

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

**HOUSING AFFORDABILITY REVISIONS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Stephen L. Whyte**

Senate Sponsor: Lincoln Fillmore

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**LONG TITLE**

**General Description:**

This bill addresses funding issues related to housing affordability.

**Highlighted Provisions:**

This bill:

- ▶ defines terms and modifies definitions;
- ▶ states that a municipality or county that fails to comply with moderate income housing reporting requirements shall be ineligible for certain funding;
- ▶ authorizes redevelopment agencies and community development agencies to use funding to pay for or contribute to the acquisition, construction, or rehabilitation of income targeted housing, under certain circumstances;
- ▶ authorizes up to 6% of the Olene Walker Housing Loan Fund to be used to offset administrative expenses;
- ▶ requires the Department of Workforce Services to create pass-through funding agreements;
- ▶ describes the minimum requirements of a pass-through funding agreement, including requirements that state funds be spent on certain affordable housing investments;
- ▶ modifies the Utah low-income housing tax credit;



- 26           ▶ encourages the Utah Inland Port Authority, the Point of the Mountain State Land
- 27 Authority, and the School Institutional Trust Lands Administration to, if
- 28 appropriate, utilize land use authority to increase the supply of housing in the state;
- 29           ▶ modifies reporting requirements; and
- 30           ▶ makes technical changes.

31 **Money Appropriated in this Bill:**

32           None

33 **Other Special Clauses:**

34           None

35 **Utah Code Sections Affected:**

36 AMENDS:

37           **10-9a-408**, as last amended by Laws of Utah 2023, Chapters 88, 501 and 529 and last  
38 amended by Coordination Clause, Laws of Utah 2023, Chapter 88

39           **11-58-203**, as last amended by Laws of Utah 2022, Chapter 82

40           **11-59-203**, as last amended by Laws of Utah 2022, Chapter 406

41           **17-27a-408**, as last amended by Laws of Utah 2023, Chapters 88, 501 and 529 and last  
42 amended by Coordination Clause, Laws of Utah 2023, Chapter 88

43           **17C-1-102**, as last amended by Laws of Utah 2023, Chapter 15

44           **17C-1-412**, as last amended by Laws of Utah 2023, Chapters 471, 492

45           **35A-8-504**, as last amended by Laws of Utah 2022, Chapter 406

46           **35A-8-2401**, as enacted by Laws of Utah 2023, Chapter 88

47           **53C-1-204**, as last amended by Laws of Utah 2011, Chapter 247

48           **59-7-607**, as last amended by Laws of Utah 2023, Chapter 88

49           **59-10-1010**, as last amended by Laws of Utah 2023, Chapter 88

50           **59-12-352**, as last amended by Laws of Utah 2023, Chapter 263

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

53           Section 1. Section **10-9a-408** is amended to read:

54           **10-9a-408. Moderate income housing report -- Contents -- Prioritization for**  
55 **funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

56           (1) As used in this section:

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

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

62 (c) "Initial report" or "initial moderate income housing report" means the one-time  
63 report described in Subsection (2).

64 (d) "Moderate income housing strategy" means a strategy described in Subsection  
65 10-9a-403(2)(b)(iii).

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

67 (f) "Specified municipality" means:

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

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

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

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

73 (2) (a) The legislative body of a specified municipality shall submit an initial report to  
74 the division.

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

77 (ii) As of January 1, if a municipality described in Subsection (2)(b)(i) changes from  
78 one class to another or grows in population to qualify as a specified municipality, the  
79 municipality shall submit an initial plan to the division on or before August 1 of the first  
80 calendar year beginning on January 1 in which the municipality qualifies as a specified  
81 municipality.

82 (c) The initial report shall:

83 (i) identify each moderate income housing strategy selected by the specified  
84 municipality for continued, ongoing, or one-time implementation, restating the exact language  
85 used to describe the moderate income housing strategy in Subsection 10-9a-403(2)(b)(iii); and

86 (ii) include an implementation plan.

87 (3) (a) After the division approves a specified municipality's initial report under this

88 section, the specified municipality shall, as an administrative act, annually submit to the  
89 division a subsequent progress report on or before August 1 of each year after the year in which  
90 the specified municipality is required to submit the initial report.

91 (b) The subsequent progress report shall include:

92 (i) subject to Subsection (3)(c), a description of each action, whether one-time or  
93 ongoing, taken by the specified municipality during the previous 12-month period to  
94 implement the moderate income housing strategies identified in the initial report for  
95 implementation;

96 (ii) a description of each land use regulation or land use decision made by the specified  
97 municipality during the previous 12-month period to implement the moderate income housing  
98 strategies, including an explanation of how the land use regulation or land use decision  
99 supports the specified municipality's efforts to implement the moderate income housing  
100 strategies;

101 (iii) a description of any barriers encountered by the specified municipality in the  
102 previous 12-month period in implementing the moderate income housing strategies;

103 (iv) information regarding the number of internal and external or detached accessory  
104 dwelling units located within the specified municipality for which the specified municipality:

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

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

107 (v) a description of how the market has responded to the selected moderate income  
108 housing strategies, including the number of entitled moderate income housing units or other  
109 relevant data; and

110 (vi) any recommendations on how the state can support the specified municipality in  
111 implementing the moderate income housing strategies.

112 (c) For purposes of describing actions taken by a specified municipality under  
113 Subsection (3)(b)(i), the specified municipality may include an ongoing action taken by the  
114 specified municipality prior to the 12-month reporting period applicable to the subsequent  
115 progress report if the specified municipality:

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

119 (ii) demonstrates in the subsequent progress report that the action taken under  
120 Subsection (3)(c)(i) is relevant to making meaningful progress towards the specified  
121 municipality's implementation plan.

122 (d) A specified municipality's report shall be in a form:

123 (i) approved by the division; and

124 (ii) made available by the division on or before May 1 of the year in which the report is  
125 required.

126 (4) Within 90 days after the day on which the division receives a specified  
127 municipality's report, the division shall:

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

129 (b) send a copy of the report to the Department of Transportation, the Governor's  
130 Office of Planning and Budget, the association of governments in which the specified  
131 municipality is located, and, if the specified municipality is located within the boundaries of a  
132 metropolitan planning organization, the appropriate metropolitan planning organization; and

133 (c) subject to Subsection (5), review the report to determine compliance with this  
134 section.

135 (5) (a) An initial report does not comply with this section unless the report:

136 (i) includes the information required under Subsection (2)(c);

137 (ii) demonstrates to the division that the specified municipality made plans to  
138 implement:

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

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

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

144 (b) A subsequent progress report does not comply with this section unless the report:

145 (i) demonstrates to the division that the specified municipality made plans to  
146 implement:

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

149 (B) subject to the requirements of Subsection 10-9a-403(2)(a)(iii)(D), five or more

150 moderate income housing strategies if the specified municipality has a fixed guideway public  
151 transit station;

152 (ii) is in a form approved by the division; and

153 (iii) provides sufficient information for the division to:

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

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

157 (C) identify a clear correlation between the specified municipality's land use  
158 regulations and land use decisions and the specified municipality's efforts to implement the  
159 moderate income housing strategies;

160 (D) identify how the market has responded to the specified municipality's selected  
161 moderate income housing strategies; and

162 (E) identify any barriers encountered by the specified municipality in implementing the  
163 selected moderate income housing strategies.

164 (6) (a) A specified municipality qualifies for priority consideration under this  
165 Subsection (6) if the specified municipality's report:

166 (i) complies with this section; and

167 (ii) demonstrates to the division that the specified municipality made plans to  
168 implement:

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

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

173 (b) The Transportation Commission may, in accordance with Subsection  
174 [72-1-304\(3\)\(c\)](#), give priority consideration to transportation projects located within the  
175 boundaries of a specified municipality described in Subsection (6)(a) until the Department of  
176 Transportation receives notice from the division under Subsection (6)(e).

177 (c) Upon determining that a specified municipality qualifies for priority consideration  
178 under this Subsection (6), the division shall send a notice of prioritization to the legislative  
179 body of the specified municipality and the Department of Transportation.

180 (d) The notice described in Subsection (6)(c) shall:

- 181 (i) name the specified municipality that qualifies for priority consideration;
- 182 (ii) describe the funds or projects for which the specified municipality qualifies to  
183 receive priority consideration; and
- 184 (iii) state the basis for the division's determination that the specified municipality  
185 qualifies for priority consideration.
- 186 (e) The division shall notify the legislative body of a specified municipality and the  
187 Department of Transportation in writing if the division determines that the specified  
188 municipality no longer qualifies for priority consideration under this Subsection (6).
- 189 (7) (a) If the division, after reviewing a specified municipality's report, determines that  
190 the report does not comply with this section, the division shall send a notice of noncompliance  
191 to the legislative body of the specified municipality.
- 192 (b) A specified municipality that receives a notice of noncompliance may:
  - 193 (i) cure each deficiency in the report within 90 days after the day on which the notice of  
194 noncompliance is sent; or
  - 195 (ii) request an appeal of the division's determination of noncompliance within 10 days  
196 after the day on which the notice of noncompliance is sent.
- 197 (c) The notice described in Subsection (7)(a) shall:
  - 198 (i) describe each deficiency in the report and the actions needed to cure each  
199 deficiency;
  - 200 (ii) state that the specified municipality has an opportunity to:
    - 201 (A) submit to the division a corrected report that cures each deficiency in the report  
202 within 90 days after the day on which the notice of compliance is sent; or
    - 203 (B) submit to the division a request for an appeal of the division's determination of  
204 noncompliance within 10 days after the day on which the notice of noncompliance is sent; and
  - 205 (iii) state that failure to take action under Subsection (7)(c)(ii) will result in the  
206 specified municipality's ineligibility for funds under Subsection (9).
- 207 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the  
208 action needed to cure the deficiency as described by the division requires the specified  
209 municipality to make a legislative change, the specified municipality may cure the deficiency  
210 by making that legislative change within the 90-day cure period.
- 211 (e) (i) If a specified municipality submits to the division a corrected report in

212 accordance with Subsection (7)(b)(i) and the division determines that the corrected report does  
213 not comply with this section, the division shall send a second notice of noncompliance to the  
214 legislative body of the specified municipality within 30 days after the day on which the  
215 corrected report is submitted.

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

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

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

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

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

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

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

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

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

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

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

239 (9) (a) A specified municipality is ineligible for funds under this Subsection (9) if:

240 (i) the specified municipality fails to submit a report to the division;

241 (ii) after submitting a report to the division, the division determines that the report does  
242 not comply with this section and the specified municipality fails to:

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

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

247 (iii) after submitting to the division a corrected report to cure the deficiencies in a  
248 [~~previously-submitted~~] previously submitted report, the division determines that the corrected  
249 report does not comply with this section and the specified municipality fails to request an  
250 appeal of the division's determination of noncompliance within 10 days after the day on which  
251 the second notice of noncompliance is sent; or

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

254 (b) The following apply to a specified municipality described in Subsection (9)(a) until  
255 the division provides notice under Subsection (9)(e):

256 (i) the executive director of the Department of Transportation may not program funds  
257 to projects located within the boundaries of the specified municipality in accordance with  
258 Subsection 72-2-124(5) from:

259 (A) the Transportation Investment Fund of 2005, including the Transit Transportation  
260 Investment Fund~~[, to projects located within the boundaries of the specified municipality in~~  
261 ~~accordance with Subsection 72-2-124(5);] created in Section 72-2-124; or~~

262 (B) the State Infrastructure Bank Fund created in Section 72-2-202;

263 (ii) the executive director of the Department of Natural Resources may not award funds  
264 to projects located within the boundaries of the specified municipality from:

265 (A) the Outdoor Recreational Infrastructure Grant Program created in Section  
266 79-8-401; or

267 (B) the Recreation Restoration Infrastructure Grant Program created in Section  
268 79-8-202;

269 [(ii)] (iii) beginning with a report submitted in 2024, the specified municipality shall  
270 pay a fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the  
271 specified municipality:

272 (A) fails to submit the report to the division in accordance with this section, beginning  
273 the day after the day on which the report was due; or

274 (B) fails to cure the deficiencies in the report, beginning the day after the day by which  
275 the cure was required to occur as described in the notice of noncompliance under Subsection  
276 (7); and

277 [~~(iii)~~] (iv) beginning with the report submitted in 2025, the specified municipality shall  
278 pay a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the  
279 specified municipality, in a consecutive year:

280 (A) fails to submit the report to the division in accordance with this section, beginning  
281 the day after the day on which the report was due; or

282 (B) fails to cure the deficiencies in the report, beginning the day after the day by which  
283 the cure was required to occur as described in the notice of noncompliance under Subsection  
284 [~~(6)~~] (7).

285 (c) Upon determining that a specified municipality is ineligible for funds under this  
286 Subsection (9), and is required to pay a fee under Subsection (9)(b), if applicable, the division  
287 shall send a notice of ineligibility to:

288 (i) the legislative body of the specified municipality~~[-];~~;

289 (ii) the Department of Transportation~~[-];~~;

290 (iii) the State Tax Commission [~~and~~];

291 (iv) the Governor's Office of Planning and Budget~~[-]; and~~

292 (v) the Department of Natural Resources.

293 (d) The notice described in Subsection (9)(c) shall:

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

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

296 (iii) describe the fee the specified municipality is required to pay under Subsection  
297 (9)(b), if applicable~~[-];~~ and

298 (iv) state the basis for the division's determination that the specified municipality is  
299 ineligible for funds.

300 (e) The division shall notify the legislative body of a specified municipality [~~and~~], the  
301 Department of Transportation, the State Tax Commission, the Governor's Office of Planning  
302 and Budget, and the Department of Natural Resources in writing if the division determines that  
303 the provisions of this Subsection (9) no longer apply to the specified municipality.

304 (f) The division may not determine that a specified municipality that is required to pay

305 a fee under Subsection (9)(b) is in compliance with the reporting requirements of this section  
306 until the specified municipality pays all outstanding fees required under Subsection (9)(b) to  
307 the Olene Walker Housing Loan Fund, created under Title 35A, Chapter 8, Part 5, Olene  
308 Walker Housing Loan Fund.

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

312 Section 2. Section 11-58-203 is amended to read:

313 **11-58-203. Policies and objectives of the authority -- Additional duties of the**  
314 **authority.**

315 (1) The policies and objectives of the authority are to:

316 (a) maximize long-term economic benefits to the area, the region, and the state;

317 (b) maximize the creation of high-quality jobs;

318 (c) respect and maintain sensitivity to the unique natural environment of areas in  
319 proximity to the authority jurisdictional land and land in other authority project areas;

320 (d) improve air quality and minimize resource use;

321 (e) respect existing land use and other agreements and arrangements between property  
322 owners within the authority jurisdictional land and within other authority project areas and  
323 applicable governmental authorities;

324 (f) promote and encourage development and uses that are compatible with or  
325 complement uses in areas in proximity to the authority jurisdictional land or land in other  
326 authority project areas;

327 (g) take advantage of the authority jurisdictional land's strategic location and other  
328 features, including the proximity to transportation and other infrastructure and facilities, that  
329 make the authority jurisdictional land attractive to:

330 (i) businesses that engage in regional, national, or international trade; and

331 (ii) businesses that complement businesses engaged in regional, national, or  
332 international trade;

333 (h) facilitate the transportation of goods;

334 (i) coordinate trade-related opportunities to export Utah products nationally and  
335 internationally;

336 (j) support and promote land uses on the authority jurisdictional land and land in other  
337 authority project areas that generate economic development, including rural economic  
338 development;

339 (k) establish a project of regional significance;

340 (l) facilitate an intermodal facility;

341 (m) support uses of the authority jurisdictional land for inland port uses, including  
342 warehousing, light manufacturing, and distribution facilities;

343 (n) facilitate an increase in trade in the region and in global commerce;

344 (o) promote the development of facilities that help connect local businesses to potential  
345 foreign markets for exporting or that increase foreign direct investment;

346 (p) encourage all class 5 through 8 designated truck traffic entering the authority  
347 jurisdictional land to meet the heavy-duty highway compression-ignition diesel engine and  
348 urban bus exhaust emission standards for year 2007 and later;

349 (q) encourage the development and use of cost-efficient renewable energy in project  
350 areas;

351 (r) aggressively pursue world-class businesses that employ cutting-edge technologies to  
352 locate within a project area; ~~and~~

353 (s) pursue land remediation and development opportunities for publicly owned land to  
354 add value to a project area[-] and

355 (t) if appropriate, exercise its land use authority to increase the supply of housing in the  
356 state.

357 (2) In fulfilling its duties and responsibilities relating to the development of the  
358 authority jurisdictional land and land in other authority project areas and to achieve and  
359 implement the development policies and objectives under Subsection (1), the authority shall:

360 (a) work to identify funding sources, including federal, state, and local government  
361 funding and private funding, for capital improvement projects in and around the authority  
362 jurisdictional land and land in other authority project areas and for an inland port;

363 (b) review and identify land use and zoning policies and practices to recommend to  
364 municipal land use policymakers and administrators that are consistent with and will help to  
365 achieve:

366 (i) the policies and objectives stated in Subsection (1); and

- 367 (ii) the mutual goals of the state and local governments that have authority
- 368 jurisdictional land with their boundaries with respect to the authority jurisdictional land;
- 369 (c) consult and coordinate with other applicable governmental entities to improve and
- 370 enhance transportation and other infrastructure and facilities in order to maximize the potential
- 371 of the authority jurisdictional land to attract, retain, and service users who will help maximize
- 372 the long-term economic benefit to the state; and
- 373 (d) pursue policies that the board determines are designed to avoid or minimize
- 374 negative environmental impacts of development.

- 375 (3) The board may consider the emissions profile of road, yard, or rail vehicles:
- 376 (a) in determining access by those vehicles to facilities that the authority owns or
- 377 finances; or
- 378 (b) in setting fees applicable to those vehicles for the use of facilities that the authority
- 379 owns or finances.

380 Section 3. Section **11-59-203** is amended to read:

381 **11-59-203. Authority duties and responsibilities.**

382 (1) As the authority plans, manages, and implements the development of the point of

383 the mountain state land, the authority shall pursue development strategies and objectives

384 designed to:

- 385 (a) maximize the creation of high-quality jobs and encourage and facilitate a highly
- 386 trained workforce;
- 387 (b) ensure strategic residential and commercial growth;
- 388 (c) promote a high quality of life for residents on and surrounding the point of the
- 389 mountain state land, including strategic planning to facilitate:
- 390 (i) jobs close to where people live;
- 391 (ii) vibrant urban centers;
- 392 (iii) housing types that incorporate affordability factors and match workforce needs;
- 393 (iv) parks, connected trails, and open space, including the preservation of natural lands
- 394 to the extent practicable and consistent with the overall development plan; and
- 395 (v) preserving and enhancing recreational opportunities;
- 396 (d) complement the development on land in the vicinity of the point of the mountain
- 397 state land;

398 (e) improve air quality and minimize resource use; [~~and~~]  
399 (f) accommodate and incorporate the planning, funding, and development of an  
400 enhanced and expanded future transit and transportation infrastructure and other investments,  
401 including:

402 (i) the acquisition of rights-of-way and property necessary to ensure transit access to  
403 the point of the mountain state land; and

404 (ii) a world class mass transit infrastructure, to service the point of the mountain state  
405 land and to enhance mobility and protect the environment[-]; and

406 (g) if appropriate, exercise its land use authority to increase the supply of housing in  
407 the state.

408 (2) In planning the development of the point of the mountain state land, the authority  
409 shall:

410 (a) consult with applicable governmental planning agencies, including:

411 (i) relevant metropolitan planning organizations;

412 (ii) Draper City and Salt Lake County planning and governing bodies; and

413 (iii) in regards to the factors described in Subsections (1)(c)(i) and (iii), the Unified  
414 Economic Opportunity Commission created in Section [63N-1a-201](#);

415 (b) research and explore the feasibility of attracting a nationally recognized research  
416 center; and

417 (c) research and explore the appropriateness of including labor training centers and a  
418 higher education presence on the point of the mountain state land.

419 Section 4. Section **17-27a-408** is amended to read:

420 **17-27a-408. Moderate income housing report -- Contents -- Prioritization for**  
421 **funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

422 (1) As used in this section:

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

425 (b) "Implementation plan" means the implementation plan adopted as part of the  
426 moderate income housing element of a specified county's general plan as provided in  
427 Subsection [17-27a-403](#)(2)(e).

428 (c) "Initial report" means the one-time moderate income housing report described in

429 Subsection (2).

430 (d) "Moderate income housing strategy" means a strategy described in Subsection  
431 17-27a-403(2)(b)(ii).

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

433 (f) "Specified county" means a county of the first, second, or third class, which has a  
434 population of more than 5,000 in the county's unincorporated areas.

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

437 (2) (a) The legislative body of a specified county shall annually submit an initial report  
438 to the division.

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

441 (ii) As of January 1, if a county described in Subsection (2)(b)(i) changes from one  
442 class to another or grows in population to qualify as a specified county, the county shall submit  
443 an initial plan to the division on or before August 1 of the first calendar year beginning on  
444 January 1 in which the county qualifies as a specified county.

445 (c) The initial report shall:

446 (i) identify each moderate income housing strategy selected by the specified county for  
447 continued, ongoing, or one-time implementation, using the exact language used to describe the  
448 moderate income housing strategy in Subsection 17-27a-403(2)(b)(ii); and

449 (ii) include an implementation plan.

450 (3) (a) After the division approves a specified county's initial report under this section,  
451 the specified county shall, as an administrative act, annually submit to the division a  
452 subsequent progress report on or before August 1 of each year after the year in which the  
453 specified county is required to submit the initial report.

454 (b) The subsequent progress report shall include:

455 (i) subject to Subsection (3)(c), a description of each action, whether one-time or  
456 ongoing, taken by the specified county during the previous 12-month period to implement the  
457 moderate income housing strategies identified in the initial report for implementation;

458 (ii) a description of each land use regulation or land use decision made by the specified  
459 county during the previous 12-month period to implement the moderate income housing

460 strategies, including an explanation of how the land use regulation or land use decision  
461 supports the specified county's efforts to implement the moderate income housing strategies;

462 (iii) a description of any barriers encountered by the specified county in the previous  
463 12-month period in implementing the moderate income housing strategies;

464 (iv) information regarding the number of internal and external or detached accessory  
465 dwelling units located within the specified county for which the specified county:

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

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

468 (v) a description of how the market has responded to the selected moderate income  
469 housing strategies, including the number of entitled moderate income housing units or other  
470 relevant data; and

471 (vi) any recommendations on how the state can support the specified county in  
472 implementing the moderate income housing strategies.

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

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

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

483 (d) A specified county's report shall be in a form:

484 (i) approved by the division; and

485 (ii) made available by the division on or before May 1 of the year in which the report is  
486 required.

487 (4) Within 90 days after the day on which the division receives a specified county's  
488 report, the division shall:

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

490 (b) send a copy of the report to the Department of Transportation, the Governor's

491 Office of Planning and Budget, the association of governments in which the specified county is  
492 located, and, if the unincorporated area of the specified county is located within the boundaries  
493 of a metropolitan planning organization, the appropriate metropolitan planning organization;  
494 and

495 (c) subject to Subsection (5), review the report to determine compliance with this  
496 section.

497 (5) (a) An initial report does not comply with this section unless the report:

498 (i) includes the information required under Subsection (2)(c);

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

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

502 (b) A subsequent progress report does not comply with this section unless the report:

503 (i) subject to Subsection (5)(c), demonstrates to the division that the specified county  
504 made plans to implement three or more moderate income housing strategies;

505 (ii) is in a form approved by the division; and

506 (iii) provides sufficient information for the division to:

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

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

510 (C) identify a clear correlation between the specified county's land use decisions and  
511 efforts to implement the moderate income housing strategies;

512 (D) identify how the market has responded to the specified county's selected moderate  
513 income housing strategies; and

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

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

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

521 (A) made plans to implement the moderate income housing strategy described in

522 Subsection 17-27a-403(2)(b)(ii)(Q); and

523 (B) is in compliance with Subsection 63N-3-603(8).

524 (6) (a) A specified county qualifies for priority consideration under this Subsection (6)  
525 if the specified county's report:

526 (i) complies with this section; and

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

529 (b) The Transportation Commission may, in accordance with Subsection  
530 72-1-304(3)(c), give priority consideration to transportation projects located within the  
531 unincorporated areas of a specified county described in Subsection (6)(a) until the Department  
532 of Transportation receives notice from the division under Subsection (6)(e).

533 (c) Upon determining that a specified county qualifies for priority consideration under  
534 this Subsection (6), the division shall send a notice of prioritization to the legislative body of  
535 the specified county and the Department of Transportation.

536 (d) The notice described in Subsection (6)(c) shall:

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

538 (ii) describe the funds or projects for which the specified county qualifies to receive  
539 priority consideration; and

540 (iii) state the basis for the division's determination that the specified county qualifies  
541 for priority consideration.

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

545 (7) (a) If the division, after reviewing a specified county's report, determines that the  
546 report does not comply with this section, the division shall send a notice of noncompliance to  
547 the legislative body of the specified county.

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

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

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

553 (c) The notice described in Subsection (7)(a) shall:  
554 (i) describe each deficiency in the report and the actions needed to cure each  
555 deficiency;  
556 (ii) state that the specified county has an opportunity to:  
557 (A) submit to the division a corrected report that cures each deficiency in the report  
558 within 90 days after the day on which the notice of noncompliance is sent; or  
559 (B) submit to the division a request for an appeal of the division's determination of  
560 noncompliance within 10 days after the day on which the notice of noncompliance is sent; and  
561 (iii) state that failure to take action under Subsection (7)(c)(ii) will result in the  
562 specified county's ineligibility for funds and fees owed under Subsection (9).  
563 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the  
564 action needed to cure the deficiency as described by the division requires the specified county  
565 to make a legislative change, the specified county may cure the deficiency by making that  
566 legislative change within the 90-day cure period.  
567 (e) (i) If a specified county submits to the division a corrected report in accordance  
568 with Subsection (7)(b)(i), and the division determines that the corrected report does not comply  
569 with this section, the division shall send a second notice of noncompliance to the legislative  
570 body of the specified county.  
571 (ii) A specified county that receives a second notice of noncompliance may request an  
572 appeal of the division's determination of noncompliance within 10 days after the day on which  
573 the second notice of noncompliance is sent.  
574 (iii) The notice described in Subsection (7)(e)(i) shall:  
575 (A) state that the specified county has an opportunity to submit to the division a request  
576 for an appeal of the division's determination of noncompliance within 10 days after the day on  
577 which the second notice of noncompliance is sent; and  
578 (B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the  
579 specified county's ineligibility for funds under Subsection (9).  
580 (8) (a) A specified county that receives a notice of noncompliance under Subsection  
581 (7)(a) or (7)(e)(i) may request an appeal of the division's determination of noncompliance  
582 within 10 days after the day on which the notice of noncompliance is sent.  
583 (b) Within 90 days after the day on which the division receives a request for an appeal,

584 an appeal board consisting of the following three members shall review and issue a written  
585 decision on the appeal:

- 586 (i) one individual appointed by the Utah Association of Counties;
- 587 (ii) one individual appointed by the Utah Homebuilders Association; and
- 588 (iii) one individual appointed by the presiding member of the association of  
589 governments, established pursuant to an interlocal agreement under Title 11, Chapter 13,  
590 Interlocal Cooperation Act, of which the specified county is a member.

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

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

594 (9) (a) A specified county is ineligible for funds and owes a fee under this Subsection  
595 (9) if:

- 596 (i) the specified county fails to submit a report to the division;
- 597 (ii) after submitting a report to the division, the division determines that the report does  
598 not comply with this section and the specified county fails to:

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

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

603 (iii) after submitting to the division a corrected report to cure the deficiencies in a  
604 [~~previously-submitted~~] previously submitted report, the division determines that the corrected  
605 report does not comply with this section and the specified county fails to request an appeal of  
606 the division's determination of noncompliance within 10 days after the day on which the  
607 second notice of noncompliance is sent; or

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

610 (b) The following apply to a specified county described in Subsection (9)(a) until the  
611 division provides notice under Subsection (9)(e):

612 (i) the executive director of the Department of Transportation may not program funds  
613 to projects located within the unincorporated areas of the specified county in accordance with  
614 Subsection 72-2-124(5) from:

615 (A) the Transportation Investment Fund of 2005, including the Transit Transportation  
616 Investment Fund~~[-, to projects located within the unincorporated areas of the specified county in~~  
617 ~~accordance with Subsection [72-2-124\(6\)](#);~~ created in Section [72-2-124](#); or

618 (B) the State Infrastructure Bank Fund created in Section [72-2-202](#);

619 (ii) the executive director of the Department of Natural Resources may not award funds  
620 to projects located within the unincorporated areas of the specified county from:

621 (A) the Outdoor Recreational Infrastructure Grant Program created in Section  
622 [79-8-401](#); or

623 (B) the Recreation Restoration Infrastructure Grant Program created in Section  
624 [79-8-202](#);

625 [(~~ii~~)] (iii) beginning with the report submitted in 2024, the specified county shall pay a  
626 fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the specified  
627 county:

628 (A) fails to submit the report to the division in accordance with this section, beginning  
629 the day after the day on which the report was due; or

630 (B) fails to cure the deficiencies in the report, beginning the day after the day by which  
631 the cure was required to occur as described in the notice of noncompliance under Subsection  
632 (7); and

633 [(~~iii~~)] (iv) beginning with the report submitted in 2025, the specified county shall pay a  
634 fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the specified  
635 county, for a consecutive year:

636 (A) fails to submit the report to the division in accordance with this section, beginning  
637 the day after the day on which the report was due; or

638 (B) fails to cure the deficiencies in the report, beginning the day after the day by which  
639 the cure was required to occur as described in the notice of noncompliance under Subsection  
640 (7).

641 (c) Upon determining that a specified county is ineligible for funds under this  
642 Subsection (9), and is required to pay a fee under Subsection (9)(b), if applicable, the division  
643 shall send a notice of ineligibility to the legislative body of the specified county, the  
644 Department of Transportation, the State Tax Commission, [~~and~~] the Governor's Office of  
645 Planning and Budget~~[-]~~, and the Department of Natural Resources.

646 (d) The notice described in Subsection (9)(c) shall:  
647 (i) name the specified county that is ineligible for funds;  
648 (ii) describe the funds for which the specified county is ineligible to receive;  
649 (iii) describe the fee the specified county is required to pay under Subsection (9)(b), if  
650 applicable; and  
651 (iv) state the basis for the division's determination that the specified county is ineligible  
652 for funds.

653 (e) The division shall notify the legislative body of a specified county [~~and~~], the  
654 Department of Transportation, the State Tax Commission, and the Department of Natural  
655 Resources in writing if the division determines that the provisions of this Subsection (9) no  
656 longer apply to the specified county.

657 (f) The division may not determine that a specified county that is required to pay a fee  
658 under Subsection (9)(b) is in compliance with the reporting requirements of this section until  
659 the specified county pays all outstanding fees required under Subsection (9)(b) to the Olene  
660 Walker Housing Loan Fund, created under Title 35A, Chapter 8, Part 5, Olene Walker Housing  
661 Loan Fund.

662 (10) In a civil action seeking enforcement or claiming a violation of this section or of  
663 Subsection 17-27a-404(5)(c), a plaintiff may not recover damages but may be awarded only  
664 injunctive or other equitable relief.

665 Section 5. Section 17C-1-102 is amended to read:

666 **17C-1-102. Definitions.**

667 As used in this title:

668 (1) "Active project area" means a project area that has not been dissolved in accordance  
669 with Section 17C-1-702.

670 (2) "Adjusted tax increment" means the percentage of tax increment, if less than  
671 100%, that an agency is authorized to receive:

672 (a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax  
673 increment under Subsection 17C-1-403(3);

674 (b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax  
675 increment under Section 17C-1-406;

676 (c) under a project area budget approved by a taxing entity committee; or

677 (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's  
678 tax increment.

679 (3) "Affordable housing" means housing owned or occupied by a low or moderate  
680 income family, as determined by resolution of the agency.

681 (4) "Agency" or "community reinvestment agency" means a separate body corporate  
682 and politic, created under Section 17C-1-201.5 or as a redevelopment agency or community  
683 development and renewal agency under previous law:

684 (a) that is a political subdivision of the state;

685 (b) that is created to undertake or promote project area development as provided in this  
686 title; and

687 (c) whose geographic boundaries are coterminous with:

688 (i) for an agency created by a county, the unincorporated area of the county; and

689 (ii) for an agency created by a municipality, the boundaries of the municipality.

690 (5) "Agency funds" means money that an agency collects or receives for agency  
691 operations, implementing a project area plan or an implementation plan as defined in Section  
692 17C-1-1001, or other agency purposes, including:

693 (a) project area funds;

694 (b) income, proceeds, revenue, or property derived from or held in connection with the  
695 agency's undertaking and implementation of project area development or agency-wide project  
696 development as defined in Section 17C-1-1001;

697 (c) a contribution, loan, grant, or other financial assistance from any public or private  
698 source;

699 (d) project area incremental revenue as defined in Section 17C-1-1001; or

700 (e) property tax revenue as defined in Section 17C-1-1001.

701 (6) "Annual income" means the same as that term is defined in regulations of the  
702 United States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as  
703 amended or as superseded by replacement regulations.

704 (7) "Assessment roll" means the same as that term is defined in Section 59-2-102.

705 (8) "Base taxable value" means, unless otherwise adjusted in accordance with  
706 provisions of this title, a property's taxable value as shown upon the assessment roll last  
707 equalized during the base year.

708 (9) "Base year" means, except as provided in Subsection [17C-1-402\(4\)\(c\)](#), the year  
709 during which the assessment roll is last equalized:

710 (a) for a pre-July 1, 1993, urban renewal or economic development project area plan,  
711 before the project area plan's effective date;

712 (b) for a post-June 30, 1993, urban renewal or economic development project area  
713 plan, or a community reinvestment project area plan that is subject to a taxing entity  
714 committee:

715 (i) before the date on which the taxing entity committee approves the project area  
716 budget; or

717 (ii) if taxing entity committee approval is not required for the project area budget,  
718 before the date on which the community legislative body adopts the project area plan;

719 (c) for a project on an inactive airport site, after the later of:

720 (i) the date on which the inactive airport site is sold for remediation and development;

721 or

722 (ii) the date on which the airport that operated on the inactive airport site ceased  
723 operations; or

724 (d) for a community development project area plan or a community reinvestment  
725 project area plan that is subject to an interlocal agreement, as described in the interlocal  
726 agreement.

727 (10) "Basic levy" means the portion of a school district's tax levy constituting the  
728 minimum basic levy under Section [59-2-902](#).

729 (11) "Board" means the governing body of an agency, as described in Section  
730 [17C-1-203](#).

731 (12) "Budget hearing" means the public hearing on a proposed project area budget  
732 required under Subsection [17C-2-201\(2\)\(d\)](#) for an urban renewal project area budget,  
733 Subsection [17C-3-201\(2\)\(d\)](#) for an economic development project area budget, or Subsection  
734 [17C-5-302\(2\)\(e\)](#) for a community reinvestment project area budget.

735 (13) "Closed military base" means land within a former military base that the Defense  
736 Base Closure and Realignment Commission has voted to close or realign when that action has  
737 been sustained by the president of the United States and Congress.

738 (14) "Combined incremental value" means the combined total of all incremental values

739 from all project areas, except project areas that contain some or all of a military installation or  
740 inactive industrial site, within the agency's boundaries under project area plans and project area  
741 budgets at the time that a project area budget for a new project area is being considered.

742 (15) "Community" means a county or municipality.

743 (16) "Community development project area plan" means a project area plan adopted  
744 under Chapter 4, Part 1, Community Development Project Area Plan.

745 (17) "Community legislative body" means the legislative body of the community that  
746 created the agency.

747 (18) "Community reinvestment project area plan" means a project area plan adopted  
748 under Chapter 5, Part 1, Community Reinvestment Project Area Plan.

749 (19) "Contest" means to file a written complaint in the district court of the county in  
750 which the agency is located.

751 (20) "Development impediment" means a condition of an area that meets the  
752 requirements described in Section 17C-2-303 for an urban renewal project area or Section  
753 17C-5-405 for a community reinvestment project area.

754 (21) "Development impediment hearing" means a public hearing regarding whether a  
755 development impediment exists within a proposed:

756 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section  
757 17C-2-302; or

758 (b) community reinvestment project area under Section 17C-5-404.

759 (22) "Development impediment study" means a study to determine whether a  
760 development impediment exists within a survey area as described in Section 17C-2-301 for an  
761 urban renewal project area or Section 17C-5-403 for a community reinvestment project area.

762 (23) "Economic development project area plan" means a project area plan adopted  
763 under Chapter 3, Part 1, Economic Development Project Area Plan.

764 (24) "Fair share ratio" means the ratio derived by:

765 (a) for a municipality, comparing the percentage of all housing units within the  
766 municipality that are publicly subsidized income targeted housing units to the percentage of all  
767 housing units within the county in which the municipality is located that are publicly  
768 subsidized income targeted housing units; or

769 (b) for the unincorporated part of a county, comparing the percentage of all housing

770 units within the unincorporated county that are publicly subsidized income targeted housing  
771 units to the percentage of all housing units within the whole county that are publicly subsidized  
772 income targeted housing units.

773 (25) "Family" means the same as that term is defined in regulations of the United  
774 States Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended  
775 or as superseded by replacement regulations.

776 (26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.

777 (27) "Hazardous waste" means any substance defined, regulated, or listed as a  
778 hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant,  
779 or toxic substance, or identified as hazardous to human health or the environment, under state  
780 or federal law or regulation.

781 (28) "Housing allocation" means project area funds allocated for housing under Section  
782 [17C-2-203](#), [17C-3-202](#), or [17C-5-307](#) for the purposes described in Section [17C-1-412](#).

783 (29) "Housing fund" means a fund created by an agency for purposes described in  
784 Section [17C-1-411](#) or [17C-1-412](#) that is comprised of:

785 (a) project area funds, project area incremental revenue as defined in Section  
786 [17C-1-1001](#), or property tax revenue as defined in Section [17C-1-1001](#) allocated for the  
787 purposes described in Section [17C-1-411](#); or

788 (b) an agency's housing allocation.

789 (30) (a) "Inactive airport site" means land that:

790 (i) consists of at least 100 acres;

791 (ii) is occupied by an airport:

792 (A) (I) that is no longer in operation as an airport; or

793 (II) (Aa) that is scheduled to be decommissioned; and

794 (Bb) for which a replacement commercial service airport is under construction; and

795 (B) that is owned or was formerly owned and operated by a public entity; and

796 (iii) requires remediation because:

797 (A) of the presence of hazardous waste or solid waste; or

798 (B) the site lacks sufficient public infrastructure and facilities, including public roads,  
799 electric service, water system, and sewer system, needed to support development of the site.

800 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land

801 described in Subsection (30)(a).

802 (31) (a) "Inactive industrial site" means land that:

803 (i) consists of at least 1,000 acres;

804 (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial  
805 facility; and

806 (iii) requires remediation because of the presence of hazardous waste or solid waste.

807 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land  
808 described in Subsection (31)(a).

809 (32) "Income targeted housing" means housing that is:

810 (a) owned by a family whose annual income is at or below 120% of the median annual  
811 income for a family within the county in which the housing is located; or

812 (b) occupied by a family whose annual income is at or below 80% of the median  
813 annual income for a family within the county in which the housing is located.

814 (33) "Incremental value" means a figure derived by multiplying the marginal value of  
815 the property located within a project area on which tax increment is collected by a number that  
816 represents the adjusted tax increment from that project area that is paid to the agency.

817 (34) "Loan fund board" means the Olene Walker Housing Loan Fund Board,  
818 established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.

819 (35) (a) " Local government building" means a building owned and operated by a  
820 community for the primary purpose of providing one or more primary community functions,  
821 including:

822 (i) a fire station;

823 (ii) a police station;

824 (iii) a city hall; or

825 (iv) a court or other judicial building.

826 (b) " Local government building" does not include a building the primary purpose of  
827 which is cultural or recreational in nature.

828 (36) "Major transit investment corridor" means the same as that term is defined in  
829 Section [10-9a-103](#).

830 (37) "Marginal value" means the difference between actual taxable value and base  
831 taxable value.

832 (38) "Military installation project area" means a project area or a portion of a project  
833 area located within a federal military installation ordered closed by the federal Defense Base  
834 Realignment and Closure Commission.

835 (39) "Municipality" means a city, town, or metro township as defined in Section  
836 10-2a-403.

837 (40) "Participant" means one or more persons that enter into a participation agreement  
838 with an agency.

839 (41) "Participation agreement" means a written agreement between a person and an  
840 agency that:

841 (a) includes a description of:

842 (i) the project area development that the person will undertake;

843 (ii) the amount of project area funds the person may receive; and

844 (iii) the terms and conditions under which the person may receive project area funds;

845 and

846 (b) is approved by resolution of the board.

847 (42) "Plan hearing" means the public hearing on a proposed project area plan required  
848 under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection  
849 17C-3-102(1)(d) for an economic development project area plan, Subsection 17C-4-102(1)(d)  
850 for a community development project area plan, or Subsection 17C-5-104(3)(e) for a  
851 community reinvestment project area plan.

852 (43) "Post-June 30, 1993, project area plan" means a project area plan adopted on or  
853 after July 1, 1993, and before May 10, 2016, whether or not amended subsequent to the project  
854 area plan's adoption.

855 (44) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July  
856 1, 1993, whether or not amended subsequent to the project area plan's adoption.

857 (45) "Private," with respect to real property, means property not owned by a public  
858 entity or any other governmental entity.

859 (46) "Project area" means the geographic area described in a project area plan within  
860 which the project area development described in the project area plan takes place or is  
861 proposed to take place.

862 (47) "Project area budget" means a multiyear projection of annual or cumulative

863 revenues and expenses and other fiscal matters pertaining to a project area prepared in  
864 accordance with:

- 865 (a) for an urban renewal project area, Section 17C-2-201;
- 866 (b) for an economic development project area, Section 17C-3-201;
- 867 (c) for a community development project area, Section 17C-4-204; or
- 868 (d) for a community reinvestment project area, Section 17C-5-302.

869 (48) "Project area development" means activity within a project area that, as  
870 determined by the board, encourages, promotes, or provides development or redevelopment for  
871 the purpose of implementing a project area plan, including:

- 872 (a) promoting, creating, or retaining public or private jobs within the state or a  
873 community;
- 874 (b) providing office, manufacturing, warehousing, distribution, parking, or other  
875 facilities or improvements;
- 876 (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or  
877 remediating environmental issues;
- 878 (d) providing residential, commercial, industrial, public, or other structures or spaces,  
879 including recreational and other facilities incidental or appurtenant to the structures or spaces;
- 880 (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating  
881 existing structures;
- 882 (f) providing open space, including streets or other public grounds or space around  
883 buildings;
- 884 (g) providing public or private buildings, infrastructure, structures, or improvements;
- 885 (h) relocating a business;
- 886 (i) improving public or private recreation areas or other public grounds;
- 887 (j) eliminating a development impediment or the causes of a development impediment;
- 888 (k) redevelopment as defined under the law in effect before May 1, 2006; or
- 889 (l) any activity described in this Subsection (48) outside of a project area that the board  
890 determines to be a benefit to the project area.

891 (49) "Project area funds" means tax increment or sales and use tax revenue that an  
892 agency receives under a project area budget adopted by a taxing entity committee or an  
893 interlocal agreement.

894 (50) "Project area funds collection period" means the period of time that:

895 (a) begins the day on which the first payment of project area funds is distributed to an  
896 agency under a project area budget approved by a taxing entity committee or an interlocal  
897 agreement; and

898 (b) ends the day on which the last payment of project area funds is distributed to an  
899 agency under a project area budget approved by a taxing entity committee or an interlocal  
900 agreement.

901 (51) "Project area plan" means an urban renewal project area plan, an economic  
902 development project area plan, a community development project area plan, or a community  
903 reinvestment project area plan that, after the project area plan's effective date, guides and  
904 controls the project area development.

905 (52) (a) "Property tax" means each levy on an ad valorem basis on tangible or  
906 intangible personal or real property.

907 (b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege  
908 Tax.

909 (53) "Public entity" means:

910 (a) the United States, including an agency of the United States;

911 (b) the state, including any of the state's departments or agencies; or

912 (c) a political subdivision of the state, including a county, municipality, school district,  
913 special district, special service district, community reinvestment agency, or interlocal  
914 cooperation entity.

915 (54) "Publicly owned infrastructure and improvements" means water, sewer, storm  
916 drainage, electrical, natural gas, telecommunication, or other similar systems and lines, streets,  
917 roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, or  
918 other facilities, infrastructure, and improvements benefitting the public and to be publicly  
919 owned or publicly maintained or operated.

920 (55) "Record property owner" or "record owner of property" means the owner of real  
921 property, as shown on the records of the county in which the property is located, to whom the  
922 property's tax notice is sent.

923 (56) "Sales and use tax revenue" means revenue that is:

924 (a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act;

925 and

926 (b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.

927 (57) "Superfund site":

928 (a) means an area included in the National Priorities List under the Comprehensive  
929 Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec. 9605; and

930 (b) includes an area formerly included in the National Priorities List, as described in  
931 Subsection (57)(a), but removed from the list following remediation that leaves on site the  
932 waste that caused the area to be included in the National Priorities List.

933 (58) "Survey area" means a geographic area designated for study by a survey area  
934 resolution to determine whether:

935 (a) one or more project areas within the survey area are feasible; or

936 (b) a development impediment exists within the survey area.

937 (59) "Survey area resolution" means a resolution adopted by a board that designates a  
938 survey area.

939 (60) "Taxable value" means:

940 (a) the taxable value of all real property a county assessor assesses in accordance with  
941 Title 59, Chapter 2, Part 3, County Assessment, for the current year;

942 (b) the taxable value of all real and personal property the commission assesses in  
943 accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current year; and

944 (c) the year end taxable value of all personal property a county assessor assesses in  
945 accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the prior year's  
946 tax rolls of the taxing entity.

947 (61) (a) "Tax increment" means the difference between:

948 (i) the amount of property tax revenue generated each tax year by a taxing entity from  
949 the area within a project area designated in the project area plan as the area from which tax  
950 increment is to be collected, using the current assessed value of the property and each taxing  
951 entity's current certified tax rate as defined in Section 59-2-924; and

952 (ii) the amount of property tax revenue that would be generated from that same area  
953 using the base taxable value of the property and each taxing entity's current certified tax rate as  
954 defined in Section 59-2-924.

955 (b) "Tax increment" does not include taxes levied and collected under Section

956 59-2-1602 on or after January 1, 1994, upon the taxable property in the project area unless:

957 (i) the project area plan was adopted before May 4, 1993, whether or not the project  
958 area plan was subsequently amended; and

959 (ii) the taxes were pledged to support bond indebtedness or other contractual  
960 obligations of the agency.

961 (62) "Taxing entity" means a public entity that:

962 (a) levies a tax on property located within a project area; or

963 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.

964 (63) "Taxing entity committee" means a committee representing the interests of taxing  
965 entities, created in accordance with Section 17C-1-402.

966 (64) "Unincorporated" means not within a municipality.

967 (65) "Urban renewal project area plan" means a project area plan adopted under  
968 Chapter 2, Part 1, Urban Renewal Project Area Plan.

969 Section 6. Section 17C-1-412 is amended to read:

970 **17C-1-412. Use of housing allocation -- Separate accounting required -- Issuance**  
971 **of bonds for housing -- Action to compel agency to provide housing allocation.**

972 (1) (a) An agency shall use the agency's housing allocation to:

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

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

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

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

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

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

- 987 (vii) make payments on or establish a reserve fund for bonds:
- 988 (A) issued by the agency, the community, or the housing authority that provides
- 989 income targeted housing within the community; and
- 990 (B) all or part of the proceeds of which are used within the community for the purposes
- 991 stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 992 (viii) if the community's fair share ratio at the time of the first adoption of the project
- 993 area budget is at least 1.1 to 1.0, make payments on bonds:
- 994 (A) that were previously issued by the agency, the community, or the housing authority
- 995 that provides income targeted housing within the community; and
- 996 (B) all or part of the proceeds of which were used within the community for the
- 997 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 998 (ix) relocate mobile home park residents displaced by project area development;
- 999 (x) subject to Subsection (7), transfer funds to a community that created the agency; or
- 1000 (xi) pay for or make a contribution toward the acquisition, construction, or
- 1001 rehabilitation of housing that:
- 1002 (A) is located in the same county as the agency;
- 1003 (B) is owned in whole or in part by, or is dedicated to supporting, a public nonprofit
- 1004 college or university; and
- 1005 (C) only students of the relevant college or university, including the students'
- 1006 immediate families, occupy.
- 1007 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or
- 1008 any portion of the agency's housing allocation to:
- 1009 (i) the community for use as described in Subsection (1)(a);
- 1010 (ii) a housing authority that provides income targeted housing within the community
- 1011 for use in providing income targeted housing within the community;
- 1012 (iii) a housing authority established by the county in which the agency is located for
- 1013 providing:
- 1014 (A) income targeted housing within the county;
- 1015 (B) permanent housing, permanent supportive housing, or a transitional facility, as
- 1016 defined in Section [35A-5-302](#), within the county; or
- 1017 (C) homeless assistance within the county;

1018 (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,  
1019 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within  
1020 the community;

1021 (v) pay for or make a contribution toward the acquisition, construction, or  
1022 rehabilitation of income targeted housing that is outside of the community if the housing is  
1023 located along or near a major transit investment corridor that services the community and the  
1024 related project has been approved by the community in which the housing is or will be located;  
1025 [~~or~~]

1026 (vi) pay for or make a contribution toward the acquisition, construction, or  
1027 rehabilitation of income targeted housing that is outside of the community if there is an  
1028 interlocal agreement between the agency and the receiving community for the funds to be  
1029 encumbered and spent within six years from the day on which the agency makes the first  
1030 payment or contribution; or

1031 [~~(vi)~~] (vii) pay for or make a contribution toward the expansion of child care facilities  
1032 within the boundary of the agency, provided that any recipient of funds from the agency's  
1033 housing allocation reports annually to the agency on how the funds were used.

1034 (2) (a) An agency may combine all or any portion of the agency's housing allocation  
1035 with all or any portion of one or more additional agency's housing allocations if the agencies  
1036 execute an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation  
1037 Act.

1038 (b) An agency that has entered into an interlocal agreement as described in Subsection  
1039 (2)(a), meets the requirements of Subsection (1)(a) or (1)(b) if the use of the housing allocation  
1040 meets the requirements for at least one agency that is a party to the interlocal agreement.

1041 (3) The agency shall create a housing fund and separately account for the agency's  
1042 housing allocation, together with all interest earned by the housing allocation and all payments  
1043 or repayments for loans, advances, or grants from the housing allocation.

1044 (4) An agency may:

1045 (a) issue bonds to finance a housing-related project under this section, including the  
1046 payment of principal and interest upon advances for surveys and plans or preliminary loans;  
1047 and

1048 (b) issue refunding bonds for the payment or retirement of bonds under Subsection

1049 (4)(a) previously issued by the agency.

1050 (5) (a) Except as provided in Subsection (5)(b), an agency shall allocate money to the  
1051 housing fund each year in which the agency receives sufficient tax increment to make a  
1052 housing allocation required by the project area budget.

1053 (b) Subsection (5)(a) does not apply in a year in which tax increment is insufficient.

1054 (6) (a) Except as provided in Subsection (5)(b), if an agency fails to provide a housing  
1055 allocation in accordance with the project area budget and the housing plan adopted under  
1056 Subsection 17C-2-204(2), the loan fund board may bring legal action to compel the agency to  
1057 provide the housing allocation.

1058 (b) In an action under Subsection (6)(a), the court:

1059 (i) shall award the loan fund board reasonable attorney fees, unless the court finds that  
1060 the action was frivolous; and

1061 (ii) may not award the agency the agency's attorney fees, unless the court finds that the  
1062 action was frivolous.

1063 (7) For the purpose of offsetting the community's annual local contribution to the  
1064 Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in  
1065 a calendar year to a community under Subsections (1)(a)(x), 17C-1-409(1)(a)(v), and  
1066 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined in  
1067 Subsection 59-12-205(4).

1068 Section 7. Section 35A-8-504 is amended to read:

1069 **35A-8-504. Distribution of fund money.**

1070 (1) As used in this section:

1071 (a) "Community" means the same as that term is defined in Section 17C-1-102.

1072 (b) "Income targeted housing" means the same as that term is defined in Section  
1073 17C-1-102.

1074 (2) The executive director shall:

1075 (a) make grants and loans from the fund for any of the activities authorized by Section  
1076 35A-8-505, as directed by the board;

1077 (b) establish the criteria with the approval of the board by which loans and grants will  
1078 be made; and

1079 (c) determine with the approval of the board the order in which projects will be funded.

1080 (3) The executive director shall distribute, as directed by the board, any federal money  
1081 contained in the fund according to the procedures, conditions, and restrictions placed upon the  
1082 use of the money by the federal government.

1083 (4) The executive director shall distribute, as directed by the board, any funds received  
1084 under Section 17C-1-412 to pay the costs of providing income targeted housing within the  
1085 community that created the community reinvestment agency under Title 17C, Limited Purpose  
1086 Local Government Entities - Community Reinvestment Agency Act.

1087 (5) Except for federal money, money received under Section 17C-1-412, and money  
1088 appropriated for use in accordance with Section 35A-8-2105, the executive director shall  
1089 distribute, as directed by the board, money in the fund according to the following requirements:

1090 (a) the executive director shall distribute at least 70% of the money in the fund to  
1091 benefit persons whose annual income is at or below 50% of the median family income for the  
1092 state;

1093 (b) the executive director may use up to [~~3~~] 6% of the revenues of the fund, including  
1094 any appropriation to the fund, to offset department or board administrative expenses;

1095 (c) the executive director shall distribute any remaining money in the fund to benefit  
1096 persons whose annual income is at or below 80% of the median family income for the state;  
1097 and

1098 (d) if the executive director or the executive director's designee makes a loan in  
1099 accordance with this section, the interest rate of the loan shall be based on the borrower's  
1100 ability to pay.

1101 (6) The executive director may, with the approval of the board:

1102 (a) enact rules to establish procedures for the grant and loan process by following the  
1103 procedures and requirements of Title 63G, Chapter 3, Utah Administrative Rulemaking Act;  
1104 and

1105 (b) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the  
1106 servicing of loans made by the fund.

1107 Section 8. Section 35A-8-2401 is amended to read:

1108 **35A-8-2401. Pass-through funding agreements -- Accounting for expenditures of**  
1109 **a housing organization.**

1110 (1) As used in this section:

- 1111 (a) "Housing organization" means an entity that:  
1112 (i) manages a portfolio of investments;  
1113 (ii) is dedicated to the preservation, enhancement, improvement, and rehabilitation of  
1114 affordable housing through property investment; and  
1115 (iii) is controlled by a registered nonprofit.  
1116 (b) "Pass-through funding" means state money appropriated by the Legislature to the  
1117 department with the intent that the department grant or otherwise disburse the state money to a  
1118 third party.  
1119 (c) "Rural" means the same as that term is defined in Section [35A-8-501](#).  
1120 (2) (a) This section applies to funds appropriated by the Legislature to the department  
1121 for pass-through to [~~the Utah Housing Preservation Fund~~] a housing organization.  
1122 (b) The department shall ensure that pass-through funding granted or distributed before  
1123 May 1, 2024 to a housing organization is subject to an agreement as described in this section,  
1124 either through amending existing agreements or canceling existing agreements and issuing new  
1125 agreements.  
1126 (3) (a) The department shall create agreements governing the use of pass-through  
1127 funding as described in this section.  
1128 (b) Before a housing organization may accept pass-through funding pursuant to this  
1129 section, the entity shall enter into an agreement with the department governing the use of  
1130 pass-through funding.  
1131 (4) An agreement for pass-through funding shall require, at a minimum:  
1132 (a) the housing organization match pass-through funding with private funding at no  
1133 less than a 70% private, 30% state split;  
1134 (b) all pass-through funding be used by the housing organization to invest in housing  
1135 units that are rented at rates affordable to households with an annual income at or below 80%  
1136 of the area median income for a family within the county in which the housing is located;  
1137 (c) that 50% of pass-through funding be used by the housing organization to invest in  
1138 housing units that are rented at rates affordable to households with an annual income at or  
1139 below 50% of the area median income for a family within the county in which the housing is  
1140 located;  
1141 (d) that at least 30% of pass-through funding be used by the housing organization to

1142 invest in housing units that are located in a rural county;

1143 (e) that any property purchased with pass-through funding be subject to a deed  
1144 restriction for a minimum of 40 years to ensure the property remains a rental property  
1145 affordable to households as described in Subsection (4)(b);

1146 (f) that returns on investment generated by pass-through funding shall be reinvested by  
1147 the housing organization the same as if the returns on investment are pass-through funding; and

1148 (g) that the housing organization shall provide the division with the following  
1149 information at the end of each fiscal year:

1150 (i) the housing organization's annual audit, including:

1151 (A) a third-party independent auditor's findings on the housing organization's  
1152 compliance with this section and the terms of the housing organization's agreement for  
1153 pass-through funding; and

1154 (B) the audited financial statements for a legal entity used by the housing organization  
1155 to carry out activities authorized by this section;

1156 (ii) allocation of pass-through funds by county and housing type;

1157 (iii) progress and status of funded projects; and

1158 (iv) impact of pass-through funds on the availability of affordable housing across the  
1159 state and by region.

1160 ~~[(2)]~~ (5) The department shall include in the annual written report described in Section  
1161 ~~35A-1-109~~ a report accounting for the expenditures authorized by ~~[the Utah Housing~~  
1162 ~~Preservation Fund]~~ a housing organization pursuant to an agreement with the department.

1163 Section 9. Section **53C-1-204** is amended to read:

1164 **53C-1-204. Policies established by board -- Director.**

1165 (1) (a) The board shall establish policies for the management of the School and  
1166 Institutional Trust Lands Administration.

1167 (b) The policies shall:

1168 (i) be consistent with the Utah Enabling Act, the Utah Constitution, and state law;

1169 (ii) reflect undivided loyalty to the beneficiaries consistent with fiduciary duties;

1170 (iii) require the return of not less than fair market value for the use, sale, or exchange  
1171 of school and institutional trust assets;

1172 (iv) seek to optimize trust land revenues and increase the value of trust land holdings

1173 consistent with the balancing of short and long-term interests, so that long-term benefits are not  
1174 lost in an effort to maximize short-term gains;

1175 (v) maintain the integrity of the trust and prevent the misapplication of its lands and its  
1176 revenues; and

1177 (vi) have regard for and seek General Fund appropriation compensation for the general  
1178 public's use of natural and cultural resources consistent with the duties of the administration as  
1179 trustee for the beneficiaries.

1180 (2) The board shall ensure that the administration is managed according to law.

1181 (3) The board shall establish due process procedures governing adjudicative  
1182 proceedings conducted by the board and the administration.

1183 (4) The board and the director shall recommend to the governor and the Legislature any  
1184 necessary or desirable changes in statutes relating to the trust or their trust responsibilities.

1185 (5) The board shall develop policies for the long-term benefit of the trust utilizing the  
1186 broad discretion and power granted to it in this title.

1187 (6) In harmony with its other duties, the board shall exercise its land use authority to  
1188 increase the supply of housing in the state.

1189 [~~6~~] (7) (a) (i) On at least three occasions during each calendar year and in cooperation  
1190 with the director, the board shall consult with an advisory committee consisting of five county  
1191 commissioners appointed by the Utah Association of Counties concerning the impact of trust  
1192 land management practices on rural economies.

1193 (ii) The director shall notify the chair of the committee prior to any proposed board  
1194 actions. At the request of the committee and prior to taking the proposed action, the board  
1195 shall meet with the committee at the next scheduled board meeting.

1196 (b) The association shall appoint the commissioners from five different counties based  
1197 on such factors as a county's total acreage of trust lands, the revenues generated from trust  
1198 lands in the county, and the potential for economic development of trust lands within the  
1199 county.

1200 (c) The advisory committee may request additional consultations it considers necessary  
1201 or appropriate, to be scheduled within a reasonable time after receipt of the request by the  
1202 administration.

1203 [~~7~~] (8) The board shall utilize the services of the attorney general as provided in

1204 Section ~~53C-1-305~~.

1205 [~~8~~] (9) The board may:

1206 (a) (i) establish advisory committees to advise the board, director, or administration on  
1207 policies affecting the management of the trust, and pay the compensation and travel expenses  
1208 in accordance with rules adopted by the Division of Finance; and

1209 (ii) after conferring with the director, hire consultants to advise the board, director, or  
1210 administration on issues affecting the management of the trust, and pay compensation to the  
1211 consultants from money appropriated for that purpose;

1212 (b) with the consent of the state risk manager, authorize the director to manage lands or  
1213 interests in lands held by any other public or private party, if:

1214 (i) all management costs are compensated by the parties;

1215 (ii) there is a commensurate return to the beneficiaries; and

1216 (iii) the additional responsibilities do not detract from the administration's  
1217 responsibilities and its duty of undivided loyalty to the beneficiaries;

1218 (c) issue subpoenas or authorize a hearing officer to issue subpoenas, to compel the  
1219 attendance of witnesses and the production of documents in adjudicative proceedings  
1220 authorized by law and administer oaths in the performance of official duties; and

1221 (d) submit in writing to the director a request for responses, to be made within a  
1222 reasonable time, to questions concerning policies and practices affecting the management of  
1223 the trust.

1224 [~~9~~] (10) Board members shall be given access to all administration records and  
1225 personnel consistent with law and as necessary to permit the board to accomplish its  
1226 responsibilities to ensure that the administration is in full compliance with applicable policies  
1227 and law.

1228 Section 10. Section ~~59-7-607~~ is amended to read:

1229 **~~59-7-607. Utah low-income housing tax credit.~~**

1230 (1) As used in this section:

1231 (a) "Allocation certificate" means a certificate in a form prescribed by the commission  
1232 and issued by the corporation to a housing sponsor that specifies the aggregate amount of the  
1233 tax credit awarded under this section to a qualified development and includes:

1234 (i) the aggregate annual amount of the tax credit awarded that may be claimed by one

1235 or more qualified taxpayers; and

1236 (ii) the credit period over which the tax credit may be claimed by one or more qualified  
1237 taxpayers.

1238 (b) "Building" means a qualified low-income building as defined in Section 42(c),  
1239 Internal Revenue Code.

1240 (c) "Corporation" means the Utah Housing Corporation created in Section 63H-8-201.

1241 (d) Except as provided in Subsection (5)(c), "credit period" means the same as that  
1242 term is defined in Section 42(f)(1), Internal Revenue Code.

1243 (e) "Designated reporter" means, as selected by a housing sponsor, the housing sponsor  
1244 or one of the housing sponsor's direct or indirect partners, members, or shareholders that will  
1245 provide information to the commission regarding the allocation of tax credits under this  
1246 section.

1247 (f) "Federal low-income housing tax credit" means the federal tax credit described in  
1248 Section 42, Internal Revenue Code.

1249 (g) "Housing sponsor" means an entity that owns a qualified development.

1250 (h) "Pass-through entity" means the same as that term is defined in Section  
1251 59-10-1402.

1252 (i) (i) Subject to Subsection (1)(i)(ii), "pass-through entity taxpayer" means the same as  
1253 that term is defined in Section 59-10-1402.

1254 (ii) The determination of whether a pass-through entity taxpayer is considered a  
1255 partner, member, or shareholder of a pass-through entity shall be made in accordance with  
1256 applicable state law governing the pass-through entity.

1257 (j) "Qualified allocation plan" means a qualified allocation plan adopted by the  
1258 corporation in accordance with Section 42(m), Internal Revenue Code.

1259 (k) "Qualified development" means a "qualified low-income housing project":

1260 (i) as defined in Section 42(g)(1), Internal Revenue Code; and

1261 (ii) that is located in the state.

1262 (l) (i) "Qualified taxpayer" means a person that:

1263 (A) owns a direct interest or an indirect interest, through one or more pass-through  
1264 entities, in a qualified development; and

1265 (B) meets the requirements to claim a tax credit under this section.

1266 (ii) "Qualified taxpayer" includes a pass-through entity taxpayer to which a tax credit  
1267 under this section is passed through by a pass-through entity.

1268 (2) (a) A qualified taxpayer may claim a nonrefundable tax credit under this section  
1269 against taxes otherwise due under this chapter, Chapter 8, Gross Receipts Tax on Certain  
1270 Corporations Not Required to Pay Corporate Franchise or Income Tax Act, or Chapter 9,  
1271 Taxation of Admitted Insurers.

1272 (b) The tax credit shall be in an amount equal to the tax credit amount specified on the  
1273 allocation certificate that the corporation issues to a housing sponsor under this section.

1274 (c) (i) For a calendar year beginning on or before December 31, 2016, the aggregate  
1275 annual tax credit that the corporation may allocate for each year of the credit period pursuant to  
1276 this section and Section 59-10-1010 is an amount equal to the product of:

1277 (A) 12.5 cents; and

1278 (B) the population of Utah.

1279 (ii) For a calendar year beginning on or after January 1, 2017, but beginning on or  
1280 before December 31, 2022, the aggregate annual tax credit that the corporation may allocate for  
1281 each year of the credit period pursuant to this section and Section 59-10-1010 is an amount  
1282 equal to the product of:

1283 (A) 34.5 cents; and

1284 (B) the population of Utah.

1285 (iii) For a calendar year beginning on or after January 1, 2023, but beginning on or  
1286 before December 31, 2028, the aggregate annual tax credit that the corporation may allocate for  
1287 each year of the credit period pursuant to this section and Section 59-10-1010 is \$10,000,000.

1288 (iv) For a calendar year beginning on or after January 1, 2024, in addition to the  
1289 amount of annual tax credits available for allocation as described in Subsections (2)(c)(i)  
1290 through (2)(c)(iii), the corporation shall have the following tax credit amounts available for  
1291 allocation:

1292 (A) any tax credits allocated in a calendar year that are subsequently returned to the  
1293 corporation or recaptured by the corporation may be allocated in the following year; and

1294 (B) if the actual amount of tax credits allocated in a calendar year to qualified  
1295 developments is less than the total amount of credits available to be allocated to qualified  
1296 developments, the balance of the credits but no more than 15% of the total amount of credits

1297 available for allocation to qualified developments may be allocated by the corporation to  
1298 qualified developments in the following calendar year.

1299       ~~[(iv)]~~ (v) For a calendar year beginning on or after January 1, 2029, the aggregate  
1300 annual tax credit that the corporation may allocate for each year of the credit period pursuant to  
1301 this section and Section 59-10-1010 is the amount described in Subsection (2)(c)(ii).

1302       ~~[(v)]~~ (vi) For purposes of this Subsection (2)(c), the population of Utah shall be  
1303 determined in accordance with Section 146(j), Internal Revenue Code.

1304       (d) (i) Subject to Subsection (2)(d)(ii), a qualified taxpayer that is a pass-through entity  
1305 may allocate a tax credit under this section to one or more of the pass-through entity's  
1306 pass-through entity taxpayers in any manner agreed upon, regardless of whether:

1307           (A) the pass-through entity taxpayer is eligible to claim any portion of a federal  
1308 low-income housing tax credit for the qualified development;

1309           (B) the allocation of the tax credit has substantial economic effect within the meaning  
1310 of Section 704(b), Internal Revenue Code; or

1311           (C) the pass-through entity taxpayer is considered a partner for federal income tax  
1312 purposes.

1313       (ii) With respect to a tax year, a qualified taxpayer that is a pass-through entity  
1314 taxpayer may claim a tax credit allocated to the qualified taxpayer by a pass-through entity  
1315 under Subsection (2)(d)(i) so long as the qualified taxpayer's ownership interest in the  
1316 pass-through entity is:

1317           (A) acquired on or before December 31 of the tax year to which the tax credit relates;  
1318 and

1319           (B) reflected in the report required in Subsection (6)(b) for the tax year to which the tax  
1320 credit relates.

1321       (e) If a qualified taxpayer that is a pass-through entity taxpayer assigns to another  
1322 taxpayer the pass-through entity taxpayer's ownership interest in a pass-through entity,  
1323 including the pass-through entity taxpayer's interest in the tax credit associated with the  
1324 ownership interest, the assignee shall be considered a qualified taxpayer and may claim the tax  
1325 credit so long as the assignee's ownership interest in the pass-through entity is:

1326           (i) acquired on or before December 31 of the tax year to which the tax credit relates;  
1327 and

1328 (ii) reflected in the report required in Subsection (6)(b) for the tax year to which the tax  
1329 credit relates.

1330 (3) (a) The corporation shall determine criteria and procedures for allocating the tax  
1331 credit under this section and Section 59-10-1010 and incorporate the criteria and procedures  
1332 into the corporation's qualified allocation plan.

1333 (b) The corporation shall create the criteria under Subsection (3)(a) based on:

1334 (i) the number of affordable housing units to be created in Utah for low and moderate  
1335 income persons in a qualified development;

1336 (ii) the level of area median income being served by a qualified development;

1337 (iii) the need for the tax credit for the economic feasibility of a qualified development;

1338 and

1339 (iv) the extended period for which a qualified development commits to remain as  
1340 affordable housing.

1341 (4) Any housing sponsor may apply to the corporation for a tax credit allocation under  
1342 this section.

1343 (5) (a) (i) The corporation shall determine the amount of the tax credit to allocate to a  
1344 qualified development in accordance with the qualified allocation plan.

1345 (ii) (A) Before the allocation certificate is issued to the housing sponsor, the  
1346 corporation shall send to the housing sponsor written notice of the corporation's preliminary  
1347 determination of the tax credit amount to be allocated to the qualified development.

1348 (B) The notice described in Subsection (5)(a)(ii)(A) shall specify the corporation's  
1349 preliminary determination of the tax credit amount to be allocated to the qualified development  
1350 for each year of the credit period and state that allocation of the tax credit is contingent upon  
1351 the issuance of an allocation certificate.

1352 (iii) Upon approving a final cost certification in accordance with the qualified  
1353 allocation plan, the corporation shall issue an allocation certificate to the housing sponsor as  
1354 evidence of the allocation.

1355 (iv) The amount of the tax credit specified in an allocation certificate may not exceed  
1356 100% of the federal low-income housing tax credit awarded to a qualified development.

1357 (b) (i) Notwithstanding Subsection (5)(a), if a housing sponsor applies to the  
1358 corporation for a tax credit under this section and an allocation certificate is not yet issued, a

1359 qualified taxpayer may claim a tax credit based upon the corporation's preliminary  
1360 determination of the tax credit amount as stated in the notice under Subsection (5)(a)(ii).

1361 (ii) Upon issuance of the allocation certificate to the housing sponsor, a qualified  
1362 taxpayer that claims a tax credit under this Subsection (5)(b) shall file an amended tax return to  
1363 adjust the tax credit amount if the amount previously claimed by the qualified taxpayer is  
1364 different than the amount specified in the allocation certificate.

1365 (c) The amount of tax credit that may be claimed in the first year of the credit period  
1366 may not be reduced as a result of the calculation in Section 42(f)(2), Internal Revenue Code.

1367 (d) On or before January 31 of each year, the corporation shall provide to the  
1368 commission in a form prescribed by the commission a report that describes each allocation  
1369 certificate that the corporation issued during the previous calendar year.

1370 (6) (a) A housing sponsor shall provide to the commission identification of the housing  
1371 sponsor's designated reporter.

1372 (b) For each tax year in which a tax credit is claimed under this section, the designated  
1373 reporter shall provide to the commission in a form prescribed by the commission:

1374 (i) a list of each qualified taxpayer that has been allocated a portion of the tax credit  
1375 awarded in the allocation certificate for that tax year;

1376 (ii) the amount of tax credit that has been allocated to each qualified taxpayer described  
1377 in Subsection (6)(b)(i) for that tax year; and

1378 (iii) any other information, as prescribed by the commission, to demonstrate that the  
1379 aggregate annual amount of tax credits allocated to all qualified taxpayers for that tax year does  
1380 not exceed the aggregate annual tax credit amount specified in the allocation certificate.

1381 (7) (a) All elections made by a housing sponsor pursuant to Section 42, Internal  
1382 Revenue Code, shall apply to this section.

1383 (b) (i) If a qualified development is required to recapture a portion of any federal  
1384 low-income housing tax credit, then each qualified taxpayer that has been allocated a portion of  
1385 a tax credit under this section shall also be required to recapture a portion of the tax credit  
1386 under this section.

1387 (ii) The state recapture amount shall be equal to the percentage of the state tax credit  
1388 that equals the proportion the federal recapture amount bears to the original federal low-income  
1389 housing tax credit amount subject to recapture.

1390 (iii) The designated reporter shall identify each qualified taxpayer that is required to  
1391 recapture a portion of any state tax credit as described in this Subsection (7)(b).

1392 (8) (a) Any tax credits returned to the corporation in any year may be reallocated within  
1393 the same time period as provided in Section 42, Internal Revenue Code.

1394 (b) Tax credits that are unallocated by the corporation in any year may be carried over  
1395 for allocation in subsequent years.

1396 (9) (a) If a tax credit is not claimed by a qualified taxpayer in the year in which it is  
1397 earned because the tax credit is more than the tax owed by the qualified taxpayer, the tax credit  
1398 may be carried back three years or may be carried forward five years as a credit against the tax.

1399 (b) Carryover tax credits under Subsection (9)(a) shall be applied against the tax:

1400 (i) before the application of the tax credits earned in the current year; and

1401 (ii) on a first-earned first-used basis.

1402 (10) Any tax credit taken in this section may be subject to an annual audit by the  
1403 commission.

1404 (11) The corporation shall annually provide an electronic report to the Revenue and  
1405 Taxation Interim Committee that includes:

1406 (a) the purpose and effectiveness of the tax credits;

1407 (b) any recommendations for legislative changes to the aggregate tax credit amount that  
1408 the corporation is authorized to allocate each year under Subsection (2)(c); and

1409 (c) the benefits of the tax credits to the state.

1410 (12) The commission may, in consultation with the corporation, make rules in  
1411 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to implement this  
1412 section.

1413 (13) (a) Beginning in 2026, and every three years thereafter, the Revenue and Taxation  
1414 Interim Committee shall conduct a review of the aggregate tax credit amount that the  
1415 corporation is authorized to allocate and has allocated each year under Subsection (2)(c).

1416 (b) In a review under this Subsection (13), the Revenue and Taxation Interim  
1417 Committee shall:

1418 (i) study any recommendations provided by the corporation under Subsection (11)(b);

1419 and

1420 (ii) if the Revenue and Taxation Interim Committee decides to recommend legislative

1421 action to the Legislature, prepare legislation for consideration by the Legislature in the next  
1422 general session.

1423 Section 11. Section **59-10-1010** is amended to read:

1424 **59-10-1010. Utah low-income housing tax credit.**

1425 (1) As used in this section:

1426 (a) "Allocation certificate" means a certificate in a form prescribed by the commission  
1427 and issued by the corporation to a housing sponsor that specifies the aggregate amount of the  
1428 tax credit awarded under this section to a qualified development and includes:

1429 (i) the aggregate annual amount of the tax credit awarded that may be claimed by one  
1430 or more qualified taxpayers; and

1431 (ii) the credit period over which the tax credit may be claimed by one or more qualified  
1432 taxpayers.

1433 (b) "Building" means a qualified low-income building as defined in Section 42(c),  
1434 Internal Revenue Code.

1435 (c) "Corporation" means the Utah Housing Corporation created in Section [63H-8-201](#).

1436 (d) Except as provided in Subsection (5)(c), "credit period" means the same as that  
1437 term is defined in Section 42(f)(1), Internal Revenue Code.

1438 (e) "Designated reporter" means, as selected by a housing sponsor, the housing sponsor  
1439 or one of the housing sponsor's direct or indirect partners, members, or shareholders that will  
1440 provide information to the commission regarding the allocation of tax credits under this  
1441 section.

1442 (f) "Federal low-income housing credit" means the federal low-income housing credit  
1443 described in Section 42, Internal Revenue Code.

1444 (g) "Housing sponsor" means an entity that owns a qualified development.

1445 (h) "Pass-through entity" means the same as that term is defined in Section  
1446 [59-10-1402](#).

1447 (i) (i) Subject to Subsection (1)(i)(ii), "pass-through entity taxpayer" means the same as  
1448 that term is defined in Section [59-10-1402](#).

1449 (ii) The determination of whether a pass-through entity taxpayer is considered a  
1450 partner, member, or shareholder of a pass-through entity shall be made in accordance with  
1451 applicable state law governing the pass-through entity.

- 1452 (j) "Qualified allocation plan" means a qualified allocation plan adopted by the  
1453 corporation in accordance with Section 42(m), Internal Revenue Code.
- 1454 (k) "Qualified development" means a "qualified low-income housing project":  
1455 (i) as defined in Section 42(g)(1), Internal Revenue Code; and  
1456 (ii) that is located in the state.
- 1457 (l) (i) "Qualified taxpayer" means a claimant, estate, or trust that:  
1458 (A) owns a direct or indirect interest, through one or more pass-through entities, in a  
1459 qualified development; and  
1460 (B) meets the requirements to claim a tax credit under this section.
- 1461 (ii) "Qualified taxpayer" includes a pass-through entity taxpayer to which a tax credit  
1462 under this section is passed through by a pass-through entity.
- 1463 (2) (a) A qualified taxpayer may claim a nonrefundable tax credit under this section  
1464 against taxes otherwise due under this chapter.
- 1465 (b) The tax credit shall be in an amount equal to the tax credit amount specified on the  
1466 allocation certificate that the corporation issues to a housing sponsor under this section.
- 1467 (c) (i) For a calendar year beginning on or before December 31, 2016, the aggregate  
1468 annual tax credit that the corporation may allocate for each year of the credit period pursuant to  
1469 this section and Section 59-7-607 is an amount equal to the product of:  
1470 (A) 12.5 cents; and  
1471 (B) the population of Utah.
- 1472 (ii) For a calendar year beginning on or after January 1, 2017, but beginning on or  
1473 before December 31, 2022, the aggregate annual tax credit that the corporation may allocate for  
1474 each year of the credit period pursuant to this section and Section 59-7-607 is an amount equal  
1475 to the product of:  
1476 (A) 34.5 cents; and  
1477 (B) the population of Utah.
- 1478 (iii) For a calendar year beginning on or after January 1, 2023, but beginning on or  
1479 before December 31, 2028, the aggregate annual tax credit that the corporation may allocate for  
1480 each year of the credit period pursuant to this section and Section 59-7-607 is \$10,000,000.
- 1481 (iv) For a calendar year beginning on or after January 1, 2024, in addition to the  
1482 amount of annual tax credits available for allocation as described in Subsections (2)(c)(i)

1483 through (2)(c)(iii), the corporation shall have the following tax credit amounts available for  
1484 allocation:

1485 (A) any tax credits allocated in a calendar year that are subsequently returned to the  
1486 corporation or recaptured by the corporation may be allocated in the following calendar year;  
1487 and

1488 (B) if the actual amount of tax credits allocated in a calendar year to qualified  
1489 developments is less than the total amount of credits available to be allocated to qualified  
1490 developments, the balance of the credits but no more than 15% of the total amount of credits  
1491 available for allocation to qualified developments may be allocated by the corporation to  
1492 qualified developments in the following calendar year.

1493 ~~[(iv)]~~ (v) For a calendar year beginning on or after January 1, 2029, the aggregate  
1494 annual tax credit that the corporation may allocate for each year of the credit period pursuant to  
1495 this section and Section 59-7-607 is the amount described in Subsection (2)(c)(ii).

1496 ~~[(v)]~~ (vi) For purposes of this Subsection (2)(c), the population of Utah shall be  
1497 determined in accordance with Section 146(j), Internal Revenue Code.

1498 (d) (i) Subject to Subsection (2)(d)(ii), a qualified taxpayer that is a pass-through entity  
1499 may allocate a tax credit under this section to one or more of the pass-through entity's  
1500 pass-through entity taxpayers in any manner agreed upon, regardless of whether:

1501 (A) the pass-through entity taxpayer is eligible to claim any portion of a federal  
1502 low-income housing tax credit for the qualified development;

1503 (B) the allocation of the tax credit has substantial economic effect within the meaning  
1504 of Section 704(b), Internal Revenue Code; or

1505 (C) the pass-through entity taxpayer is considered a partner for federal income tax  
1506 purposes.

1507 (ii) With respect to a tax year, a qualified taxpayer that is a pass-through entity  
1508 taxpayer may claim a tax credit allocated to the qualified taxpayer by a pass-through entity  
1509 under Subsection (2)(d)(i) so long as the qualified taxpayer's ownership interest in the  
1510 pass-through entity is:

1511 (A) acquired on or before December 31 of the tax year to which the tax credit relates;  
1512 and

1513 (B) reflected in the report required in Subsection (6)(b) for the tax year to which the tax

1514 credit relates.

1515 (e) If a qualified taxpayer that is a pass-through entity taxpayer assigns to another  
1516 taxpayer the pass-through entity taxpayer's ownership interest in a pass-through entity,  
1517 including the pass-through entity taxpayer's interest in the tax credit associated with the  
1518 ownership interest, the assignee shall be considered a qualified taxpayer and may claim the tax  
1519 credit so long as the assignee's ownership interest in the pass-through entity is:

1520 (i) acquired on or before December 31 of the tax year to which the tax credit relates;  
1521 and

1522 (ii) reflected in the report required in Subsection (6)(b) for the tax year to which the tax  
1523 credit relates.

1524 (3) (a) The corporation shall determine criteria and procedures for allocating the tax  
1525 credit under this section and Section 59-7-607 and incorporate the criteria and procedures into  
1526 the corporation's qualified allocation plan.

1527 (b) The corporation shall create the criteria under Subsection (3)(a) based on:

1528 (i) the number of affordable housing units to be created in Utah for low and moderate  
1529 income persons in a qualified development;

1530 (ii) the level of area median income being served by a qualified development;

1531 (iii) the need for the tax credit for the economic feasibility of a qualified development;

1532 and

1533 (iv) the extended period for which a qualified development commits to remain as  
1534 affordable housing.

1535 (4) Any housing sponsor may apply to the corporation for a tax credit allocation under  
1536 this section.

1537 (5) (a) (i) The corporation shall determine the amount of the tax credit to allocate to a  
1538 qualified development in accordance with the qualified allocation plan.

1539 (ii) (A) Before the allocation certificate is issued to the housing sponsor, the  
1540 corporation shall send to the housing sponsor written notice of the corporation's preliminary  
1541 determination of the tax credit amount to be allocated to the qualified development.

1542 (B) The notice described in Subsection (5)(a)(ii)(A) shall specify the corporation's  
1543 preliminary determination of the tax credit amount to be allocated to the qualified development  
1544 for each year of the credit period and state that allocation of the tax credit is contingent upon

1545 the issuance of an allocation certificate.

1546 (iii) Upon approving a final cost certification in accordance with the qualified  
1547 allocation plan, the corporation shall issue an allocation certificate to the housing sponsor as  
1548 evidence of the allocation.

1549 (iv) The amount of the tax credit specified in an allocation certificate may not exceed  
1550 100% of the federal low-income housing credit awarded to a qualified development.

1551 (b) (i) Notwithstanding Subsection (5)(a), if a housing sponsor applies to the  
1552 corporation for a tax credit under this section and an allocation certificate is not yet issued, a  
1553 qualified taxpayer may claim a tax credit based upon the corporation's preliminary  
1554 determination of the tax credit amount as stated in the notice under Subsection (5)(a)(ii).

1555 (ii) Upon issuance of the allocation certificate to the housing sponsor, a qualified  
1556 taxpayer that claims a tax credit under this Subsection (5)(b) shall file an amended tax return to  
1557 adjust the tax credit amount if the amount previously claimed by the qualified taxpayer is  
1558 different than the amount specified in the allocation certificate.

1559 (c) The amount of tax credit that may be claimed in the first year of the credit period  
1560 may not be reduced as a result of the calculation in Section 42(f)(2), Internal Revenue Code.

1561 (d) On or before January 31 of each year, the corporation shall provide to the  
1562 commission in a form prescribed by the commission a report that describes each allocation  
1563 certificate that the corporation issued during the previous calendar year.

1564 (6) (a) A housing sponsor shall provide to the commission identification of the housing  
1565 sponsor's designated reporter.

1566 (b) For each tax year in which a tax credit is claimed under this section, the designated  
1567 reporter shall provide to the commission in a form prescribed by the commission:

1568 (i) a list of each qualified taxpayer that has been allocated a portion of the tax credit  
1569 awarded in the allocation certificate for that tax year;

1570 (ii) the amount of tax credit that has been allocated to each qualified taxpayer described  
1571 in Subsection (6)(b)(i) for that tax year; and

1572 (iii) any other information, as prescribed by the commission, to demonstrate that the  
1573 aggregate annual amount of tax credits allocated to all qualified taxpayers for that tax year does  
1574 not exceed the aggregate annual tax credit amount specified in the allocation certificate.

1575 (7) (a) All elections made by a housing sponsor pursuant to Section 42, Internal

1576 Revenue Code, shall apply to this section.

1577 (b) (i) If a qualified taxpayer is required to recapture a portion of any federal  
1578 low-income housing credit, the qualified taxpayer that has been allocated a portion of a tax  
1579 credit under this section shall also be required to recapture a portion of the tax credit under this  
1580 section.

1581 (ii) The state recapture amount shall be equal to the percentage of the state tax credit  
1582 that equals the proportion the federal recapture amount bears to the original federal low-income  
1583 housing credit amount subject to recapture.

1584 (iii) The designated reporter shall identify each qualified taxpayer that is required to  
1585 recapture a portion of any state tax credits as described in this Subsection (7)(b).

1586 (8) (a) Any tax credits returned to the corporation in any year may be reallocated within  
1587 the same time period as provided in Section 42, Internal Revenue Code.

1588 (b) Tax credits that are unallocated by the corporation in any year may be carried over  
1589 for allocation in subsequent years.

1590 (9) (a) If a tax credit is not claimed by a qualified taxpayer in the year in which it is  
1591 earned because the tax credit is more than the tax owed by the qualified taxpayer, the tax credit  
1592 may be carried back three years or may be carried forward five years as a credit against the tax.

1593 (b) Carryover tax credits under Subsection (9)(a) shall be applied against the tax:

1594 (i) before the application of the tax credits earned in the current year; and

1595 (ii) on a first-earned first-used basis.

1596 (10) Any tax credit taken in this section may be subject to an annual audit by the  
1597 commission.

1598 (11) The corporation shall annually provide an electronic report to the Revenue and  
1599 Taxation Interim Committee that includes:

1600 (a) the purpose and effectiveness of the tax credits;

1601 (b) any recommendations for legislative changes to the aggregate tax credit amount that  
1602 the corporation is authorized to allocate each year under Subsection (2)(c); and

1603 (c) the benefits of the tax credits to the state.

1604 (12) The commission may, in consultation with the corporation, promulgate rules to  
1605 implement this section.

1606 (13) (a) Beginning in 2026, and every three years thereafter, the Revenue and Taxation

1607 Interim Committee shall conduct a review of the aggregate tax credit amount that the  
1608 corporation is authorized to allocate and has allocated each year under Subsection (2)(c).

1609 (b) In a review under this Subsection (13), the Revenue and Taxation Interim  
1610 Committee shall:

1611 (i) study any recommendations provided by the corporation under Subsection (11)(b);  
1612 and

1613 (ii) if the Revenue and Taxation Interim Committee decides to recommend legislative  
1614 action to the Legislature, prepare legislation for consideration by the Legislature in the next  
1615 general session.

1616 Section 12. Section **59-12-352** is amended to read:

1617 **59-12-352. Transient room tax authority for municipalities, military installation**  
1618 **development authority, and Point of the Mountain State Land Authority -- Purposes for**  
1619 **which revenues may be used.**

1620 (1) (a) Except as provided in Subsection (5), the governing body of a municipality may  
1621 impose a tax of not to exceed 1% on charges for the accommodations and services described in  
1622 Subsection **59-12-103**(1)(i).

1623 (b) Subject to Section **63H-1-203**, the military installation development authority  
1624 created in Section **63H-1-201** may impose a tax under this section for accommodations and  
1625 services described in Subsection **59-12-103**(1)(i) within a project area described in a project  
1626 area plan adopted by the authority under Title 63H, Chapter 1, Military Installation  
1627 Development Authority Act, as though the authority were a municipality.

1628 (2) Subject to the limitations of Subsection (1), a governing body of a municipality  
1629 may, by ordinance, increase or decrease the tax under this part.

1630 (3) A governing body of a municipality shall regulate the tax under this part by  
1631 ordinance.

1632 (4) A municipality may use revenues generated by the tax under this part for general  
1633 fund purposes.

1634 (5) (a) A municipality may not impose a tax under this section for accommodations and  
1635 services described in Subsection **59-12-103**(1)(i) within a project area described in a project  
1636 area plan adopted by the authority under Title 63H, Chapter 1, Military Installation  
1637 Development Authority Act.

1638 (b) Subsection (5)(a) does not apply to the military installation development authority's  
1639 imposition of a tax under this section.

1640 (6) (a) As used in this Subsection (6):

1641 (i) "Authority" means the Point of the Mountain State Land Authority, created in  
1642 Section [11-59-201](#).

1643 (ii) "Authority board" means the board referred to in Section [11-59-301](#).

1644 (b) The authority may, by a resolution adopted by the authority board, impose a tax of  
1645 not to exceed 5% on charges for the accommodations and services described in Subsection  
1646 [59-12-103\(1\)\(i\)](#) for transactions that occur on point of the mountain state land, as defined in  
1647 Section [11-59-102](#).

1648 (c) The authority board, by resolution, shall regulate the tax under this Subsection (6).

1649 (d) The authority shall use all revenue from a tax imposed under this Subsection (6) to  
1650 provide affordable housing, consistent with the manner that a community reinvestment agency  
1651 uses funds for ~~[affordable housing]~~ income targeted housing under Section [17C-1-412](#).

1652 (e) A tax under this Subsection (6) is in addition to any other tax that may be imposed  
1653 under this part.

1654 Section 13. **Effective date.**

1655 This bill takes effect on May 1, 2024.