

HB0306S01 compared with HB0306

~~{deleted text}~~ shows text that was in HB0306 but was deleted in HB0306S01.

inserted text shows text that was not in HB0306 but was inserted into HB0306S01.

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Representative Raymond P. Ward proposes the following substitute bill:

RESIDENTIAL HOUSING AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Raymond P. Ward

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions relating to ~~{municipal zoning districts}~~residential housing.

Highlighted Provisions:

This bill:

- ▶ prohibits certain municipalities from denying approval of a lot, based on lot size, if the lot is at least a specified size;
- ▶ provides that a starter home, as defined, is a permitted use in residential zones within certain municipalities; and
- ▶ ~~{prohibits the imposition of an impact fee on a starter home unless for specified purposes}~~requires the Housing and Community Development Division to publish an annual list of mean home prices in certain counties.

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Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

10-9a-505, as last amended by Laws of Utah 2015, Chapter 327

~~{11-36a-202}~~35A-8-202, as last amended by Laws of Utah ~~{2023}~~2021, Chapter
~~{502}~~281

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

Section 1. Section **10-9a-505** is amended to read:

10-9a-505. Zoning districts.

(1) (a) The legislative body may divide the territory over which it has jurisdiction into zoning districts of a number, shape, and area that it considers appropriate to carry out the purposes of this chapter.

(b) Within those zoning districts, the legislative body may regulate and restrict the erection, construction, reconstruction, alteration, repair, or use of buildings and structures, and the use of land.

(c) A municipality may enact an ordinance regulating land use and development in a flood plain or potential geologic hazard area to:

- (i) protect life; and
- (ii) prevent:
 - (A) the substantial loss of real property; or
 - (B) substantial damage to real property.

(2) The legislative body shall ensure that the regulations are uniform for each class or kind of buildings throughout each zoning district, but the regulations in one zone may differ from those in other zones.

(3) (a) There is no minimum area or diversity of ownership requirement for a zone designation.

(b) Neither the size of a zoning district nor the number of landowners within the

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district may be used as evidence of the illegality of a zoning district or of the invalidity of a municipal decision.

(4) A municipality may by ordinance exempt from specific zoning district standards a subdivision of land to accommodate the siting of a public utility infrastructure.

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

(i) "Starter home" means a detached, single-family residential unit that:

(A) the unit's builder sells to the first homeowner of the unit at a price that is less than the median price for detached, single-family residential units within the ~~{municipality}~~ county in which the unit is located; and

(B) is subject to a deed restriction requiring the unit to be owner-occupied for the first ~~{five}~~ two years following the issuance of a certificate of occupancy and prohibiting the unit from being sold, during the same two-year period, at a price that exceeds the median price for detached, single-family residential units within the county in which the unit is located.

(ii) "Urban municipality" means:

(A) a municipality in a county of the first or second class; or

(B) a municipality with a population of over 15,000 in a county of the third class.

(b) An urban municipality may not deny approval of a lot in a residential zoning district, based on lot size, if the lot is at least 5,400 square feet in size.

(c) A starter home is a permitted use in a residential zone of an urban municipality.

Section 2. Section ~~{11-36a}~~ 35A-8-202 is amended to read:

~~{11-36a}~~ 35A-8-202. ~~{Prohibitions on impact fees.~~

~~(1) A local }~~ **Powers and duties of division.**

(1) The division shall:

(a) assist local governments and citizens in the planning, development, and maintenance of necessary public infrastructure and services;

(b) cooperate with, and provide technical assistance to, counties, cities, towns, regional planning commissions, area-wide clearinghouses, zoning commissions, parks or recreation boards, community development groups, community action agencies, and other agencies created for the purpose of aiding and encouraging an orderly, productive, and coordinated development of the state and its political ~~{subdivision or private entity may not:~~

~~(a) impose an impact fee to:~~

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- ~~—— (i) cure deficiencies in a public facility serving existing development;~~
- ~~—— (ii) raise the established level of service of a public facility serving existing development; or~~
- ~~—— (iii) recoup more than the local political subdivision's or private entity's costs actually incurred for excess capacity in an existing system improvement;~~
- ~~—— (b) delay the construction of a school or charter school because of a dispute with the school or charter school over impact fees; or~~
- ~~—— (c) impose or charge any other fees as a condition of development approval unless those fees are a reasonable charge for the service provided.~~
- ~~—— (2) (a) Notwithstanding any other provision of this chapter, a local political subdivision or private entity may not impose an impact fee:~~
 - ~~—— (i) on residential components of development to pay for a public safety facility that is a fire suppression vehicle;~~
 - ~~—— (ii) on a school district or charter school for a park, recreation facility, open space, or trail;~~
 - ~~—— (iii) on a school district or charter school unless:~~
 - ~~—— (A) the development resulting from the school district's or charter school's } subdivisions;~~
 - (c) assist the governor in coordinating the activities of state agencies which have an impact on the solution of community development problems and the implementation of community plans;
 - (d) serve as a clearinghouse for information, data, and other materials which may be helpful to local governments in discharging their responsibilities and provide information on available federal and state financial and technical assistance;
 - (e) carry out continuing studies and analyses of the problems faced by communities within the state and develop such recommendations for administrative or legislative action as appear necessary;
 - (f) assist in funding affordable housing;
 - (g) support economic development ~~{activity directly results in a need for additional system improvements for which the impact fee is imposed; and~~
 - ~~—— (B) the impact fee is calculated to cover only the school district's or charter school's~~

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~~proportionate share of the cost of those additional system improvements;~~

~~—— (iv) to the extent that the impact fee includes a component for a law enforcement facility, on development activity for:~~

~~—— (A) the Utah National Guard;~~

~~—— (B) the Utah Highway Patrol; or~~

~~—— (C) a state institution of higher education that has its own police force;~~

~~—— (v) on development activity on fair park land, as defined in Section 11-68-101; [or]~~

~~—— (vi) on development activity that consists of the construction of an internal accessory dwelling unit, as defined in Section 10-9a-530, within an existing primary dwelling[-]; or~~

~~—— (vii) on a starter home, as defined in Section 10-9a-505, unless the impact fee is for costs related to roads, sewer service, or fire protection service.~~

~~—— (b) (i) Notwithstanding any other provision of this chapter, a political subdivision or private entity may not impose an impact fee on development activity that consists of the construction of a school, whether by a school district or a charter school, if:~~

~~—— (A) the school is intended to replace another school, whether on the same or a different parcel;~~

~~—— (B) the new school creates no greater demand or need for public facilities than the school or school facilities, including any portable or modular classrooms that are on the site of the replaced school at the time that the new school is proposed; and~~

~~—— (C) the new school and the school being replaced are both within the boundary of the local political subdivision or the jurisdiction of the private entity.~~

~~—— (ii) If the imposition of an impact fee on a new school is not prohibited under Subsection (2)(b)(i) because the new school creates a greater demand or need for public facilities than the school being replaced, the impact fee shall be based only on the demand or need that the new school creates for public facilities that exceeds the demand or need that the school being replaced creates for those public facilities.~~

~~—— (c) Notwithstanding any other provision of this chapter, a political subdivision or private entity may impose an impact fee for a road facility on the state only if and to the extent that:~~

~~—— (i) the state's development causes an impact on the road facility; and~~

~~—— (ii) the portion of the road facility related to an impact fee is not funded by the state or~~

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by the federal government.

~~—— (3) Notwithstanding any other provision of this chapter, a local political subdivision may impose and collect impact fees on behalf of a school district if authorized by Section 11-36a-206;~~ activities through grants, loans, and direct programs financial assistance;

(h) certify project funding at the local level in conformance with federal, state, and other requirements;

(i) utilize the capabilities and facilities of public and private universities and colleges within the state in carrying out its functions; [and]

(j) assist and support local governments, community action agencies, and citizens in the planning, development, and maintenance of home weatherization, energy efficiency, and antipoverty activities[-]; and

(k) annually publish a list of the mean price of detached, single-family homes in each county of the first, second, or third class.

(2) The division may:

(a) by following the procedures and requirements of Title 63J, Chapter 5, Federal Funds Procedures Act, seek federal grants, loans, or participation in federal programs;

(b) if any federal program requires the expenditure of state funds as a condition to participation by the state in any fund, property, or service, with the governor's approval, expend whatever funds are necessary out of the money provided by the Legislature for the use of the department;

(c) in accordance with Part 9, Domestic Violence Shelters, assist in developing, constructing, and improving shelters for victims of domestic violence, as described in Section 77-36-1, through loans and grants to nonprofit and governmental entities; and

(d) assist, when requested by a county or municipality, in the development of accessible housing.

Section 3. **Effective date.**

This bill takes effect on May 1, 2024.