply with this section and the specified municipality fails to:

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

588 (B) request an appeal of the division's determination of noncompliance within [90] 10  
589 days after the day on which the [division sent to the specified municipality a] notice of  
590 noncompliance [under Subsection (6):] is sent;

591 (iii) after submitting to the division a corrected report to cure the deficiencies in a  
592 previously-submitted report, the division determines that the corrected report does not comply  
593 with this section and the specified municipality fails to request an appeal of the division's  
594 determination of noncompliance within 10 days after the day on which the second notice of  
595 noncompliance is sent; or

596 (iv) after submitting a request for an appeal under Subsection (8), the appeal board  
597 issues a written decision upholding the division's determination of noncompliance.

598 (b) The following apply to a specified municipality described in Subsection ~~[(7)(a)~~  
599 ~~during the fiscal year immediately following the fiscal year in which the report is required]~~  
600 (9)(a) until the division provides notice under Subsection (9)(e):

601 (i) the executive director of the Department of Transportation may not program funds  
602 from the Transportation Investment Fund of 2005, including the Transit Transportation  
603 Investment Fund, to projects located within the boundaries of the specified municipality in  
604 accordance with Subsection 72-2-124(5); and

605 (ii) the Governor's Office of Planning and Budget may not award financial grants to the  
606 specified municipality under the COVID-19 Local Assistance Matching Grant Program in  
607 accordance with Subsection 63J-4-802(7).

608 (c) Upon determining that a specified municipality is ineligible for funds under this  
609 Subsection ~~[(7)] (9)~~, the division shall send a notice of ineligibility to the legislative body of  
610 the specified municipality, the Department of Transportation, and the Governor's Office of  
611 Planning and Budget.

612 (d) The notice described in Subsection ~~[(7)(c)] (9)(c)~~ shall:

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

614 (ii) describe the funds for which the specified municipality is ineligible to receive; and

615 ~~[(iii) specify the fiscal year during which the specified municipality is ineligible for~~  
616 ~~funds; and]~~

617 [(iv)] (iii) state the basis for the division's determination that the specified municipality  
618 is ineligible for funds.

619 (e) The division shall notify the legislative body of a specified municipality and the  
620 Department of Transportation in writing if the division determines that the provisions of this  
621 Subsection (9) no longer apply to the specified municipality.

622 [(8)] (10) In a civil action seeking enforcement or claiming a violation of this section  
623 or of Subsection 10-9a-404(4)(c), a plaintiff may not recover damages but may be awarded  
624 only injunctive or other equitable relief.

625 Section 4. Section 17-27a-401 is amended to read:

626 **17-27a-401. General plan required -- Content -- Resource management plan --**  
627 **Provisions related to radioactive waste facility.**

628 (1) To accomplish the purposes of this chapter, a county shall prepare and adopt a  
629 comprehensive, long-range general plan:

630 (a) for present and future needs of the county;

631 (b) (i) for growth and development of all or any part of the land within the  
632 unincorporated portions of the county; or

633 (ii) if a county has designated a mountainous planning district, for growth and  
634 development of all or any part of the land within the mountainous planning district; and

635 (c) as a basis for communicating and coordinating with the federal government on land  
636 and resource management issues.

637 (2) To promote health, safety, and welfare, the general plan may provide for:

638 (a) health, general welfare, safety, energy conservation, transportation, prosperity, civic  
639 activities, aesthetics, and recreational, educational, and cultural opportunities;

640 (b) the reduction of the waste of physical, financial, or human resources that result  
641 from either excessive congestion or excessive scattering of population;

642 (c) the efficient and economical use, conservation, and production of the supply of:

643 (i) food and water; and

644 (ii) drainage, sanitary, and other facilities and resources;

645 (d) the use of energy conservation and solar and renewable energy resources;

- 646 (e) the protection of urban development;
- 647 (f) the protection and promotion of air quality;
- 648 (g) historic preservation;
- 649 (h) identifying future uses of land that are likely to require an expansion or significant
- 650 modification of services or facilities provided by an affected entity; and
- 651 (i) an official map.

652 (3) (a) (i) The general plan of a specified county, as defined in Section 17-27a-408,  
653 shall include a moderate income housing element that meets the requirements of Subsection  
654 17-27a-403(2)(a)(iii).

655 ~~[(ii) On or before October 1, 2022, a specified county, as defined in Section~~  
656 ~~17-27a-408, with a general plan that does not comply with Subsection (3)(a)(i) shall amend the~~  
657 ~~general plan to comply with Subsection (3)(a)(i).]~~

658 (ii) (A) This Subsection (3)(a)(ii) applies to a county that does not qualify as a  
659 specified county as of January 1, 2023.

660 (B) If a county described in Subsection (3)(a)(ii)(A) changes from one class to another  
661 or grows in population to qualify as a specified county as defined in Section 17-27a-408, the  
662 county shall amend the county's general plan to comply with Subsection (3)(a)(i) on or before  
663 September 1 of the first calendar year beginning on January 1 in which the county qualifies as a  
664 specified county.

665 (iii) A county described in Subsection (3)(a)(ii)(B) shall send a copy of the county's  
666 amended general plan to the association of governments, established pursuant to an interlocal  
667 agreement under Title 11, Chapter 13, Interlocal Cooperation Act, of which the county is a  
668 member.

669 (b) The general plan shall contain a resource management plan for the public lands, as  
670 defined in Section 63L-6-102, within the county.

671 (c) The resource management plan described in Subsection (3)(b) shall address:

- 672 (i) mining;
- 673 (ii) land use;
- 674 (iii) livestock and grazing;
- 675 (iv) irrigation;
- 676 (v) agriculture;

- 677 (vi) fire management;
- 678 (vii) noxious weeds;
- 679 (viii) forest management;
- 680 (ix) water rights;
- 681 (x) ditches and canals;
- 682 (xi) water quality and hydrology;
- 683 (xii) flood plains and river terraces;
- 684 (xiii) wetlands;
- 685 (xiv) riparian areas;
- 686 (xv) predator control;
- 687 (xvi) wildlife;
- 688 (xvii) fisheries;
- 689 (xviii) recreation and tourism;
- 690 (xix) energy resources;
- 691 (xx) mineral resources;
- 692 (xxi) cultural, historical, geological, and paleontological resources;
- 693 (xxii) wilderness;
- 694 (xxiii) wild and scenic rivers;
- 695 (xxiv) threatened, endangered, and sensitive species;
- 696 (xxv) land access;
- 697 (xxvi) law enforcement;
- 698 (xxvii) economic considerations; and
- 699 (xxviii) air.

700 (d) For each item listed under Subsection (3)(c), a county's resource management plan  
701 shall:

- 702 (i) establish findings pertaining to the item;
- 703 (ii) establish defined objectives; and
- 704 (iii) outline general policies and guidelines on how the objectives described in  
705 Subsection (3)(d)(ii) are to be accomplished.

706 (4) (a) (i) The general plan shall include specific provisions related to an area within, or  
707 partially within, the exterior boundaries of the county, or contiguous to the boundaries of a

708 county, which are proposed for the siting of a storage facility or transfer facility for the  
709 placement of high-level nuclear waste or greater than class C radioactive nuclear waste, as  
710 these wastes are defined in Section 19-3-303.

711 (ii) The provisions described in Subsection (4)(a)(i) shall address the effects of the  
712 proposed site upon the health and general welfare of citizens of the state, and shall provide:

713 (A) the information identified in Section 19-3-305;

714 (B) information supported by credible studies that demonstrates that Subsection  
715 19-3-307(2) has been satisfied; and

716 (C) specific measures to mitigate the effects of high-level nuclear waste and greater  
717 than class C radioactive waste and guarantee the health and safety of the citizens of the state.

718 (b) A county may, in lieu of complying with Subsection (4)(a), adopt an ordinance  
719 indicating that all proposals for the siting of a storage facility or transfer facility for the  
720 placement of high-level nuclear waste or greater than class C radioactive waste wholly or  
721 partially within the county are rejected.

722 (c) A county may adopt the ordinance listed in Subsection (4)(b) at any time.

723 (d) The county shall send a certified copy of the ordinance described in Subsection  
724 (4)(b) to the executive director of the Department of Environmental Quality by certified mail  
725 within 30 days of enactment.

726 (e) If a county repeals an ordinance adopted under Subsection (4)(b) the county shall:

727 (i) comply with Subsection (4)(a) as soon as reasonably possible; and

728 (ii) send a certified copy of the repeal to the executive director of the Department of  
729 Environmental Quality by certified mail within 30 days after the repeal.

730 (5) The general plan may define the county's local customs, local culture, and the  
731 components necessary for the county's economic stability.

732 (6) Subject to Subsection 17-27a-403(2), the county may determine the  
733 comprehensiveness, extent, and format of the general plan.

734 (7) If a county has designated a mountainous planning district, the general plan for the  
735 mountainous planning district is the controlling plan.

736 (8) Nothing in this part may be construed to limit the authority of the state to manage  
737 and protect wildlife under Title 23, Wildlife Resources Code of Utah.

738 (9) On or before December 31, 2025, a county that has a general plan that does not



739 include a water use and preservation element that complies with Section 17-27a-403 shall  
740 amend the county's general plan to comply with Section 17-27a-403.

741 Section 5. Section 17-27a-403 is amended to read:

742 **17-27a-403. Plan preparation.**

743 (1) (a) The planning commission shall provide notice, as provided in Section  
744 17-27a-203, of the planning commission's intent to make a recommendation to the county  
745 legislative body for a general plan or a comprehensive general plan amendment when the  
746 planning commission initiates the process of preparing the planning commission's  
747 recommendation.

748 (b) The planning commission shall make and recommend to the legislative body a  
749 proposed general plan for:

750 (i) the unincorporated area within the county; or

751 (ii) if the planning commission is a planning commission for a mountainous planning  
752 district, the mountainous planning district.

753 (c) (i) The plan may include planning for incorporated areas if, in the planning  
754 commission's judgment, they are related to the planning of the unincorporated territory or of  
755 the county as a whole.

756 (ii) Elements of the county plan that address incorporated areas are not an official plan  
757 or part of a municipal plan for any municipality, unless the county plan is recommended by the  
758 municipal planning commission and adopted by the governing body of the municipality.

759 (2) (a) At a minimum, the proposed general plan, with the accompanying maps, charts,  
760 and descriptive and explanatory matter, shall include the planning commission's  
761 recommendations for the following plan elements:

762 (i) a land use element that:

763 (A) designates the long-term goals and the proposed extent, general distribution, and  
764 location of land for housing for residents of various income levels, business, industry,  
765 agriculture, recreation, education, public buildings and grounds, open space, and other  
766 categories of public and private uses of land as appropriate;

767 (B) includes a statement of the projections for and standards of population density and  
768 building intensity recommended for the various land use categories covered by the plan;

769 (C) is coordinated to integrate the land use element with the water use and preservation

770 element; and

771 (D) accounts for the effect of land use categories and land uses on water demand;

772 (ii) a transportation and traffic circulation element that:

773 (A) provides the general location and extent of existing and proposed freeways, arterial

774 and collector streets, public transit, active transportation facilities, and other modes of

775 transportation that the planning commission considers appropriate;

776 (B) addresses the county's plan for residential and commercial development around

777 major transit investment corridors to maintain and improve the connections between housing,

778 employment, education, recreation, and commerce; and

779 (C) correlates with the population projections, the employment projections, and the

780 proposed land use element of the general plan;

781 (iii) for a specified county as defined in Section [17-27a-408](#), a moderate income

782 housing element that:

783 (A) provides a realistic opportunity to meet the need for additional moderate income

784 housing within the next five years;

785 (B) selects three or more moderate income housing strategies described in Subsection

786 (2)(b)(ii) for implementation;

787 (C) includes an implementation plan as provided in Subsection (2)(e);

788 (iv) a resource management plan detailing the findings, objectives, and policies

789 required by Subsection [17-27a-401\(3\)](#); and

790 (v) a water use and preservation element that addresses:

791 (A) the effect of permitted development or patterns of development on water demand

792 and water infrastructure;

793 (B) methods of reducing water demand and per capita consumption for future

794 development;

795 (C) methods of reducing water demand and per capita consumption for existing

796 development; and

797 (D) opportunities for the county to modify the county's operations to eliminate

798 practices or conditions that waste water.

799 (b) In drafting the moderate income housing element, the planning commission:

800 (i) shall consider the Legislature's determination that counties should facilitate a

- 801 reasonable opportunity for a variety of housing, including moderate income housing:
- 802       (A) to meet the needs of people of various income levels living, working, or desiring to
- 803 live or work in the community; and
- 804       (B) to allow people with various incomes to benefit from and fully participate in all
- 805 aspects of neighborhood and community life; and
- 806       (ii) shall include an analysis of how the county will provide a realistic opportunity for
- 807 the development of moderate income housing within the planning horizon, including a
- 808 recommendation to implement three or more of the following moderate income housing
- 809 strategies:
- 810       (A) rezone for densities necessary to facilitate the production of moderate income
- 811 housing;
- 812       (B) demonstrate investment in the rehabilitation or expansion of infrastructure that
- 813 facilitates the construction of moderate income housing;
- 814       (C) demonstrate investment in the rehabilitation of existing uninhabitable housing
- 815 stock into moderate income housing;
- 816       (D) identify and utilize county general fund subsidies or other sources of revenue to
- 817 waive construction related fees that are otherwise generally imposed by the county for the
- 818 construction or rehabilitation of moderate income housing;
- 819       (E) create or allow for, and reduce regulations related to, internal or detached accessory
- 820 dwelling units in residential zones;
- 821       (F) zone or rezone for higher density or moderate income residential development in
- 822 commercial or mixed-use zones, commercial centers, or employment centers;
- 823       (G) amend land use regulations to allow for higher density or new moderate income
- 824 residential development in commercial or mixed-use zones near major transit investment
- 825 corridors;
- 826       (H) amend land use regulations to eliminate or reduce parking requirements for
- 827 residential development where a resident is less likely to rely on the resident's own vehicle,
- 828 such as residential development near major transit investment corridors or senior living
- 829 facilities;
- 830       (I) amend land use regulations to allow for single room occupancy developments;
- 831       (J) implement zoning incentives for moderate income units in new developments;

832 (K) preserve existing and new moderate income housing and subsidized units by  
833 utilizing a landlord incentive program, providing for deed restricted units through a grant  
834 program, or establishing a housing loss mitigation fund;

835 (L) reduce, waive, or eliminate impact fees related to moderate income housing;

836 (M) demonstrate creation of, or participation in, a community land trust program for  
837 moderate income housing;

838 (N) implement a mortgage assistance program for employees of the county, an  
839 employer that provides contracted services for the county, or any other public employer that  
840 operates within the county;

841 (O) apply for or partner with an entity that applies for state or federal funds or tax  
842 incentives to promote the construction of moderate income housing, an entity that applies for  
843 programs offered by the Utah Housing Corporation within that agency's funding capacity, an  
844 entity that applies for affordable housing programs administered by the Department of  
845 Workforce Services, an entity that applies for services provided by a public housing authority  
846 to preserve and create moderate income housing, or any other entity that applies for programs  
847 or services that promote the construction or preservation of moderate income housing;

848 (P) demonstrate utilization of a moderate income housing set aside from a community  
849 reinvestment agency, redevelopment agency, or community development and renewal agency  
850 to create or subsidize moderate income housing;

851 (Q) create a housing and transit reinvestment zone pursuant to Title 63N, Chapter 3,  
852 Part 6, Housing and Transit Reinvestment Zone Act;

853 (R) eliminate impact fees for any accessory dwelling unit that is not an internal  
854 accessory dwelling unit as defined in Section [10-9a-530](#);

855 (S) create a program to transfer development rights for moderate income housing;

856 (T) ratify a joint acquisition agreement with another local political subdivision for the  
857 purpose of combining resources to acquire property for moderate income housing;

858 (U) develop a moderate income housing project for residents who are disabled or 55  
859 years old or older;

860 (V) create or allow for, and reduce regulations related to, multifamily residential  
861 dwellings compatible in scale and form with detached single-family residential dwellings and  
862 located in walkable communities within residential or mixed-use zones; and

863 (W) demonstrate implementation of any other program or strategy to address the  
864 housing needs of residents of the county who earn less than 80% of the area median income,  
865 including the dedication of a local funding source to moderate income housing or the adoption  
866 of a land use ordinance that requires 10% or more of new residential development in a  
867 residential zone be dedicated to moderate income housing.

868 (iii) If a specified county, as defined in Section 17-27a-408, has created a small public  
869 transit district, as defined in Section 17B-2a-802, on or before January 1, 2022, the specified  
870 county shall include as part of the specified county's recommended strategies under Subsection  
871 (2)(b)(ii) a recommendation to implement the strategy described in Subsection (2)(b)(ii)(Q).

872 (iv) The planning commission shall identify each moderate income housing strategy  
873 recommended to the legislative body for implementation by restating the exact language used  
874 to describe the strategy in Subsection (2)(b)(ii).

875 (c) In drafting the land use element, the planning commission shall:

876 (i) identify and consider each agriculture protection area within the unincorporated area  
877 of the county or mountainous planning district;

878 (ii) avoid proposing a use of land within an agriculture protection area that is  
879 inconsistent with or detrimental to the use of the land for agriculture; and

880 (iii) consider and coordinate with any station area plans adopted by municipalities  
881 located within the county under Section 10-9a-403.1.

882 (d) In drafting the transportation and traffic circulation element, the planning  
883 commission shall:

884 (i) (A) consider and coordinate with the regional transportation plan developed by the  
885 county's region's metropolitan planning organization, if the relevant areas of the county are  
886 within the boundaries of a metropolitan planning organization; or

887 (B) consider and coordinate with the long-range transportation plan developed by the  
888 Department of Transportation, if the relevant areas of the county are not within the boundaries  
889 of a metropolitan planning organization; and

890 (ii) consider and coordinate with any station area plans adopted by municipalities  
891 located within the county under Section 10-9a-403.1.

892 (e) (i) In drafting the implementation plan portion of the moderate income housing  
893 element as described in Subsection (2)(a)(iii)(C), the planning commission shall [~~establish a~~]

894 recommend to the legislative body the establishment of a five-year timeline for implementing  
895 each of the moderate income housing strategies selected by the county for implementation.

896 (ii) The timeline described in Subsection (2)(e)(i) shall:

897 (A) identify specific measures and benchmarks for implementing each moderate  
898 income housing strategy selected by the county; and

899 (B) provide flexibility for the county to make adjustments as needed.

900 (f) In drafting the water use and preservation element, the planning commission:

901 (i) shall consider applicable regional water conservation goals recommended by the  
902 Division of Water Resources;

903 (ii) shall include a recommendation for:

904 (A) water conservation policies to be determined by the county; and

905 (B) landscaping options within a public street for current and future development that  
906 do not require the use of lawn or turf in a parkstrip;

907 (iii) shall review the county's land use ordinances and include a recommendation for  
908 changes to an ordinance that promotes the inefficient use of water;

909 (iv) shall consider principles of sustainable landscaping, including the:

910 (A) reduction or limitation of the use of lawn or turf;

911 (B) promotion of site-specific landscape design that decreases stormwater runoff or  
912 runoff of water used for irrigation;

913 (C) preservation and use of healthy trees that have a reasonable water requirement or  
914 are resistant to dry soil conditions;

915 (D) elimination or regulation of ponds, pools, and other features that promote  
916 unnecessary water evaporation;

917 (E) reduction of yard waste; and

918 (F) use of an irrigation system, including drip irrigation, best adapted to provide the  
919 optimal amount of water to the plants being irrigated;

920 (v) may include recommendations for additional water demand reduction strategies,  
921 including:

922 (A) creating a water budget associated with a particular type of development;

923 (B) adopting new or modified lot size, configuration, and landscaping standards that  
924 will reduce water demand for new single family development;

- 925 (C) providing one or more water reduction incentives for existing landscapes and  
926 irrigation systems and installation of water fixtures or systems that minimize water demand;
- 927 (D) discouraging incentives for economic development activities that do not adequately  
928 account for water use or do not include strategies for reducing water demand; and
- 929 (E) adopting water concurrency standards requiring that adequate water supplies and  
930 facilities are or will be in place for new development; and
- 931 (vi) shall include a recommendation for low water use landscaping standards for a new:  
932 (A) commercial, industrial, or institutional development;  
933 (B) common interest community, as defined in Section [57-25-102](#); or  
934 (C) multifamily housing project.
- 935 (3) The proposed general plan may include:  
936 (a) an environmental element that addresses:  
937 (i) to the extent not covered by the county's resource management plan, the protection,  
938 conservation, development, and use of natural resources, including the quality of:  
939 (A) air;  
940 (B) forests;  
941 (C) soils;  
942 (D) rivers;  
943 (E) groundwater and other waters;  
944 (F) harbors;  
945 (G) fisheries;  
946 (H) wildlife;  
947 (I) minerals; and  
948 (J) other natural resources; and  
949 (ii) (A) the reclamation of land, flood control, prevention and control of the pollution  
950 of streams and other waters;  
951 (B) the regulation of the use of land on hillsides, stream channels and other  
952 environmentally sensitive areas;  
953 (C) the prevention, control, and correction of the erosion of soils;  
954 (D) the preservation and enhancement of watersheds and wetlands; and  
955 (E) the mapping of known geologic hazards;

956 (b) a public services and facilities element showing general plans for sewage, water,  
957 waste disposal, drainage, public utilities, rights-of-way, easements, and facilities for them,  
958 police and fire protection, and other public services;

959 (c) a rehabilitation, redevelopment, and conservation element consisting of plans and  
960 programs for:

961 (i) historic preservation;

962 (ii) the diminution or elimination of a development impediment as defined in Section  
963 [17C-1-102](#); and

964 (iii) redevelopment of land, including housing sites, business and industrial sites, and  
965 public building sites;

966 (d) an economic element composed of appropriate studies and forecasts, as well as an  
967 economic development plan, which may include review of existing and projected county  
968 revenue and expenditures, revenue sources, identification of basic and secondary industry,  
969 primary and secondary market areas, employment, and retail sales activity;

970 (e) recommendations for implementing all or any portion of the general plan, including  
971 the adoption of land and water use ordinances, capital improvement plans, community  
972 development and promotion, and any other appropriate action;

973 (f) provisions addressing any of the matters listed in Subsection [17-27a-401\(2\)](#) or  
974 [\(3\)\(a\)\(i\)](#); and

975 (g) any other element the county considers appropriate.

976 Section 6. Section [17-27a-408](#) is amended to read:

977 **[17-27a-408. Moderate income housing report -- Contents -- Prioritization for](#)**  
978 **[funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.](#)**

979 (1) As used in this section:

980 (a) "Division" means the Housing and Community Development Division within the  
981 Department of Workforce Services.

982 (b) "Implementation plan" means the implementation plan adopted as part of the  
983 moderate income housing element of a specified county's general plan as provided in  
984 Subsection [~~[10-9a-403\(2\)\(c\)](#)~~ [17-27a-403\(2\)\(e\)](#)].

985 (c) [~~"Moderate income housing report" or "report"~~] "Initial report" means the one-time  
986 moderate income housing report described in Subsection [~~[\(2\)\(a\)](#)~~] [\(2\)](#).



987 (d) "Moderate income housing strategy" means a strategy described in Subsection  
988 [17-27a-403\(2\)\(b\)\(ii\)](#).

989 (e) "Report" means an initial report or a subsequent report.

990 ~~[(e)]~~ (f) "Specified county" means a county of the first, second, or third class, which  
991 has a population of more than 5,000 in the county's unincorporated areas.

992 (g) "Subsequent progress report" means the annual moderate income housing report  
993 described in Subsection (3).

994 (2) (a) ~~[Beginning in 2022, on or before October 1 of each calendar year, the]~~ The  
995 legislative body of a specified county shall annually submit ~~[a written moderate income~~  
996 ~~housing]~~ an initial report to the division.

997 (b) (i) This Subsection (2)(b) applies to a county that is not a specified county as of  
998 January 1, 2023.

999 (ii) If a county described in Subsection (2)(b)(i) changes from one class to another or  
1000 grows in population to qualify as a specified county, the county shall submit an initial plan to  
1001 the division on or before September 1 of the first calendar year beginning on January 1 in  
1002 which the county qualifies as a specified county.

1003 ~~[(b) The moderate income housing report submitted in 2022 shall include:]~~

1004 (c) The initial report shall:

1005 (i) ~~[a description of]~~ identify each moderate income housing strategy selected by the  
1006 specified county for continued, ongoing, or one-time implementation, using the exact language  
1007 used to describe the moderate income housing strategy in Subsection [17-27a-403\(2\)\(b\)\(ii\)](#); and

1008 (ii) include an implementation plan.

1009 ~~[(e)]~~ (3) (a) ~~[The moderate income housing report submitted in each calendar year after~~  
1010 ~~2022]~~ After the division approves a specified county's initial report under this section, the  
1011 specified county shall annually submit to the division a subsequent progress report on or before  
1012 September 1 of each year after the year in which the specified county is required to submit the  
1013 initial report.

1014 (b) The subsequent progress report shall include:

1015 ~~[(i) the information required under Subsection (2)(b);]~~

1016 ~~[(ii)]~~ (i) subject to Subsection (3)(c), a description of each action, whether one-time or  
1017 ongoing, taken by the specified county during the previous ~~[fiscal year]~~ 12-month period to

1018 implement the moderate income housing strategies [~~selected by the specified county~~] identified  
1019 in the initial report for implementation;

1020 [~~(iii)~~] (ii) a description of each land use regulation or land use decision made by the  
1021 specified county during the previous [~~fiscal year~~] 12-month period to implement the moderate  
1022 income housing strategies, including an explanation of how the land use regulation or land use  
1023 decision supports the specified county's efforts to implement the moderate income housing  
1024 strategies;

1025 [~~(iv)~~] (iii) a description of any barriers encountered by the specified county in the  
1026 previous [~~fiscal year~~] 12-month period in implementing the moderate income housing  
1027 strategies; [~~and~~]

1028 [~~(v)~~] (iv) information regarding the number of internal and external or detached  
1029 accessory dwelling units located within the specified county for which the specified county:

1030 (A) issued a building permit to construct; or

1031 (B) issued a business license or comparable license or permit to rent;

1032 [~~(vi)~~] (v) a description of how the market has responded to the selected moderate  
1033 income housing strategies, including the number of entitled moderate income housing units or  
1034 other relevant data; [~~and~~]

1035 [~~(vii)~~] (vi) any recommendations on how the state can support the specified county in  
1036 implementing the moderate income housing strategies.

1037 (c) For purposes of describing actions taken by a specified county under Subsection  
1038 (3)(b)(i), the specified county may include an ongoing action taken by the specified county  
1039 prior to the 12-month reporting period applicable to the subsequent progress report if the  
1040 specified county:

1041 (i) has already adopted an ordinance, approved a land use application, made an  
1042 investment, or approved an agreement or financing that substantially promotes the  
1043 implementation of a moderate income housing strategy identified in the initial report; and

1044 (ii) demonstrates in the subsequent progress report that the action taken under  
1045 Subsection (3)(c)(i) is relevant to making meaningful progress towards the specified county's  
1046 implementation plan.

1047 (d) [~~The moderate income housing~~] A specified county's report shall be in a form:

1048 (i) approved by the division; and

1049 (ii) made available by the division on or before [~~July~~] May 1 of the year in which the  
1050 report is required.

1051 [~~(3)~~] (4) Within 90 days after the day on which the division receives a specified  
1052 county's [~~moderate income housing~~] report, the division shall:

1053 (a) post the report on the division's website;

1054 (b) send a copy of the report to the Department of Transportation, the Governor's  
1055 Office of Planning and Budget, the association of governments in which the specified county is  
1056 located, and, if the unincorporated area of the specified county is located within the boundaries  
1057 of a metropolitan planning organization, the appropriate metropolitan planning organization;  
1058 and

1059 (c) subject to Subsection [~~(4)~~] (5), review the report to determine compliance with  
1060 [~~Subsection (2)~~] this section.

1061 [~~(4)~~] (5) (a) [~~The report described in Subsection (2)(b) complies with Subsection (2) if~~  
1062 ] An initial report does not comply with this section unless the report:

1063 (i) includes the information required under Subsection [~~(2)(b)~~] (2)(c);

1064 (ii) subject to Subsection (5)(c), demonstrates to the division that the specified county  
1065 made plans to implement three or more moderate income housing strategies; and

1066 (iii) is in a form approved by the division.

1067 (b) [~~The report described in Subsection (2)(c) complies with Subsection (2) if~~] A  
1068 subsequent progress report does not comply with this section unless the report:

1069 [~~(i) includes the information required under Subsection (2)(c);~~]

1070 [~~(ii)~~] (i) subject to Subsection (5)(c), demonstrates to the division that the specified  
1071 county made plans to implement three or more moderate income housing strategies;

1072 [~~(iii)~~] (ii) is in a form approved by the division; and

1073 [~~(iv)~~] (iii) provides sufficient information for the division to:

1074 (A) assess the specified county's progress in implementing the moderate income  
1075 housing strategies;

1076 (B) monitor compliance with the specified county's implementation plan;

1077 (C) identify a clear correlation between the specified county's land use decisions and  
1078 efforts to implement the moderate income housing strategies; [~~and~~]

1079 (D) identify how the market has responded to the specified county's selected moderate

1080 income housing strategies[-]; and

1081 (E) identify any barriers encountered by the specified county in implementing the  
1082 selected moderate income housing strategies.

1083 (c) (i) This Subsection (5)(c) applies to a specified county that has created a small  
1084 public transit district, as defined in Section [17B-2a-802](#), on or before January 1, 2022.

1085 (ii) In addition to the requirements of Subsections (5)(a) and (b), a report for a  
1086 specified county described in Subsection (5)(c)(i) does not comply with this section unless the  
1087 report demonstrates to the division that the specified county:

1088 (A) made plans to implement the moderate income housing strategy described in  
1089 Subsection [17-27a-403\(2\)\(b\)\(ii\)\(Q\)](#); and

1090 (B) is in compliance with Subsection [63N-3-603\(8\)](#).

1091 ~~[(5)]~~ (6) (a) A specified county qualifies for priority consideration under this  
1092 Subsection ~~[(5)]~~ (6) if the specified county's [~~moderate income housing~~] report:

1093 (i) complies with [~~Subsection (2)]~~ this section; and

1094 (ii) demonstrates to the division that the specified county made plans to implement five  
1095 or more moderate income housing strategies.

1096 (b) The [~~following apply to~~] Transportation Commission may, in accordance with  
1097 Subsection [72-1-304\(3\)\(c\)](#), give priority consideration to transportation projects located within  
1098 the unincorporated areas of a specified county described in Subsection ~~[(5)(a) during the fiscal~~  
1099 year immediately following the fiscal year in which the report is required:] (6)(a) until the  
1100 Department of Transportation receives notice from the division under Subsection (6)(e).

1101 ~~[(i) the Transportation Commission may give priority consideration to transportation~~  
1102 ~~projects located within the unincorporated areas of the specified county in accordance with~~  
1103 ~~Subsection [72-1-304\(3\)\(c\)](#); and]~~

1104 ~~[(ii) the Governor's Office of Planning and Budget may give priority consideration for~~  
1105 ~~awarding financial grants to the specified county under the COVID-19 Local Assistance~~  
1106 ~~Matching Grant Program in accordance with Subsection [63J-4-802\(6\)](#).]~~

1107 (c) Upon determining that a specified county qualifies for priority consideration under  
1108 this Subsection ~~[(5)]~~ (6), the division shall send a notice of prioritization to the legislative body  
1109 of the specified county, the Department of Transportation, and the Governor's Office of  
1110 Planning and Budget.

1111 (d) The notice described in Subsection [~~(5)(c)~~] (6)(c) shall:

1112 (i) name the specified county that qualifies for priority consideration;

1113 (ii) describe the funds or projects for which the specified county qualifies to receive

1114 priority consideration; and

1115 [~~(iii) specify the fiscal year during which the specified county qualifies for priority~~

1116 ~~consideration; and]~~

1117 [~~(iv)~~] (iii) state the basis for the division's determination that the specified county

1118 qualifies for priority consideration.

1119 (e) The division shall notify the legislative body of a specified county and the

1120 Department of Transportation in writing if the division determines that the specified county no

1121 longer qualifies for priority consideration under this Subsection (6).

1122 [~~(6)~~] (7) (a) If the division, after reviewing a specified county's [~~moderate income~~

1123 ~~housing~~] report, determines that the report does not comply with [~~Subsection (2)~~] this section,

1124 the division shall send a notice of noncompliance to the legislative body of the specified

1125 county.

1126 (b) A specified county that receives a notice of noncompliance may:

1127 (i) cure each deficiency in the report within 90 days after the day on which the notice of

1128 noncompliance is sent; or

1129 (ii) request an appeal of the division's determination of noncompliance within 10 days

1130 after the day on which the notice of noncompliance is sent.

1131 [~~(b)~~] (c) The notice described in Subsection [~~(6)(a)~~] (7)(a) shall:

1132 (i) describe each deficiency in the report and the actions needed to cure each

1133 deficiency;

1134 (ii) state that the specified county has an opportunity to [~~cure the deficiencies~~];

1135 (A) submit to the division a corrected report that cures each deficiency in the report

1136 within 90 days after the day on which the notice of noncompliance is sent; [and] or

1137 (B) submit to the division a request for an appeal of the division's determination of

1138 noncompliance within 10 days after the day on which the notice of noncompliance is sent; and

1139 (iii) state that failure to [~~cure the deficiencies within 90 days after the day on which the~~

1140 ~~notice is sent~~] take action under Subsection (7)(c)(ii) will result in the specified county's

1141 ineligibility for funds under Subsection [~~(7)~~] (9).

1142 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the  
1143 action needed to cure the deficiency as described by the division requires the specified county  
1144 to make a legislative change, the specified county may cure the deficiency by making that  
1145 legislative change within the 90-day cure period.

1146 (e) (i) If a specified county submits to the division a corrected report in accordance  
1147 with Subsection (7)(b)(i), and the division determines that the corrected report does not comply  
1148 with this section, the division shall send a second notice of noncompliance to the legislative  
1149 body of the specified county.

1150 (ii) A specified county that receives a second notice of noncompliance may request an  
1151 appeal of the division's determination of noncompliance within 10 days after the day on which  
1152 the second notice of noncompliance is sent.

1153 (iii) The notice described in Subsection (7)(e)(i) shall:

1154 (A) state that the specified county has an opportunity to submit to the division a request  
1155 for an appeal of the division's determination of noncompliance within 10 days after the day on  
1156 which the second notice of noncompliance is sent; and

1157 (B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the  
1158 specified county's ineligibility for funds under Subsection (9).

1159 (8) (a) A specified county that receives a notice of noncompliance under Subsection  
1160 (7)(a) or (7)(e)(i) may request an appeal of the division's determination of noncompliance  
1161 within 10 days after the day on which the notice of noncompliance is sent.

1162 (b) Within 90 days after the day on which the division receives a request for an appeal,  
1163 an appeal board consisting of the following three members shall review and issue a written  
1164 decision on the appeal:

1165 (i) one individual appointed by the Utah Association of Counties;

1166 (ii) one individual appointed by the Utah Homebuilders Association; and

1167 (iii) one individual appointed by the presiding member of the association of  
1168 governments, established pursuant to an interlocal agreement under Title 11, Chapter 13,  
1169 Interlocal Cooperation Act, of which the specified county is a member.

1170 (c) The written decision of the appeal board shall either uphold or reverse the division's  
1171 determination of noncompliance.

1172 (d) The appeal board's written decision on the appeal is final.

1173 ~~[(7)]~~ (9) (a) A specified county is ineligible for funds under this Subsection ~~[(7) if the~~  
 1174 ~~specified county]~~ (9) if:

1175 (i) the specified county fails to submit a ~~[moderate income housing]~~ report to the  
 1176 division; ~~[or]~~

1177 (ii) ~~[fails to cure the deficiencies in the specified county's moderate income housing~~  
 1178 ~~report]~~ after submitting a report to the division, the division determines that the report does not  
 1179 comply with this section and the specified county fails to:

1180 (A) cure each deficiency in the report within 90 days after the day on which the  
 1181 [division sent to the specified county a] notice of noncompliance [under Subsection (6)] is sent;  
 1182 or

1183 (B) request an appeal of the division's determination of noncompliance within 10 days  
 1184 after the day on which the notice of noncompliance is sent;

1185 (iii) after submitting to the division a corrected report to cure the deficiencies in a  
 1186 previously-submitted report, the division determines that the corrected report does not comply  
 1187 with this section and the specified county fails to request an appeal of the division's  
 1188 determination of noncompliance within 10 days after the day on which the second notice of  
 1189 noncompliance is sent; or

1190 (iv) after submitting a request for an appeal under Subsection (8), the appeal board  
 1191 issues a written decision upholding the division's determination of noncompliance.

1192 (b) The following apply to a specified county described in Subsection ~~[(7)(a) during the~~  
 1193 ~~fiscal year immediately following the fiscal year in which the report is required]~~ (9)(a) until the  
 1194 division provides notice under Subsection (9)(e):

1195 (i) the executive director of the Department of Transportation may not program funds  
 1196 from the Transportation Investment Fund of 2005, including the Transit Transportation  
 1197 Investment Fund, to projects located within the unincorporated areas of the specified county in  
 1198 accordance with Subsection [72-2-124\(6\)](#); and

1199 (ii) the Governor's Office of Planning and Budget may not award financial grants to the  
 1200 specified county under the COVID-19 Local Assistance Matching Grant Program in  
 1201 accordance with Subsection [63J-4-802\(7\)](#).

1202 (c) Upon determining that a specified county is ineligible for funds under this  
 1203 Subsection ~~[(7)]~~ (9), the division shall send a notice of ineligibility to the legislative body of

1204 the specified county, the Department of Transportation, and the Governor's Office of Planning  
1205 and Budget.

1206 (d) The notice described in Subsection [~~(7)(c)~~] (9)(c) shall:

1207 (i) name the specified county that is ineligible for funds;

1208 (ii) describe the funds for which the specified county is ineligible to receive; and

1209 [~~(iii) specify the fiscal year during which the specified county is ineligible for funds;~~

1210 and]

1211 [~~(iv)~~] (iii) state the basis for the division's determination that the specified county is

1212 ineligible for funds.

1213 (e) The division shall notify the legislative body of a specified county and the

1214 Department of Transportation in writing if the division determines that the provisions of this

1215 Subsection (9) no longer apply to the specified county.

1216 [~~(8)~~] (10) In a civil action seeking enforcement or claiming a violation of this section

1217 or of Subsection 17-27a-404(5)(c), a plaintiff may not recover damages but may be awarded

1218 only injunctive or other equitable relief.

1219 Section 7. Section **35A-8-2401** is enacted to read:

1220 **Part 24. Miscellaneous**

1221 **35A-8-2401. Accounting for expenditures authorized by the Utah Housing**

1222 **Preservation Fund.**

1223 (1) This section applies to funds appropriated by the Legislature to the department for

1224 pass-through to the Utah Housing Preservation Fund.

1225 (2) The department shall include in the annual written report described in Section

1226 35A-1-109 a report accounting for the expenditures authorized by the Utah Housing

1227 Preservation Fund.

1228 Section 8. Section **35A-16-701** is enacted to read:

1229 **Part 7. Housing Support Grant Program**

1230 **35A-16-701. Housing Support Grant Program created.**

1231 (1) There is created the Housing Support Grant Program administered by the office.

1232 (2) Subject to appropriations from the Legislature, the office shall distribute money to

1233 fund one or more projects that:

1234 (a) include affordable housing units for households whose income is no more than 30%



1235 of the area median income for households of the same size in the county or municipality in  
 1236 which the project is located; and

1237 (b) have been approved by the homelessness council.

1238 (3) The office shall:

1239 (a) administer the grant program, including:

1240 (i) reviewing grant applications and making recommendations to the homelessness  
 1241 council; and

1242 (ii) distributing grant money to approved grant recipients; and

1243 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
 1244 make rules to administer the program, including:

1245 (i) grant application requirements;

1246 (ii) procedures to approve a grant; and

1247 (iii) procedures for distributing money to grant recipients.

1248 (4) When reviewing an application for approval, the homelessness council shall  
 1249 consider:

1250 (a) an applicant's rental income plan;

1251 (b) proposed case management and service plans for households;

1252 (c) any matching funds proposed by an applicant;

1253 (d) proposed restrictions, including deed restrictions, and the duration of restrictions on  
 1254 housing units to facilitate long-term assistance to households; and

1255 (e) any other considerations as adopted by the council.

1256 (5) On or before October 1, the coordinator, in cooperation with the homelessness  
 1257 council, shall submit an annual report electronically to the Social Services Appropriations  
 1258 Subcommittee that gives a complete account of the office's disbursement of funds under this  
 1259 section.

1260 Section 9. Section **59-7-607** is amended to read:

1261 **59-7-607. Utah low-income housing tax credit.**

1262 (1) As used in this section:

1263 (a) "Allocation certificate" means a certificate in a form prescribed by the commission  
 1264 and issued by the [~~Utah Housing Corporation~~] corporation to a housing sponsor that specifies  
 1265 the aggregate amount of the tax credit awarded under this section to a qualified development

1266 and includes:

1267 (i) the aggregate annual amount of the tax credit awarded that may be claimed by one  
1268 or more qualified taxpayers [~~that have been issued a special low-income housing tax credit~~  
1269 ~~certificate~~]; and

1270 (ii) the credit period over which the tax credit may be claimed by one or more qualified  
1271 taxpayers [~~that have been issued a special low-income housing tax credit certificate~~].

1272 (b) "Building" means a qualified low-income building as defined in Section 42(c),  
1273 Internal Revenue Code.

1274 (c) "Corporation" means the Utah Housing Corporation created in Section [63H-8-201](#).

1275 ~~[(e)]~~ (d) [~~"Credit period" means the "credit period" as~~] Except as provided in  
1276 Subsection (5)(c), "credit period" means the same as that term is defined in Section 42(f)(1),  
1277 Internal Revenue Code.

1278 ~~[(d)]~~ (e) ~~[(t)]~~ "Designated reporter" means, as selected by a housing sponsor, the  
1279 housing sponsor [~~itself~~] or one of the housing sponsor's direct or indirect partners, members, or  
1280 shareholders that will provide information to the [~~Utah Housing Corporation~~] commission  
1281 regarding the [~~assignment~~] allocation of tax credits under this section.

1282 ~~[(ii) Before the Utah Housing Corporation may issue an allocation certificate to a~~  
1283 ~~housing sponsor, a housing sponsor shall provide the identity of the housing sponsor's~~  
1284 ~~designated reporter to the Utah Housing Corporation.]~~

1285 ~~[(iii) Before the Utah Housing Corporation may issue a special low-income housing tax~~  
1286 ~~credit certificate to a qualified taxpayer, a designated reporter shall provide the information~~  
1287 ~~described in Subsection (6) to the Utah Housing Corporation.]~~

1288 ~~[(e)]~~ (f) "Federal low-income housing tax credit" means the federal tax credit described  
1289 in Section 42, Internal Revenue Code.

1290 ~~[(f)]~~ (g) "Housing sponsor" means an entity that owns a qualified development.

1291 (h) "Pass-through entity" means the same as that term is defined in Section  
1292 [59-10-1402](#).

1293 (i) (i) Subject to Subsection (1)(i)(ii), "pass-through entity taxpayer" means the same as  
1294 that term is defined in Section [59-10-1402](#).

1295 (ii) The determination of whether a pass-through entity taxpayer is considered a  
1296 partner, member, or shareholder of a pass-through entity shall be made in accordance with

1297 applicable state law governing the pass-through entity.

1298 ~~[(g)]~~ (j) "Qualified allocation plan" means a qualified allocation plan adopted by the  
1299 ~~[Utah Housing Corporation]~~ corporation in accordance with Section 42(m), Internal Revenue  
1300 Code.

1301 ~~[(h)]~~ (k) "Qualified development" means a "qualified low-income housing project":

1302 (i) as defined in Section 42(g)(1), Internal Revenue Code; and

1303 (ii) that is located in the state.

1304 ~~[(i)]~~ (l) (i) "Qualified taxpayer" means a person that:

1305 (A) owns a direct interest or an indirect interest, through one or more pass-through  
1306 entities, in a qualified development; and

1307 (B) meets the requirements to claim a tax credit under this section.

1308 (ii) "Qualified taxpayer" includes a pass-through entity taxpayer to which a tax credit  
1309 under this section is passed through by a pass-through entity.

1310 ~~[(ii) If a housing sponsor is a partnership, limited liability company, or S corporation, a  
1311 "qualified taxpayer" may include any partner, member, or shareholder of the housing sponsor  
1312 as determined by the governing documents of the housing sponsor.]~~

1313 ~~[(j) (i) "Special low-income housing tax credit certificate" means a certificate:]~~

1314 ~~[(A) in a form prescribed by the commission;]~~

1315 ~~[(B) that the Utah Housing Corporation issues to a qualified taxpayer for a taxable year  
1316 in accordance with this section; and]~~

1317 ~~[(C) that specifies the amount of the tax credit a qualified taxpayer may claim under  
1318 this section.]~~

1319 ~~[(ii) The Utah Housing Corporation may only issue one or more special low-income  
1320 housing tax credit certificates if the aggregate specified amount on all special low-income  
1321 housing tax credit certificates issued in relation to a qualified development does not exceed the  
1322 aggregate amount of tax credit awarded to the qualified development and issued to a housing  
1323 sponsor in an allocation certificate.]~~

1324 (2) (a) ~~[For taxable years beginning on or after January 1, 1995, a qualified taxpayer  
1325 who has been issued a special low-income housing tax credit certificate by the Utah Housing  
1326 Corporation may claim] A qualified taxpayer may claim a nonrefundable tax credit under this  
1327 section against taxes otherwise due under this chapter, Chapter 8, Gross Receipts Tax on~~

1328 Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act, or Chapter  
1329 9, Taxation of Admitted Insurers.

1330 (b) The tax credit shall be in an amount equal to the tax credit amount specified on the  
1331 ~~[special low-income housing tax credit]~~ allocation certificate that the ~~[Utah Housing~~  
1332 ~~Corporation]~~ corporation issues to a ~~[qualified taxpayer]~~ housing sponsor under this section.

1333 (c) (i) For a calendar year beginning on or before December 31, 2016, the aggregate  
1334 annual tax credit that the ~~[Utah Housing Corporation]~~ corporation may allocate for each year of  
1335 the credit period ~~[described in Section 42(f), Internal Revenue Code,]~~ pursuant to this section  
1336 and Section 59-10-1010 is an amount equal to the product of:

1337 (A) 12.5 cents; and

1338 (B) the population of Utah.

1339 (ii) For a calendar year beginning on or after January 1, 2017, but beginning on or  
1340 before December 31, 2022, the aggregate annual tax credit that the ~~[Utah Housing Corporation]~~  
1341 corporation may allocate for each year of the credit period ~~[described in Section 42(f), Internal~~  
1342 ~~Revenue Code,]~~ pursuant to this section and Section 59-10-1010 is an amount equal to the  
1343 product of:

1344 (A) 34.5 cents; and

1345 (B) the population of Utah.

1346 (iii) For a calendar year beginning on or after January 1, 2023, but beginning on or  
1347 before December 31, 2032, the aggregate annual tax credit that the corporation may allocate for  
1348 each year of the credit period pursuant to this section and Section 59-10-1010 is \$10,000,000.

1349 (iv) For a calendar year beginning on or after January 1, 2033, the aggregate annual tax  
1350 credit that the corporation may allocate for each year of the credit period pursuant to this  
1351 section and Section 59-10-1010 is the amount described in Subsection (2)(c)(ii).

1352 ~~[(iii)]~~ (v) For purposes of this ~~[section]~~ Subsection (2)(c), the population of Utah shall  
1353 be determined in accordance with Section 146(j), Internal Revenue Code.

1354 (d) (i) Subject to Subsection (2)(d)(ii), a qualified taxpayer that is a pass-through entity  
1355 may allocate a tax credit under this section to one or more of the pass-through entity's  
1356 pass-through entity taxpayers in any manner agreed upon, regardless of whether:

1357 (A) the pass-through entity taxpayer is eligible to claim any portion of a federal  
1358 low-income housing tax credit for the qualified development;

1359 (B) the allocation of the tax credit has substantial economic effect within the meaning  
1360 of Section 704(b), Internal Revenue Code; or

1361 (C) the pass-through entity taxpayer is considered a partner for federal income tax  
1362 purposes.

1363 (ii) With respect to a tax year, a qualified taxpayer that is a pass-through entity  
1364 taxpayer may claim a tax credit allocated to the qualified taxpayer by a pass-through entity  
1365 under Subsection (2)(d)(i) so long as the qualified taxpayer's ownership interest in the  
1366 pass-through entity is:

1367 (A) acquired on or before December 31 of the tax year to which the tax credit relates;  
1368 and

1369 (B) reflected in the report required in Subsection (6)(b) for the tax year to which the tax  
1370 credit relates.

1371 (e) If a qualified taxpayer that is a pass-through entity taxpayer assigns to another  
1372 taxpayer the pass-through entity taxpayer's ownership interest in a pass-through entity,  
1373 including the pass-through entity taxpayer's interest in the tax credit associated with the  
1374 ownership interest, the assignee shall be considered a qualified taxpayer and may claim the tax  
1375 credit so long as the assignee's ownership interest in the pass-through entity is:

1376 (i) acquired on or before December 31 of the tax year to which the tax credit relates;  
1377 and

1378 (ii) reflected in the report required in Subsection (6)(b) for the tax year to which the tax  
1379 credit relates.

1380 (3) (a) The [~~Utah Housing Corporation~~] corporation shall determine criteria and  
1381 procedures for allocating the tax credit under this section and Section 59-10-1010 and  
1382 incorporate the criteria and procedures into the [~~Utah Housing Corporation's~~] corporation's  
1383 qualified allocation plan.

1384 (b) The [~~Utah Housing Corporation~~] corporation shall create the criteria under  
1385 Subsection (3)(a) based on:

1386 (i) the number of affordable housing units to be created in Utah for low and moderate  
1387 income persons in a qualified development;

1388 (ii) the level of area median income being served by a qualified development;

1389 (iii) the need for the tax credit for the economic feasibility of a qualified development;

1390 and

1391 (iv) the extended period for which a qualified development commits to remain as  
1392 affordable housing.

1393 (4) Any housing sponsor may apply to the ~~[Utah Housing Corporation]~~ corporation for  
1394 a tax credit allocation under this section.

1395 (5) (a) (i) The ~~[Utah Housing Corporation]~~ corporation shall determine the amount of  
1396 the tax credit to allocate to a qualified development in accordance with the qualified allocation  
1397 plan ~~[of the Utah Housing Corporation]~~.

1398 (ii) (A) Before the allocation certificate is issued to the housing sponsor, the  
1399 corporation shall send to the housing sponsor written notice of the corporation's preliminary  
1400 determination of the tax credit amount to be allocated to the qualified development.

1401 (B) The notice described in Subsection (5)(a)(ii)(A) shall specify the corporation's  
1402 preliminary determination of the tax credit amount to be allocated to the qualified development  
1403 for each year of the credit period and state that allocation of the tax credit is contingent upon  
1404 the issuance of an allocation certificate.

1405 ~~[(b)]~~ (iii) ~~[(i) The Utah Housing Corporation]~~ Upon approving a final cost certification  
1406 in accordance with the qualified allocation plan, the corporation shall issue an allocation  
1407 certificate to [a] the housing sponsor as evidence of the allocation.

1408 ~~[(ii) The allocation certificate under Subsection (5)(b)(i) shall specify the amount of the~~  
1409 ~~tax credit allocated to a qualified development as determined by the Utah Housing~~  
1410 ~~Corporation.]~~

1411 ~~[(e)]~~ (iv) The amount of the tax credit specified in an allocation certificate may not  
1412 exceed 100% of the federal low-income housing tax credit awarded to a qualified development.

1413 (b) (i) Notwithstanding Subsection (5)(a), if a housing sponsor applies to the  
1414 corporation for a tax credit under this section and an allocation certificate is not yet issued, a  
1415 qualified taxpayer may claim a tax credit based upon the corporation's preliminary  
1416 determination of the tax credit amount as stated in the notice under Subsection (5)(a)(ii).

1417 (ii) Upon issuance of the allocation certificate to the housing sponsor, a qualified  
1418 taxpayer that claims a tax credit under this Subsection (5)(b) shall file an amended tax return to  
1419 adjust the tax credit amount if the amount previously claimed by the qualified taxpayer is  
1420 different than the amount specified in the allocation certificate.

1421 (c) The amount of tax credit that may be claimed in the first year of the credit period  
1422 may not be reduced as a result of the calculation in Section 42(f)(2), Internal Revenue Code.

1423 (d) On or before January 31 of each year, the corporation shall provide to the  
1424 commission in a form prescribed by the commission a report that describes each allocation  
1425 certificate that the corporation issued during the previous calendar year.

1426 (6) (a) A housing sponsor shall provide to the commission identification of the housing  
1427 sponsor's designated reporter.

1428 (b) [Before the Utah Housing Corporation may issue a special low-income housing tax  
1429 credit certificate, a designated reporter shall provide to the Utah Housing Corporation in a form  
1430 prescribed by the Utah Housing Corporation] For each tax year in which a tax credit is claimed  
1431 under this section, the designated reporter shall provide to the commission in a form prescribed  
1432 by the commission:

1433 [(a)] (i) a list of each qualified taxpayer that has been [assigned] allocated a portion of  
1434 the tax credit awarded in [an] the allocation certificate for that tax year;

1435 [(b)] (ii) [for each qualified taxpayer described in Subsection (6)(a),] the amount of tax  
1436 credit that has been [assigned] allocated to each qualified taxpayer described in Subsection  
1437 (6)(b)(i) for that tax year; and

1438 [(c)] (iii) [an aggregate list of the tax credit amount assigned related to a qualified  
1439 development demonstrating that the aggregate annual amount of the tax credits assigned does  
1440 not exceed the aggregate annual tax credit awarded in the allocation certificate] any other  
1441 information, as prescribed by the commission, to demonstrate that the aggregate annual amount  
1442 of tax credits allocated to all qualified taxpayers for that tax year does not exceed the aggregate  
1443 annual tax credit amount specified in the allocation certificate.

1444 [(7) The Utah Housing Corporation shall provide a special low-income housing tax  
1445 credit certificate to a qualified taxpayer if:]

1446 [(a) a designated reporter has provided the information regarding the qualified taxpayer  
1447 as described in Subsection (6); and]

1448 [(b) the Utah Housing Corporation has verified that the aggregate tax credit amount  
1449 assigned with respect to a qualified development does not exceed the total tax credit awarded  
1450 in the allocation certificate.]

1451 [(8)] (7) (a) All elections made by a housing sponsor pursuant to Section 42, Internal

1452 Revenue Code, shall apply to this section.

1453 (b) (i) If a qualified development is required to recapture a portion of any federal  
1454 low-income housing tax credit, then each qualified taxpayer that has been allocated a portion of  
1455 a tax credit under this section shall also be required to recapture a portion of [~~any state tax~~  
1456 ~~credits authorized by this section~~] the tax credit under this section.

1457 (ii) The state recapture amount shall be equal to the percentage of the state tax credit  
1458 that equals the proportion the federal recapture amount bears to the original federal low-income  
1459 housing tax credit amount subject to recapture.

1460 (iii) The designated reporter shall identify each qualified taxpayer that is required to  
1461 recapture a portion of any state tax credit as described in this Subsection [~~(8)(b)~~] (7)(b).

1462 [~~(9)~~] (8) (a) Any tax credits returned to the [~~Utah Housing Corporation~~] corporation in  
1463 any year may be reallocated within the same time period as provided in Section 42, Internal  
1464 Revenue Code.

1465 (b) Tax credits that are unallocated by the [~~Utah Housing Corporation~~] corporation in  
1466 any year may be carried over for allocation in subsequent years.

1467 [~~(10)~~] (9) (a) If a tax credit is not claimed by a qualified taxpayer in the year in which it  
1468 is earned because the tax credit is more than the tax owed by the qualified taxpayer, the tax  
1469 credit may be carried back three years or may be carried forward five years as a credit against  
1470 the tax.

1471 (b) Carryover tax credits under Subsection [~~(10)(a)~~] (9)(a) shall be applied against the  
1472 tax:

1473 (i) before the application of the tax credits earned in the current year; and

1474 (ii) on a first-earned first-used basis.

1475 [~~(11)~~] (a) ~~A qualified taxpayer may assign a special low-income housing tax credit~~  
1476 ~~certificate received under Subsection (7) to another person if the qualified taxpayer provides~~  
1477 ~~written notice to the Utah Housing Corporation, in a form established by the Utah Housing~~  
1478 ~~Corporation, that includes:]~~

1479 [~~(i) the qualified taxpayer's written certification or other proof that the qualified~~  
1480 ~~taxpayer irrevocably elects not to claim the tax credit authorized by the special low-income~~  
1481 ~~housing tax credit certificate; and]~~

1482 [~~(ii) contact information for the person to whom the special low-income housing tax~~



1483 credit certificate is to be assigned.]

1484 ~~[(b) If the qualified taxpayer meets the requirements of Subsection (11)(a), the Utah~~  
1485 ~~Housing Corporation shall issue an assigned special low-income housing tax credit certificate~~  
1486 ~~to the person identified by the qualified taxpayer for an amount equal to the qualified taxpayer's~~  
1487 ~~special low-income housing tax credit minus any state recapture amount under Subsection~~  
1488 ~~(8)(b).]~~

1489 ~~[(c) A person who is assigned a special low-income housing tax credit certificate in~~  
1490 ~~accordance with this Subsection (11) may claim the tax credit as if:]~~

1491 ~~[(i) the person had met the requirements of this section to claim the tax credit, if the~~  
1492 ~~person files a return under this chapter, Chapter 8, Gross Receipts Tax on Certain Corporations~~  
1493 ~~Not Required to Pay Corporate Franchise or Income Tax Act, or Chapter 9, Taxation of~~  
1494 ~~Admitted Insurers; or]~~

1495 ~~[(ii) the person had met the requirements of Section 59-10-1010 to claim the tax credit~~  
1496 ~~under Section 59-10-1010, if the person files a return under Chapter 10, Individual Income Tax~~  
1497 ~~Act.]~~

1498 ~~[(12)] (10) Any tax credit taken in this section may be subject to an annual audit by the~~  
1499 ~~commission.~~

1500 ~~[(13)] (11) The [Utah Housing Corporation] corporation shall annually provide an~~  
1501 ~~electronic report to the Revenue and Taxation Interim Committee [which shall include at least]~~  
1502 ~~that includes:~~

1503 ~~(a) the purpose and effectiveness of the tax credits; [and]~~

1504 ~~(b) any recommendations for legislative changes to the aggregate tax credit amount that~~  
1505 ~~the corporation is authorized to allocate each year under Subsection (2)(c); and~~

1506 ~~[(b)] (c) the benefits of the tax credits to the state.~~

1507 ~~[(14)] (12) The commission may, in consultation with the [Utah Housing Corporation]~~  
1508 ~~corporation, make rules in accordance with Title 63G, Chapter 3, Utah Administrative~~  
1509 ~~Rulemaking Act, to implement this section.~~

1510 ~~(13) (a) Beginning in 2026, and every three years thereafter, the Revenue and Taxation~~  
1511 ~~Interim Committee shall conduct a review of the aggregate tax credit amount that the~~  
1512 ~~corporation is authorized to allocate and has allocated each year under Subsection (2)(c).~~

1513 ~~(b) In a review under this Subsection (13), the Revenue and Taxation Interim~~

1514 Committee shall:

1515 (i) study any recommendations provided by the corporation under Subsection (11)(b);

1516 and

1517 (ii) if the Revenue and Taxation Interim Committee decides to recommend legislative  
 1518 action to the Legislature, prepare legislation for consideration by the Legislature in the next  
 1519 general session.

1520 Section 10. Section **59-9-108** is amended to read:

1521 **59-9-108. Utah low-income housing tax credit.**

1522 (1) As used in this section[;], "qualified taxpayer" means:

1523 (a) for a person claiming a tax credit under Section 59-7-607, the same as that term is  
 1524 defined in Section 59-7-607; or

1525 (b) for a person claiming a tax credit under Section 59-10-1010, the same as that term  
 1526 is defined in Section 59-10-1010.

1527 [~~(a) "Qualified taxpayer" means the same as that term is defined in Section 59-7-607.~~]

1528 [~~(b) "Special low-income housing tax credit certificate" means the same as that term is~~  
 1529 ~~defined in Section 59-7-607.~~]

1530 (2) A person may claim a nonrefundable tax credit against a tax liability under this  
 1531 section if:

1532 (a) the person is a qualified taxpayer who has been issued [~~a special low-income~~  
 1533 ~~housing tax credit~~] an allocation certificate by the Utah Housing Corporation under Section  
 1534 59-7-607 or 59-10-1010, and the qualified taxpayer does not claim the tax credit under [~~Title~~  
 1535 ~~59, Chapter 7, Corporate Franchise and Income Taxes, Title 59, Chapter 8, Gross Receipts Tax~~  
 1536 ~~on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act, or under~~  
 1537 ~~Title 59, Chapter 10, Individual Income Tax Act]~~ Chapter 7, Corporate Franchise and Income  
 1538 Taxes, Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay Corporate  
 1539 Franchise or Income Tax Act, or Chapter 10, Individual Income Tax Act; or

1540 (b) the person has been [~~assigned a special~~] allocated a low-income housing tax credit  
 1541 in accordance with [~~Subsection 59-7-607(11) or Subsection 59-10-1010(11)]~~ Section 59-7-607  
 1542 or 59-10-1010, and the person does not claim the tax credit under [~~Title 59, Chapter 7,~~  
 1543 ~~Corporate Franchise and Income Taxes, Title 59, Chapter 8, Gross Receipts Tax on Certain~~  
 1544 ~~Corporations Not Required to Pay Corporate Franchise or Income Tax Act, or under Title 59,~~

1545 ~~Chapter 10, Individual Income Tax Act]~~ Chapter 7, Corporate Franchise and Income Taxes,  
 1546 Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay Corporate  
 1547 Franchise or Income Tax Act, or Chapter 10, Individual Income Tax Act.

1548 (3) (a) If a tax credit is not claimed by a qualified taxpayer or by a person who has been  
 1549 ~~[assigned a special]~~ allocated a low-income housing tax credit in the year in which the credit is  
 1550 earned because the tax credit is more than the tax liability owed, the tax credit may be carried  
 1551 back three years or may be carried forward five years as a credit against the tax liability.

1552 (b) Carryover tax credits under Subsection (3)(a) shall be applied against tax liability:

1553 (i) before the application of tax credits earned in the current year; and

1554 (ii) on a first-earned, first-used basis.

1555 (4) The commission may, in consultation with the Utah Housing Corporation, make  
 1556 rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to  
 1557 implement this section.

1558 Section 11. Section **59-10-1010** is amended to read:

1559 **59-10-1010. Utah low-income housing tax credit.**

1560 (1) As used in this section:

1561 (a) "Allocation certificate" means a certificate in a form prescribed by the commission  
 1562 and issued by the ~~[Utah Housing Corporation]~~ corporation to a housing sponsor that specifies  
 1563 the aggregate amount of the tax credit awarded under this section to a qualified development  
 1564 and includes:

1565 (i) the aggregate annual amount of the tax credit awarded that may be claimed by one  
 1566 or more qualified taxpayers ~~[that have been issued a special low-income housing tax credit~~  
 1567 ~~certificate]~~; and

1568 (ii) the credit period over which the tax credit may be claimed by one or more qualified  
 1569 taxpayers ~~[that have been issued a special low-income housing tax credit certificate]~~.

1570 (b) "Building" means a qualified low-income building as defined in Section 42(c),  
 1571 Internal Revenue Code.

1572 (c) "Corporation" means the Utah Housing Corporation created in Section [63H-8-201](#).

1573 ~~[(e)]~~ (d) ~~["Credit period" means the "credit period" as]~~ Except as provided in  
 1574 Subsection (5)(c), "credit period" means the same as that term is defined in Section 42(f)(1),  
 1575 Internal Revenue Code.

1576           ~~[(d)]~~ (e) ~~[(f)]~~ "Designated reporter" means, as selected by a housing sponsor, the  
1577 housing sponsor ~~[itself]~~ or one of the housing sponsor's direct or indirect partners, members, or  
1578 shareholders that will provide information to the ~~[Utah Housing Corporation]~~ commission  
1579 regarding the ~~[assignment]~~ allocation of tax credits under this section.

1580           ~~[(ii) Before the Utah Housing Corporation may issue an allocation certificate to a~~  
1581 ~~housing sponsor, a housing sponsor shall provide the identity of the housing sponsor's~~  
1582 ~~designated reporter to the Utah Housing Corporation.]~~

1583           ~~[(iii) Before the Utah Housing Corporation may issue a special low-income housing tax~~  
1584 ~~credit certificate to a qualified taxpayer, a designated reporter shall provide the information~~  
1585 ~~described in Subsection (6) to the Utah Housing Corporation.]~~

1586           ~~[(e)]~~ (f) "Federal low-income housing credit" means the federal low-income housing  
1587 credit described in Section 42, Internal Revenue Code.

1588           ~~[(f)]~~ (g) "Housing sponsor" means an entity that owns a qualified development.

1589           (h) "Pass-through entity" means the same as that term is defined in Section  
1590 59-10-1402.

1591           (i) (i) Subject to Subsection (1)(i)(ii), "pass-through entity taxpayer" means the same as  
1592 that term is defined in Section 59-10-1402.

1593           (ii) The determination of whether a pass-through entity taxpayer is considered a  
1594 partner, member, or shareholder of a pass-through entity shall be made in accordance with  
1595 applicable state law governing the pass-through entity.

1596           ~~[(g)]~~ (j) "Qualified allocation plan" means a qualified allocation plan adopted by the  
1597 ~~[Utah Housing Corporation]~~ corporation in accordance with Section 42(m), Internal Revenue  
1598 Code.

1599           ~~[(h)]~~ (k) "Qualified development" means a "qualified low-income housing project":

1600           (i) as defined in Section 42(g)(1), Internal Revenue Code; and

1601           (ii) that is located in the state.

1602           ~~[(i)]~~ (l) (i) "Qualified taxpayer" means a claimant, estate, or trust that:

1603           (A) owns a direct or indirect interest, through one or more pass-through entities, in a  
1604 qualified development; and

1605           (B) meets the requirements to claim a tax credit under this section.

1606           (ii) "Qualified taxpayer" includes a pass-through entity taxpayer to which a tax credit

1607 under this section is passed through by a pass-through entity.

1608  ~~[(ii) If a housing sponsor is a partnership, limited liability company, or S corporation, a~~  
1609  ~~"qualified taxpayer" may include any partner, member, or shareholder of the housing sponsor~~  
1610  ~~as determined by the governing documents of the housing sponsor.]~~

1611  ~~[(j) (i) "Special low-income housing tax credit certificate" means a certificate:]~~

1612  ~~[(A) in a form prescribed by the commission;]~~

1613  ~~[(B) that the Utah Housing Corporation issues to a qualified taxpayer for a taxable year~~  
1614  ~~in accordance with this section; and]~~

1615  ~~[(C) that specifies the amount of the tax credit a qualified taxpayer may claim under~~  
1616  ~~this section.]~~

1617  ~~[(ii) The Utah Housing Corporation may only issue one or more special low-income~~  
1618  ~~housing tax credit certificates if the aggregate specified amount on all special low-income~~  
1619  ~~housing tax credit certificates issued in relation to a qualified development does not exceed the~~  
1620  ~~aggregate amount of tax credit awarded to a qualified development and issued to a housing~~  
1621  ~~sponsor in an allocation certificate.]~~

1622 (2) (a)  ~~[For taxable years beginning on or after January 1, 1995, a qualified taxpayer~~  
1623  ~~who has been issued a special low-income housing tax credit certificate by the Utah Housing~~  
1624  ~~Corporation]~~ A qualified taxpayer may claim a nonrefundable tax credit under this section  
1625 against taxes otherwise due under this chapter.

1626 (b) The tax credit shall be in an amount equal to the tax credit amount specified on the  
1627  ~~[special low-income housing tax credit]~~ allocation certificate that the  ~~[Utah Housing~~  
1628  ~~Corporation]~~ corporation issues to a  ~~[qualified taxpayer]~~ housing sponsor under this section.

1629 (c) (i) For a calendar year beginning on or before December 31, 2016, the aggregate  
1630 annual tax credit that the  ~~[Utah Housing Corporation]~~ corporation may allocate for each year of  
1631 the credit period  ~~[described in Section 42(f), Internal Revenue Code;]~~ pursuant to this section  
1632 and Section 59-7-607 is an amount equal to the product of:

1633 (A) 12.5 cents; and

1634 (B) the population of Utah.

1635 (ii) For a calendar year beginning on or after January 1, 2017, but beginning on or  
1636 before December 31, 2022, the aggregate annual tax credit that the  ~~[Utah Housing Corporation]~~  
1637 corporation may allocate for each year of the credit period  ~~[described in Section 42(f), Internal~~

1638 ~~Revenue Code,~~] pursuant to this section and Section 59-7-607 is an amount equal to the  
1639 product of:

1640 (A) 34.5 cents; and

1641 (B) the population of Utah.

1642 (iii) For a calendar year beginning on or after January 1, 2023, but beginning on or  
1643 before December 31, 2032, the aggregate annual tax credit that the corporation may allocate for  
1644 each year of the credit period pursuant to this section and Section 59-7-607 is \$10,000,000.

1645 (iv) For a calendar year beginning on or after January 1, 2033, the aggregate annual tax  
1646 credit that the corporation may allocate for each year of the credit period pursuant to this  
1647 section and Section 59-7-607 is the amount described in Subsection (2)(c)(ii).

1648 [(iii)] (v) For purposes of this [section] Subsection (2)(c), the population of Utah shall  
1649 be determined in accordance with Section 146(j), Internal Revenue Code.

1650 (d) (i) Subject to Subsection (2)(d)(ii), a qualified taxpayer that is a pass-through entity  
1651 may allocate a tax credit under this section to one or more of the pass-through entity's  
1652 pass-through entity taxpayers in any manner agreed upon, regardless of whether:

1653 (A) the pass-through entity taxpayer is eligible to claim any portion of a federal  
1654 low-income housing tax credit for the qualified development;

1655 (B) the allocation of the tax credit has substantial economic effect within the meaning  
1656 of Section 704(b), Internal Revenue Code; or

1657 (C) the pass-through entity taxpayer is considered a partner for federal income tax  
1658 purposes.

1659 (ii) With respect to a tax year, a qualified taxpayer that is a pass-through entity  
1660 taxpayer may claim a tax credit allocated to the qualified taxpayer by a pass-through entity  
1661 under Subsection (2)(d)(i) so long as the qualified taxpayer's ownership interest in the  
1662 pass-through entity is:

1663 (A) acquired on or before December 31 of the tax year to which the tax credit relates;  
1664 and

1665 (B) reflected in the report required in Subsection (6)(b) for the tax year to which the tax  
1666 credit relates.

1667 (e) If a qualified taxpayer that is a pass-through entity taxpayer assigns to another  
1668 taxpayer the pass-through entity taxpayer's ownership interest in a pass-through entity,

1669 including the pass-through entity taxpayer's interest in the tax credit associated with the  
1670 ownership interest, the assignee shall be considered a qualified taxpayer and may claim the tax  
1671 credit so long as the assignee's ownership interest in the pass-through entity is:

1672 (i) acquired on or before December 31 of the tax year to which the tax credit relates;

1673 and

1674 (ii) reflected in the report required in Subsection (6)(b) for the tax year to which the tax  
1675 credit relates.

1676 (3) (a) The [~~Utah Housing Corporation~~] corporation shall determine criteria and  
1677 procedures for allocating the tax credit under this section and Section 59-7-607 and incorporate  
1678 the criteria and procedures into the [~~Utah Housing Corporation's~~] corporation's qualified  
1679 allocation plan.

1680 (b) The [~~Utah Housing Corporation~~] corporation shall create the criteria under  
1681 Subsection (3)(a) based on:

1682 (i) the number of affordable housing units to be created in Utah for low and moderate  
1683 income persons in a qualified development;

1684 (ii) the level of area median income being served by a qualified development;

1685 (iii) the need for the tax credit for the economic feasibility of a qualified development;

1686 and

1687 (iv) the extended period for which a qualified development commits to remain as  
1688 affordable housing.

1689 (4) Any housing sponsor may apply to the [~~Utah Housing Corporation~~] corporation for  
1690 a tax credit allocation under this section.

1691 (5) (a) (i) The [~~Utah Housing Corporation~~] corporation shall determine the amount of  
1692 the tax credit to allocate to a qualified development in accordance with the qualified allocation  
1693 plan [~~of the Utah Housing Corporation~~].

1694 (ii) (A) Before the allocation certificate is issued to the housing sponsor, the  
1695 corporation shall send to the housing sponsor written notice of the corporation's preliminary  
1696 determination of the tax credit amount to be allocated to the qualified development.

1697 (B) The notice described in Subsection (5)(a)(ii)(A) shall specify the corporation's  
1698 preliminary determination of the tax credit amount to be allocated to the qualified development  
1699 for each year of the credit period and state that allocation of the tax credit is contingent upon

1700 the issuance of an allocation certificate.

1701 ~~[(b)] (iii) [(i) The Utah Housing Corporation]~~ Upon approving a final cost certification  
1702 in accordance with the qualified allocation plan, the corporation shall issue an allocation  
1703 certificate to [a] the housing sponsor as evidence of the allocation.

1704 ~~[(ii) The allocation certificate under Subsection (5)(b)(i) shall specify the amount of the~~  
1705 ~~tax credit allocated to a qualified development as determined by the Utah Housing~~  
1706 ~~Corporation.]~~

1707 ~~[(c)] (iv)~~ The amount of the tax credit specified in an allocation certificate may not  
1708 exceed 100% of the federal low-income housing credit awarded to a qualified development.

1709 (b) (i) Notwithstanding Subsection (5)(a), if a housing sponsor applies to the  
1710 corporation for a tax credit under this section and an allocation certificate is not yet issued, a  
1711 qualified taxpayer may claim a tax credit based upon the corporation's preliminary  
1712 determination of the tax credit amount as stated in the notice under Subsection (5)(a)(ii).

1713 (ii) Upon issuance of the allocation certificate to the housing sponsor, a qualified  
1714 taxpayer that claims a tax credit under this Subsection (5)(b) shall file an amended tax return to  
1715 adjust the tax credit amount if the amount previously claimed by the qualified taxpayer is  
1716 different than the amount specified in the allocation certificate.

1717 (c) The amount of tax credit that may be claimed in the first year of the credit period  
1718 may not be reduced as a result of the calculation in Section 42(f)(2), Internal Revenue Code.

1719 (d) On or before January 31 of each year, the corporation shall provide to the  
1720 commission in a form prescribed by the commission a report that describes each allocation  
1721 certificate that the corporation issued during the previous calendar year.

1722 (6) (a) A housing sponsor shall provide to the commission identification of the housing  
1723 sponsor's designated reporter.

1724 (b) [Before the Utah Housing Corporation may issue a special low-income housing tax  
1725 credit certificate, a designated reporter shall provide to the Utah Housing Corporation in a form  
1726 prescribed by the Utah Housing Corporation] For each tax year in which a tax credit is claimed  
1727 under this section, the designated reporter shall provide to the commission in a form prescribed  
1728 by the commission:

1729 ~~[(a)] (i)~~ a list of each qualified taxpayer that has been [assigned] allocated a portion of  
1730 the tax credit awarded in [an] the allocation certificate for that tax year;



1731           ~~[(b)]~~ (ii) ~~[for each qualified taxpayer described in Subsection (6)(a),]~~ the amount of tax  
1732 credit that has been ~~[assigned]~~ allocated to each qualified taxpayer described in Subsection  
1733 (6)(b)(i) for that tax year; and

1734           ~~[(c)]~~ (iii) ~~[an aggregate list of the tax credit amount assigned related to a qualified~~  
1735 ~~development demonstrating that the aggregate annual amount of the tax credits assigned does~~  
1736 ~~not exceed the aggregate annual tax credit awarded in the allocation certificate]~~ any other  
1737 information, as prescribed by the commission, to demonstrate that the aggregate annual amount  
1738 of tax credits allocated to all qualified taxpayers for that tax year does not exceed the aggregate  
1739 annual tax credit amount specified in the allocation certificate.

1740           ~~[(7) The Utah Housing Corporation shall provide a special low-income housing tax~~  
1741 ~~credit certificate to a qualified taxpayer if:]~~

1742           ~~[(a) a designated reporter has provided the information regarding the qualified taxpayer~~  
1743 ~~as described in Subsection (6); and]~~

1744           ~~[(b) the Utah Housing Corporation has verified that the aggregate tax credit amount~~  
1745 ~~assigned with respect to a qualified development does not exceed the total tax credit awarded~~  
1746 ~~in the allocation certificate.]~~

1747           ~~[(8)]~~ (7) (a) All elections made by a housing sponsor pursuant to Section 42, Internal  
1748 Revenue Code, shall apply to this section.

1749           (b) (i) If a qualified taxpayer is required to recapture a portion of any federal  
1750 low-income housing credit, the qualified taxpayer that has been allocated a portion of a tax  
1751 credit under this section shall also be required to recapture a portion of ~~[any state tax credits~~  
1752 ~~authorized by this section]~~ the tax credit under this section.

1753           (ii) The state recapture amount shall be equal to the percentage of the state tax credit  
1754 that equals the proportion the federal recapture amount bears to the original federal low-income  
1755 housing credit amount subject to recapture.

1756           (iii) The designated reporter shall identify each qualified taxpayer that is required to  
1757 recapture a portion of any state tax credits as described in this Subsection ~~[(8)(b)]~~ (7)(b).

1758           ~~[(9)]~~ (8) (a) Any tax credits returned to the ~~[Utah Housing Corporation]~~ corporation in  
1759 any year may be reallocated within the same time period as provided in Section 42, Internal  
1760 Revenue Code.

1761           (b) Tax credits that are unallocated by the ~~[Utah Housing Corporation]~~ corporation in

1762 any year may be carried over for allocation in subsequent years.

1763 ~~[(10)]~~ (9) (a) If a tax credit is not claimed by a qualified taxpayer in the year in which it  
1764 is earned because the tax credit is more than the tax owed by the qualified taxpayer, the tax  
1765 credit may be carried back three years or may be carried forward five years as a credit against  
1766 the tax.

1767 (b) Carryover tax credits under Subsection ~~[(10)(a)]~~ (9)(a) shall be applied against the  
1768 tax:

1769 (i) before the application of the tax credits earned in the current year; and

1770 (ii) on a first-earned first-used basis.

1771 ~~[(11) (a) A qualified taxpayer may assign a special low-income housing tax credit  
1772 certificate received under Subsection (7) to another person if the qualified taxpayer provides  
1773 written notice to the Utah Housing Corporation, in a form established by the Utah Housing  
1774 Corporation, that includes:]~~

1775 ~~[(i) the qualified taxpayer's written certification or other proof that the qualified  
1776 taxpayer irrevocably elects not to claim the tax credit authorized by the special low-income  
1777 housing tax credit certificate; and]~~

1778 ~~[(ii) contact information for the person to whom the special low-income housing tax  
1779 credit certificate is to be assigned.]~~

1780 ~~[(b) If the qualified taxpayer meets the requirements of Subsection (11)(a), the Utah  
1781 Housing Corporation shall issue an assigned special low-income housing tax credit certificate  
1782 to the person identified by the qualified taxpayer for an amount equal to the qualified taxpayer's  
1783 special low-income housing tax credit minus any state recapture amount under Subsection  
1784 (8)(b).]~~

1785 ~~[(c) A person who is assigned a special low-income housing tax credit certificate in  
1786 accordance with this Subsection (11) may claim the tax credit as if:]~~

1787 ~~[(i) the person had met the requirements of this section to claim the tax credit, if the  
1788 person files a return under this chapter; or]~~

1789 ~~[(ii) the person had met the requirements of Section 59-7-607 to claim the tax credit  
1790 under Section 59-7-607, if the person files a return under Chapter 7, Corporate Franchise and  
1791 Income Taxes, Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay  
1792 Corporate Franchise or Income Tax Act, or Chapter 9, Taxation of Admitted Insurers.]~~

1793 ~~[(12)]~~ (10) Any tax credit taken in this section may be subject to an annual audit by the  
1794 commission.

1795 ~~[(13)]~~ (11) The ~~[Utah Housing Corporation]~~ corporation shall annually provide an  
1796 electronic report to the Revenue and Taxation Interim Committee ~~[which shall include at least]~~  
1797 that includes:

1798 (a) the purpose and effectiveness of the tax credits; ~~[and]~~

1799 (b) any recommendations for legislative changes to the aggregate tax credit amount that  
1800 the corporation is authorized to allocate each year under Subsection (2)(c); and

1801 ~~[(b)]~~ (c) the benefits of the tax credits to the state.

1802 ~~[(14)]~~ (12) The commission may, in consultation with the ~~[Utah Housing Corporation]~~  
1803 corporation, promulgate rules to implement this section.

1804 (13) (a) Beginning in 2026, and every three years thereafter, the Revenue and Taxation  
1805 Interim Committee shall conduct a review of the aggregate tax credit amount that the  
1806 corporation is authorized to allocate and has allocated each year under Subsection (2)(c).

1807 (b) In a review under this Subsection (13), the Revenue and Taxation Interim  
1808 Committee shall:

1809 (i) study any recommendations provided by the corporation under Subsection (11)(b);  
1810 and

1811 (ii) if the Revenue and Taxation Interim Committee decides to recommend legislative  
1812 action to the Legislature, prepare legislation for consideration by the Legislature in the next  
1813 general session.

1814 Section 12. Section **63J-4-802** is amended to read:

1815 **63J-4-802. Creation of COVID-19 Local Assistance Matching Grant Program --**  
1816 **Eligibility -- Duties of the office.**

1817 (1) There is established a grant program known as COVID-19 Local Assistance  
1818 Matching Grant Program that is administered by the office.

1819 (2) The office shall award financial grants to local governments that meet the  
1820 qualifications described in Subsection (3) to provide support for:

1821 (a) projects or services that address the economic impacts of the COVID-19 emergency  
1822 on housing insecurity, lack of affordable housing, or homelessness;

1823 (b) costs incurred in addressing public health challenges resulting from the COVID-19

1824 emergency;

1825 (c) necessary investments in water and sewer infrastructure; or

1826 (d) any other purpose authorized under the American Rescue Plan Act.

1827 (3) To be eligible for a grant under this part, a local government shall:

1828 (a) provide matching funds in an amount determined by the office; and

1829 (b) certify that the local government will spend grant funds:

1830 (i) on a purpose described in Subsection (2);

1831 (ii) within the time period determined by the office; and

1832 (iii) in accordance with the American Rescue Plan Act.

1833 (4) As soon as is practicable, but on or before September 15, 2021, the office shall,

1834 with recommendations from the review committee, establish:

1835 (a) procedures for applying for and awarding grants under this part, using an online  
1836 grants management system that:

1837 (i) manages each grant throughout the duration of the grant;

1838 (ii) allows for:

1839 (A) online submission of grant applications; and

1840 (B) auditing and reporting for a local government that receives grant funds; and

1841 (iii) generates reports containing information about each grant;

1842 (b) criteria for awarding grants; and

1843 (c) reporting requirements for grant recipients.

1844 (5) Subject to appropriation, the office shall award grant funds on a competitive basis  
1845 until December 31, 2024.

1846 [~~(6) If the office receives a notice of prioritization for a municipality as described in  
1847 Subsection 10-9a-408(5), or a notice of prioritization for a county as described in Subsection  
1848 17-27a-408(5), the office may prioritize the awarding of a financial grant under this section to  
1849 the municipality or county during the fiscal year specified in the notice.]~~

1850 [~~(7) If the office receives a notice of ineligibility for a municipality as described in  
1851 Subsection 10-9a-408(7), or a notice of ineligibility for a county as described in Subsection  
1852 17-27a-408(7), the office may not award a financial grant under this section to the municipality  
1853 or county during the fiscal year specified in the notice.]~~

1854 [(8)] (6) Before November 30 of each year, ending November 30, 2025, the office shall

1855 submit a report to the Executive Appropriations Committee that includes:

1856 (a) a summary of the procedures, criteria, and requirements established under

1857 Subsection (4);

1858 (b) a summary of the recommendations of the review committee under Section

1859 [63J-4-803](#);

1860 (c) the number of applications submitted under the grant program during the previous

1861 year;

1862 (d) the number of grants awarded under the grant program during the previous year;

1863 (e) the aggregate amount of grant funds awarded under the grant program during the

1864 previous year; and

1865 (f) any other information the office considers relevant to evaluating the success of the  
1866 grant program.

1867 [~~9~~] (7) The office may use funds appropriated by the Legislature for the grant  
1868 program to pay for administrative costs.

1869 Section 13. Section **72-1-304** is amended to read:

1870 **72-1-304. Written project prioritization process for new transportation capacity**  
1871 **projects -- Rulemaking.**

1872 (1) (a) The Transportation Commission, in consultation with the department and the  
1873 metropolitan planning organizations as defined in Section [72-1-208.5](#), shall develop a written  
1874 prioritization process for the prioritization of:

1875 (i) new transportation capacity projects that are or will be part of the state highway  
1876 system under Chapter 4, Part 1, State Highways;

1877 (ii) paved pedestrian or paved nonmotorized transportation projects that:

1878 (A) mitigate traffic congestion on the state highway system; and

1879 (B) are part of an active transportation plan approved by the department;

1880 (iii) public transit projects that directly add capacity to the public transit systems within  
1881 the state, not including facilities ancillary to the public transit system; and

1882 (iv) pedestrian or nonmotorized transportation projects that provide connection to a  
1883 public transit system.

1884 (b) (i) A local government or district may nominate a project for prioritization in  
1885 accordance with the process established by the commission in rule.

1886 (ii) If a local government or district nominates a project for prioritization by the  
1887 commission, the local government or district shall provide data and evidence to show that:  
1888 (A) the project will advance the purposes and goals described in Section 72-1-211;  
1889 (B) for a public transit project, the local government or district has an ongoing funding  
1890 source for operations and maintenance of the proposed development; and  
1891 (C) the local government or district will provide 40% of the costs for the project as  
1892 required by Subsection 72-2-124(4)(a)(viii) or 72-2-124(9)(e).

1893 (2) The following shall be included in the written prioritization process under  
1894 Subsection (1):

1895 (a) a description of how the strategic initiatives of the department adopted under  
1896 Section 72-1-211 are advanced by the written prioritization process;

1897 (b) a definition of the type of projects to which the written prioritization process  
1898 applies;

1899 (c) specification of a weighted criteria system that is used to rank proposed projects  
1900 and how it will be used to determine which projects will be prioritized;

1901 (d) specification of the data that is necessary to apply the weighted ranking criteria; and  
1902 (e) any other provisions the commission considers appropriate, which may include  
1903 consideration of:

1904 (i) regional and statewide economic development impacts, including improved local  
1905 access to:

1906 (A) employment;

1907 (B) educational facilities;

1908 (C) recreation;

1909 (D) commerce; and

1910 (E) residential areas, including moderate income housing as demonstrated in the local  
1911 government's or district's general plan pursuant to Section 10-9a-403 or 17-27a-403;

1912 (ii) the extent to which local land use plans relevant to a project support and  
1913 accomplish the strategic initiatives adopted under Section 72-1-211; and

1914 (iii) any matching funds provided by a political subdivision or public transit district in  
1915 addition to the 40% required by Subsections 72-2-124(4)(a)(viii) and 72-2-124(9)(e).

1916 (3) (a) When prioritizing a public transit project that increases capacity, the

1917 commission:

1918 (i) may give priority consideration to projects that are part of a transit-oriented  
1919 development or transit-supportive development as defined in Section 17B-2a-802; and

1920 (ii) shall give priority consideration to projects that are within the boundaries of a  
1921 housing and transit reinvestment zone created pursuant to Title 63N, Chapter 3, Part 6,  
1922 Housing and Transit Reinvestment Zone Act.

1923 (b) When prioritizing a transportation project that increases capacity, the commission  
1924 may give priority consideration to projects that are:

1925 (i) part of a transportation reinvestment zone created under Section 11-13-227 if:

1926 (A) the state is a participant in the transportation reinvestment zone; or

1927 (B) the commission finds that the transportation reinvestment zone provides a benefit  
1928 to the state transportation system; or

1929 (ii) within the boundaries of a housing and transit reinvestment zone created pursuant  
1930 to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

1931 (c) If the department receives a notice of prioritization for a municipality as described  
1932 in Subsection 10-9a-408(5), or a notice of prioritization for a county as described in Subsection  
1933 17-27a-408(5), the commission may~~[-during the fiscal year specified in the notice,]~~ give  
1934 priority consideration to transportation projects that are within the boundaries of the  
1935 municipality or the unincorporated areas of the county until the department receives  
1936 notification from the Housing and Community Development Division within the Department  
1937 of Workforce Services that the municipality or county no longer qualifies for prioritization  
1938 under this Subsection (3)(c).

1939 (4) In developing the written prioritization process, the commission:

1940 (a) shall seek and consider public comment by holding public meetings at locations  
1941 throughout the state; and

1942 (b) may not consider local matching dollars as provided under Section 72-2-123 unless  
1943 the state provides an equal opportunity to raise local matching dollars for state highway  
1944 improvements within each county.

1945 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1946 Transportation Commission, in consultation with the department, shall make rules establishing  
1947 the written prioritization process under Subsection (1).

1948 (6) The commission shall submit the proposed rules under this section to a committee  
1949 or task force designated by the Legislative Management Committee for review prior to taking  
1950 final action on the proposed rules or any proposed amendment to the rules described in  
1951 Subsection (5).

1952 Section 14. Section **72-2-124** is amended to read:

1953 **72-2-124. Transportation Investment Fund of 2005.**

1954 (1) There is created a capital projects fund entitled the Transportation Investment Fund  
1955 of 2005.

1956 (2) The fund consists of money generated from the following sources:

1957 (a) any voluntary contributions received for the maintenance, construction,  
1958 reconstruction, or renovation of state and federal highways;

1959 (b) appropriations made to the fund by the Legislature;

1960 (c) registration fees designated under Section [41-1a-1201](#);

1961 (d) the sales and use tax revenues deposited into the fund in accordance with Section  
1962 [59-12-103](#); and

1963 (e) revenues transferred to the fund in accordance with Section [72-2-106](#).

1964 (3) (a) The fund shall earn interest.

1965 (b) All interest earned on fund money shall be deposited into the fund.

1966 (4) (a) Except as provided in Subsection (4)(b), the executive director may only use  
1967 fund money to pay:

1968 (i) the costs of maintenance, construction, reconstruction, or renovation to state and  
1969 federal highways prioritized by the Transportation Commission through the prioritization  
1970 process for new transportation capacity projects adopted under Section [72-1-304](#);

1971 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway  
1972 projects described in Subsections [63B-18-401](#)(2), (3), and (4);

1973 (iii) principal, interest, and issuance costs of bonds authorized by Section [63B-18-401](#)  
1974 minus the costs paid from the County of the First Class Highway Projects Fund in accordance  
1975 with Subsection [72-2-121](#)(4)(e);

1976 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt  
1977 Lake County Revenue Bond Sinking Fund created by Section [72-2-121.3](#) the amount certified  
1978 by Salt Lake County in accordance with Subsection [72-2-121.3](#)(4)(c) as necessary to pay the



- 1979 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;
- 1980 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
- 1981 for projects prioritized in accordance with Section 72-2-125;
- 1982 (vi) all highway general obligation bonds that are intended to be paid from revenues in
- 1983 the Centennial Highway Fund created by Section 72-2-118;
- 1984 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
- 1985 Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described
- 1986 in Section 72-2-121;
- 1987 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
- 1988 the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved
- 1989 nonmotorized transportation for projects that:
- 1990 (A) mitigate traffic congestion on the state highway system;
- 1991 (B) are part of an active transportation plan approved by the department; and
- 1992 (C) are prioritized by the commission through the prioritization process for new
- 1993 transportation capacity projects adopted under Section 72-1-304;
- 1994 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
- 1995 reconstruction, or renovation of or improvement to the following projects:
- 1996 (A) the connector road between Main Street and 1600 North in the city of Vineyard;
- 1997 (B) Geneva Road from University Parkway to 1800 South;
- 1998 (C) the SR-97 interchange at 5600 South on I-15;
- 1999 (D) two lanes on U-111 from Herriman Parkway to 11800 South;
- 2000 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 2001 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 2002 (G) widening I-15 between mileposts 6 and 8;
- 2003 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 2004 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in
- 2005 Spanish Fork Canyon;
- 2006 (J) I-15 northbound between mileposts 43 and 56;
- 2007 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43
- 2008 and 45.1;
- 2009 (L) east Zion SR-9 improvements;

- 2010 (M) Toquerville Parkway;
- 2011 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 2012 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds, for
- 2013 construction of an interchange on Bangerter Highway at 13400 South; and
- 2014 (P) an environmental impact study for Kimball Junction in Summit County; and
- 2015 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
- 2016 costs based upon a statement of cash flow that the local jurisdiction where the project is located
- 2017 provides to the department demonstrating the need for money for the project, for the following
- 2018 projects in the following amounts:
- 2019 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 2020 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 2021 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 2022 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S. 40
- 2023 between mile markers 7 and 10.
- 2024 (b) The executive director may use fund money to exchange for an equal or greater
- 2025 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 2026 (5) (a) Except as provided in Subsection (5)(b), if the department receives a notice of
- 2027 ineligibility for a municipality as described in Subsection 10-9a-408(7), the executive director
- 2028 may not program fund money to a project prioritized by the commission under Section
- 2029 72-1-304, including fund money from the Transit Transportation Investment Fund, within the
- 2030 boundaries of the municipality [~~during the fiscal year specified in the notice~~] until the
- 2031 department receives notification from the Housing and Community Development Division
- 2032 within the Department of Workforce Services that ineligibility under this Subsection (5) no
- 2033 longer applies to the municipality.
- 2034 (b) Within the boundaries of a municipality described in Subsection (5)(a), the
- 2035 executive director:
- 2036 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access
- 2037 facility or interchange connecting limited-access facilities;
- 2038 (ii) may not program fund money for the construction, reconstruction, or renovation of
- 2039 an interchange on a limited-access facility;
- 2040 (iii) may program Transit Transportation Investment Fund money for a

2041 multi-community fixed guideway public transportation project; and

2042 (iv) may not program Transit Transportation Investment Fund money for the  
2043 construction, reconstruction, or renovation of a station that is part of a fixed guideway public  
2044 transportation project.

2045 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive  
2046 director before July 1, 2022, for projects prioritized by the commission under Section  
2047 [72-1-304](#).

2048 (6) (a) Except as provided in Subsection (6)(b), if the department receives a notice of  
2049 ineligibility for a county as described in Subsection [17-27a-408\(7\)](#), the executive director may  
2050 not program fund money to a project prioritized by the commission under Section [72-1-304](#),  
2051 including fund money from the Transit Transportation Investment Fund, within the boundaries  
2052 of the unincorporated area of the county [~~during the fiscal year specified in the notice~~] until the  
2053 department receives notification from the Housing and Community Development Division  
2054 within the Department of Workforce Services that ineligibility under this Subsection (6) no  
2055 longer applies to the county.

2056 (b) Within the boundaries of the unincorporated area of a county described in  
2057 Subsection (6)(a), the executive director:

2058 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access  
2059 facility to a project prioritized by the commission under Section [72-1-304](#);

2060 (ii) may not program fund money for the construction, reconstruction, or renovation of  
2061 an interchange on a limited-access facility;

2062 (iii) may program Transit Transportation Investment Fund money for a  
2063 multi-community fixed guideway public transportation project; and

2064 (iv) may not program Transit Transportation Investment Fund money for the  
2065 construction, reconstruction, or renovation of a station that is part of a fixed guideway public  
2066 transportation project.

2067 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive  
2068 director before July 1, 2022, for projects prioritized by the commission under Section  
2069 [72-1-304](#).

2070 (7) (a) Before bonds authorized by Section [63B-18-401](#) or [63B-27-101](#) may be issued  
2071 in any fiscal year, the department and the commission shall appear before the Executive

2072 Appropriations Committee of the Legislature and present the amount of bond proceeds that the  
2073 department needs to provide funding for the projects identified in Subsections 63B-18-401(2),  
2074 (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.

2075 (b) The Executive Appropriations Committee of the Legislature shall review and  
2076 comment on the amount of bond proceeds needed to fund the projects.

2077 (8) The Division of Finance shall, from money deposited into the fund, transfer the  
2078 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by  
2079 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt service or  
2080 sinking fund.

2081 (9) (a) There is created in the Transportation Investment Fund of 2005 the Transit  
2082 Transportation Investment Fund.

2083 (b) The fund shall be funded by:

2084 (i) contributions deposited into the fund in accordance with Section 59-12-103;

2085 (ii) appropriations into the account by the Legislature;

2086 (iii) deposits of sales and use tax increment related to a housing and transit  
2087 reinvestment zone as described in Section 63N-3-610;

2088 (iv) private contributions; and

2089 (v) donations or grants from public or private entities.

2090 (c) (i) The fund shall earn interest.

2091 (ii) All interest earned on fund money shall be deposited into the fund.

2092 (d) Subject to Subsection (9)(e), the Legislature may appropriate money from the fund:

2093 (i) for public transit capital development of new capacity projects and fixed guideway  
2094 capital development projects to be used as prioritized by the commission through the  
2095 prioritization process adopted under Section 72-1-304;

2096 (ii) for development of the oversight plan described in Section 72-1-202(5); or

2097 (iii) to the department for oversight of a fixed guideway capital development project  
2098 for which the department has responsibility.

2099 (e) (i) The Legislature may only appropriate money from the fund for a public transit  
2100 capital development project or pedestrian or nonmotorized transportation project that provides  
2101 connection to the public transit system if the public transit district or political subdivision  
2102 provides funds of equal to or greater than 40% of the costs needed for the project.

2103 (ii) A public transit district or political subdivision may use money derived from a loan  
2104 granted pursuant to Title 72, Chapter 2, Part 2, State Infrastructure Bank Fund, to provide all or  
2105 part of the 40% requirement described in Subsection (9)(e)(i) if:

2106 (A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2,  
2107 State Infrastructure Bank Fund; and

2108 (B) the proposed capital project has been prioritized by the commission pursuant to  
2109 Section 72-1-303.

2110 (f) Before July 1, 2022, the department and a large public transit district shall enter into  
2111 an agreement for a large public transit district to pay the department \$5,000,000 per year for 15  
2112 years to be used to facilitate the purchase of zero emissions or low emissions rail engines and  
2113 trainsets for regional public transit rail systems.

2114 (10) (a) There is created in the Transportation Investment Fund of 2005 the  
2115 Cottonwood Canyons Transportation Investment Fund.

2116 (b) The fund shall be funded by:

2117 (i) money deposited into the fund in accordance with Section 59-12-103;

2118 (ii) appropriations into the account by the Legislature;

2119 (iii) private contributions; and

2120 (iv) donations or grants from public or private entities.

2121 (c) (i) The fund shall earn interest.

2122 (ii) All interest earned on fund money shall be deposited into the fund.

2123 (d) The Legislature may appropriate money from the fund for public transit or  
2124 transportation projects in the Cottonwood Canyons of Salt Lake County.

2125 Section 15. **Appropriation.**

2126 The following sums of money are appropriated for the fiscal year beginning July 1,  
2127 2023, and ending June 30, 2024. These are additions to amounts previously appropriated for  
2128 fiscal year 2024. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures  
2129 Act, the Legislature appropriates the following sums of money from the funds or accounts  
2130 indicated for the use and support of the government of the state of Utah.

2131 ITEM 1

2132 To Department of Health and Human Services -- Integrated Health Care Services

2133 From Medicaid Expansion Fund 3,900,000

2134 Schedule of Programs:

2135 Expansion Other Services 3,900,000

2136 The Legislature intends that the Department of Health and Human Services use the  
2137 appropriation under this item to provide housing support services to Medicaid adult expansion  
2138 members.

2139 Section 16. **Effective date.**

2140 (1) Except as provided in Subsection (2), this bill takes effect on May 3, 2023.

2141 (2) If approved by two-thirds of all the members elected to each house, the actions  
2142 affecting the following sections take effect upon approval by the governor, or the day following  
2143 the constitutional time limit of Utah Constitution, Article VII, Section 8, without the governor's  
2144 signature, or in the case of a veto, the date of veto override:

2145 (a) Section [10-9a-401](#);

2146 (b) Section [10-9a-403](#);

2147 (c) Section [10-9a-408](#);

2148 (d) Section [17-27a-401](#);

2149 (e) Section [17-27a-403](#); and

2150 (f) Section [17-27a-408](#).

2151 Section 17. **Retrospective operation.**

2152 The changes to Sections [59-7-607](#), [59-9-108](#), and [59-10-1010](#) in this bill have  
2153 retrospective operation for a taxable year beginning on or after January 1, 2023.