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AFFORDABLE HOUSING AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jacob L. Anderegg

House Sponsor: _____

LONG TITLE

Committee Note:

The Economic Development and Workforce Services Interim Committee recommended this bill.

Legislative Vote: 7 voting for 5 voting against 5 absent

General Description:

This bill modifies provisions related to affordable housing.

Highlighted Provisions:

This bill:

- ▶ modifies the allowable uses for a community reinvestment agency's housing allocation;
- ▶ modifies the requirements for distributing money from the Olene Walker Housing Loan Fund;
- ▶ authorizes the Housing and Community Development Division (the division) to partner with one or more housing authorities or other entities to provide rental assistance;
- ▶ authorizes the division to partner with the State Board of Education and one or more housing authorities or other entities to identify and to provide rental assistance to families with children who are homeless or are at risk of homelessness;
- ▶ allows low-income housing tax credits to be assigned to another tax payer;
- ▶ modifies the distribution of excess money in the Unclaimed Property Trust Fund;



28 and

29 ▶ makes technical changes.

30 **Money Appropriated in this Bill:**

31 This bill appropriates in fiscal year 2021:

32 ▶ to the Department of Workforce Services -- Olene Walker Housing Loan Fund as a
33 one-time appropriation:

34 • from the General Fund, \$20,300,000; and

35 ▶ to the Department of Workforce Services -- Olene Walker Housing Loan Fund as an
36 ongoing appropriation:

37 • from the General Fund, \$10,000,000.

38 **Other Special Clauses:**

39 None

40 **Utah Code Sections Affected:**

41 AMENDS:

42 **17C-1-102**, as last amended by Laws of Utah 2019, Chapters 376 and 480

43 **17C-1-412**, as last amended by Laws of Utah 2019, Chapters 296 and 376

44 **35A-8-504**, as last amended by Laws of Utah 2016, Chapters 131 and 350

45 **35A-8-505**, as last amended by Laws of Utah 2019, Chapter 327

46 **59-7-607**, as last amended by Laws of Utah 2017, Chapter 279

47 **59-10-1010**, as last amended by Laws of Utah 2017, Chapter 279

48 **67-4a-801**, as repealed and reenacted by Laws of Utah 2017, Chapter 371

49 **67-4a-803**, as enacted by Laws of Utah 2017, Chapter 371

50 ENACTS:

51 **35A-8-507.1**, Utah Code Annotated 1953

52 **35A-8-507.2**, Utah Code Annotated 1953



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

55 Section 1. Section **17C-1-102** is amended to read:

56 **17C-1-102. Definitions.**

57 As used in this title:

58 (1) "Active project area" means a project area that has not been dissolved in accordance

59 with Section 17C-1-702.

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

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

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

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

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

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

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

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

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

77 (c) whose geographic boundaries are coterminous with:

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

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

80 (5) "Agency funds" means money that an agency collects or receives for agency
81 operations, implementing a project area plan, or other agency purposes, including:

82 (a) project area funds;

83 (b) income, proceeds, revenue, or property derived from or held in connection with the
84 agency's undertaking and implementation of project area development; or

85 (c) a contribution, loan, grant, or other financial assistance from any public or private
86 source.

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

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

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

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

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

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

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

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

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

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

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

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

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

115 (11) "Board" means the governing body of an agency, as described in Section
116 [17C-1-203](#).

117 (12) "Budget hearing" means the public hearing on a proposed project area budget
118 required under Subsection [17C-2-201\(2\)\(d\)](#) for an urban renewal project area budget,
119 Subsection [17C-3-201\(2\)\(d\)](#) for an economic development project area budget, or Subsection
120 [17C-5-302\(2\)\(e\)](#) for a community reinvestment project area budget.

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

124 (14) "Combined incremental value" means the combined total of all incremental values
125 from all project areas, except project areas that contain some or all of a military installation or
126 inactive industrial site, within the agency's boundaries under project area plans and project area
127 budgets at the time that a project area budget for a new project area is being considered.

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

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

131 (17) "Community legislative body" means the legislative body of the community that
132 created the agency.

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

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

137 (20) "Development impediment" means a condition of an area that meets the
138 requirements described in Section 17C-2-303 for an urban renewal project area or Section
139 17C-5-405 for a community reinvestment project area.

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

142 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section
143 17C-2-302; or

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

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

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

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

151 (a) for a municipality, comparing the percentage of all housing units within the

152 municipality that are publicly subsidized income targeted housing units to the percentage of all
153 housing units within the county in which the municipality is located that are publicly
154 subsidized income targeted housing units; or

155 (b) for the unincorporated part of a county, comparing the percentage of all housing
156 units within the unincorporated county that are publicly subsidized income targeted housing
157 units to the percentage of all housing units within the whole county that are publicly subsidized
158 income targeted housing units.

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

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

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

167 (28) "Housing allocation" means project area funds allocated for housing under Section
168 [17C-2-203](#), [17C-3-202](#), or [17C-5-307](#) for the purposes described in Section [17C-1-412](#).

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

171 (a) project area funds allocated for the purposes described in Section [17C-1-411](#); or

172 (b) an agency's housing allocation.

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

174 (i) consists of at least 100 acres;

175 (ii) is occupied by an airport:

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

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

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

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

180 (iii) requires remediation because:

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

182 (B) the site lacks sufficient public infrastructure and facilities, including public roads,

183 electric service, water system, and sewer system, needed to support development of the site.

184 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land
185 described in Subsection (30)(a).

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

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

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

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

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

193 (32) "Income targeted housing" means housing that is owned or occupied by a family
194 whose annual income is at or below 80% of the median annual income for a family within the
195 county in which the housing is located.

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

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

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

204 (i) a fire station;

205 (ii) a police station;

206 (iii) a city hall; or

207 (iv) a court or other judicial building.

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

210 (36) "Marginal value" means the difference between actual taxable value and base
211 taxable value.

212 (37) "Military installation project area" means a project area or a portion of a project
213 area located within a federal military installation ordered closed by the federal Defense Base

214 Realignment and Closure Commission.

215 (38) "Municipality" means a city, town, or metro township as defined in Section
216 10-2a-403.

217 (39) "Participant" means one or more persons that enter into a participation agreement
218 with an agency.

219 (40) "Participation agreement" means a written agreement between a person and an
220 agency that:

221 (a) includes a description of:

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

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

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

225 and

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

227 (41) "Plan hearing" means the public hearing on a proposed project area plan required
228 under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection
229 17C-3-102(1)(d) for an economic development project area plan, Subsection 17C-4-102(1)(d)
230 for a community development project area plan, or Subsection 17C-5-104(3)(e) for a
231 community reinvestment project area plan.

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

235 (43) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July
236 1, 1993, whether or not amended subsequent to the project area plan's adoption.

237 (44) "Private," with respect to real property, means property not owned by a public
238 entity or any other governmental entity.

239 (45) "Project area" means the geographic area described in a project area plan within
240 which the project area development described in the project area plan takes place or is
241 proposed to take place.

242 (46) "Project area budget" means a multiyear projection of annual or cumulative
243 revenues and expenses and other fiscal matters pertaining to a project area prepared in
244 accordance with:

- 245 (a) for an urban renewal project area, Section 17C-2-201;
- 246 (b) for an economic development project area, Section 17C-3-201;
- 247 (c) for a community development project area, Section 17C-4-204; or
- 248 (d) for a community reinvestment project area, Section 17C-5-302.
- 249 (47) "Project area development" means activity within a project area that, as
- 250 determined by the board, encourages, promotes, or provides development or redevelopment for
- 251 the purpose of implementing a project area plan, including:
 - 252 (a) promoting, creating, or retaining public or private jobs within the state or a
 - 253 community;
 - 254 (b) providing office, manufacturing, warehousing, distribution, parking, or other
 - 255 facilities or improvements;
 - 256 (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or
 - 257 remediating environmental issues;
 - 258 (d) providing residential, commercial, industrial, public, or other structures or spaces,
 - 259 including recreational and other facilities incidental or appurtenant to the structures or spaces;
 - 260 (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating
 - 261 existing structures;
 - 262 (f) providing open space, including streets or other public grounds or space around
 - 263 buildings;
 - 264 (g) providing public or private buildings, infrastructure, structures, or improvements;
 - 265 (h) relocating a business;
 - 266 (i) improving public or private recreation areas or other public grounds;
 - 267 (j) eliminating a development impediment or the causes of a development impediment;
 - 268 (k) redevelopment as defined under the law in effect before May 1, 2006; or
 - 269 (l) any activity described in this Subsection (47) outside of a project area that the board
 - 270 determines to be a benefit to the project area.
- 271 (48) "Project area funds" means tax increment or sales and use tax revenue that an
- 272 agency receives under a project area budget adopted by a taxing entity committee or an
- 273 interlocal agreement.
- 274 (49) "Project area funds collection period" means the period of time that:
- 275 (a) begins the day on which the first payment of project area funds is distributed to an

276 agency under a project area budget approved by a taxing entity committee or an interlocal
277 agreement; and

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

281 (50) "Project area plan" means an urban renewal project area plan, an economic
282 development project area plan, a community development project area plan, or a community
283 reinvestment project area plan that, after the project area plan's effective date, guides and
284 controls the project area development.

285 (51) (a) "Property tax" means each levy on an ad valorem basis on tangible or
286 intangible personal or real property.

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

289 (52) "Public entity" means:

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

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

292 (c) a political subdivision of the state, including a county, municipality, school district,
293 local district, special service district, community reinvestment agency, or interlocal cooperation
294 entity.

295 (53) "Publicly owned infrastructure and improvements" means water, sewer, storm
296 drainage, electrical, natural gas, telecommunication, or other similar systems and lines, streets,
297 roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, or
298 other facilities, infrastructure, and improvements benefitting the public and to be publicly
299 owned or publicly maintained or operated.

300 (54) "Record property owner" or "record owner of property" means the owner of real
301 property, as shown on the records of the county in which the property is located, to whom the
302 property's tax notice is sent.

303 (55) "Sales and use tax revenue" means revenue that is:

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

306 (b) distributed to a taxing entity in accordance with Sections [59-12-204](#) and [59-12-205](#).

- 307 (56) "Superfund site":
308 (a) means an area included in the National Priorities List under the Comprehensive
309 Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec. 9605; and
310 (b) includes an area formerly included in the National Priorities List, as described in
311 Subsection (56)(a), but removed from the list following remediation that leaves on site the
312 waste that caused the area to be included in the National Priorities List.
- 313 (57) "Survey area" means a geographic area designated for study by a survey area
314 resolution to determine whether:
315 (a) one or more project areas within the survey area are feasible; or
316 (b) a development impediment exists within the survey area.
- 317 (58) "Survey area resolution" means a resolution adopted by a board that designates a
318 survey area.
- 319 (59) "Taxable value" means:
320 (a) the taxable value of all real property a county assessor assesses in accordance with
321 Title 59, Chapter 2, Part 3, County Assessment, for the current year;
322 (b) the taxable value of all real and personal property the commission assesses in
323 accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current year; and
324 (c) the year end taxable value of all personal property a county assessor assesses in
325 accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the prior year's
326 tax rolls of the taxing entity.
- 327 (60) (a) "Tax increment" means the difference between:
328 (i) the amount of property tax revenue generated each tax year by a taxing entity from
329 the area within a project area designated in the project area plan as the area from which tax
330 increment is to be collected, using the current assessed value of the property and each taxing
331 entity's current certified tax rate as defined in Section 59-2-924; and
332 (ii) the amount of property tax revenue that would be generated from that same area
333 using the base taxable value of the property and each taxing entity's current certified tax rate as
334 defined in Section 59-2-924.
- 335 (b) "Tax increment" does not include taxes levied and collected under Section
336 59-2-1602 on or after January 1, 1994, upon the taxable property in the project area unless:
337 (i) the project area plan was adopted before May 4, 1993, whether or not the project

338 area plan was subsequently amended; and

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

341 (61) "Taxing entity" means a public entity that:

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

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

344 (62) "Taxing entity committee" means a committee representing the interests of taxing
345 entities, created in accordance with Section [17C-1-402](#).

346 (63) "Transit investment corridor" means public transit service that uses or occupies:

347 (a) public transit rail right-of-way;

348 (b) dedicated road right-of-way for the use of public transit, such as bus rapid transit;

349 or

350 (c) fixed-route bus corridors subject to an interlocal agreement or contract between a
351 municipality or county and:

352 (i) a public transit district as defined in Section [17B-2a-802](#); or

353 (ii) an eligible political subdivision as defined in Section [59-12-2219](#).

354 [~~63~~] (64) "Unincorporated" means not within a municipality.

355 [~~64~~] (65) "Urban renewal project area plan" means a project area plan adopted under
356 Chapter 2, Part 1, Urban Renewal Project Area Plan.

357 Section 2. Section **17C-1-412** is amended to read:

358 **17C-1-412. Use of housing allocation -- Separate accounting required -- Issuance**
359 **of bonds for housing -- Action to compel agency to provide housing allocation.**

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

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

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

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

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

369 agency;

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

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

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

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

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

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

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

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

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

387 (x) subject to Subsection [~~(6)~~] (7), transfer funds to a community that created the
388 agency; or

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

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

392 (B) is owned in whole or in ~~[party]~~ part by, or is dedicated to supporting, a public
393 nonprofit college or university; and

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

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

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

399 (ii) a housing authority that provides income targeted housing within the community

400 for use in providing income targeted housing within the community;

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

403 (A) income targeted housing within the county;

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

406 (C) homeless assistance within the county; ~~[or]~~

407 (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,
408 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within
409 the community~~[-]; or~~

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

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

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

421 ~~[(2)]~~ (3) The agency shall create a housing fund and separately account for the agency's
422 housing allocation, together with all interest earned by the housing allocation and all payments
423 or repayments for loans, advances, or grants from the housing allocation.

424 ~~[(3)]~~ (4) An agency may:

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

428 (b) issue refunding bonds for the payment or retirement of bonds under Subsection
429 ~~[(3)]~~ (4)(a) previously issued by the agency.

430 ~~[(4)]~~ (5) (a) Except as provided in Subsection ~~[(4)]~~ (5)(b), an agency shall allocate

431 money to the housing fund each year in which the agency receives sufficient tax increment to
432 make a housing allocation required by the project area budget.

433 (b) Subsection [~~(4)~~] (5)(a) does not apply in a year in which tax increment is
434 insufficient.

435 [~~(5)~~] (6) (a) Except as provided in Subsection [~~(4)~~] (5)(b), if an agency fails to provide
436 a housing allocation in accordance with the project area budget and the housing plan adopted
437 under Subsection 17C-2-204(2), the loan fund board may bring legal action to compel the
438 agency to provide the housing allocation.

439 (b) In an action under Subsection [~~(5)~~] (6)(a), the court:

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

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

444 [~~(6)~~] (7) For the purpose of offsetting the community's annual local contribution to the
445 Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in
446 a calendar year to a community under Subsections (1)(a)(x), 17C-1-409(1)(a)(v), and
447 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined in
448 Section 35A-8-606.

449 Section 3. Section 35A-8-504 is amended to read:

450 **35A-8-504. Distribution of fund money.**

451 (1) The executive director shall:

452 (a) make grants and loans from the fund for any of the activities authorized by Section
453 35A-8-505, as directed by the board;

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

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

457 (2) The executive director shall distribute, as directed by the board, any federal money
458 contained in the fund according to the procedures, conditions, and restrictions placed upon the
459 use of the money by the federal government.

460 (3) (a) The executive director shall distribute, as directed by the board, any funds
461 received under Section 17C-1-412 to pay the costs of providing income targeted housing within

462 the community that created the community reinvestment agency under Title 17C, Limited
463 Purpose Local Government Entities - Community Reinvestment Agency Act.

464 (b) As used in Subsection (3)(a):

465 (i) "Community" means the same as that term is defined in Section [17C-1-102](#).

466 (ii) "Income targeted housing" means the same as that term is defined in Section
467 [17C-1-102](#).

468 (4) Except for federal money [~~and~~], money received under Section [17C-1-412](#),
469 appropriations from the Legislature that are directed to rental assistance under Section
470 [35A-8-507.1](#), and money transferred to the fund from the Unclaimed Property Trust Fund
471 under Section [67A-4a-801](#), the executive director shall distribute, as directed by the board,
472 money in the fund according to the following requirements:

473 (a) the executive director shall distribute at least 30% of the money in the fund to rural
474 areas of the state;

475 (b) the executive director shall distribute at least 70% of the money in the fund to
476 benefit persons whose annual income is at or below 50% of the median family income for the
477 state;

478 (c) the executive director may not use more than 3% of the revenues of the fund to
479 offset department or board administrative expenses;

480 (d) the executive director shall distribute any remaining money in the fund to benefit
481 persons whose annual income is at or below 80% of the median family income for the state;
482 and

483 (e) if the executive director or the executive director's designee makes a loan in
484 accordance with this section, the interest rate of the loan shall be based on the borrower's
485 ability to pay.

486 (5) The executive director may, with the approval of the board:

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

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

492 Section 4. Section [35A-8-505](#) is amended to read:

493 **35A-8-505. Activities authorized to receive fund money -- Powers of the executive**
494 **director.**

495 At the direction of the board, the executive director may:

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

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

498 (b) matching funds for social services projects directly related to providing housing for
499 special-need renters in assisted projects;

500 (c) the development and construction of accessible housing designed for low-income
501 persons;

502 (d) the construction or improvement of a shelter or transitional housing facility that
503 provides services intended to prevent or minimize homelessness among members of a specific
504 homeless subpopulation;

505 (e) the purchase of an existing facility to provide temporary or transitional housing for
506 the homeless in an area that does not require rezoning before providing such temporary or
507 transitional housing;

508 (f) the purchase of land that will be used as the site of low-income housing units; [~~and~~]

509 (g) other activities that will assist in minimizing homelessness or improving the
510 availability or quality of housing in the state for low-income persons; and

511 (h) rental assistance as described in Section [35A-8-507.1](#);

512 (2) do any act necessary or convenient to the exercise of the powers granted by this part
513 or reasonably implied from those granted powers, including:

514 (a) making or executing contracts and other instruments necessary or convenient for
515 the performance of the executive director and board's duties and the exercise of the executive
516 director and board's powers and functions under this part, including contracts or agreements for
517 the servicing and originating of mortgage loans;

518 (b) procuring insurance against a loss in connection with property or other assets held
519 by the fund, including mortgage loans, in amounts and from insurers it considers desirable;

520 (c) entering into agreements with a department, agency, or instrumentality of the
521 United States or this state and with mortgagors and mortgage lenders for the purpose of
522 planning and regulating and providing for the financing and refinancing, purchase,
523 construction, reconstruction, rehabilitation, leasing, management, maintenance, operation, sale,

524 or other disposition of residential housing undertaken with the assistance of the department
525 under this part;

526 (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate,
527 repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real or
528 personal property obtained by the fund due to the default on a mortgage loan held by the fund
529 in preparation for disposition of the property, taking assignments of leases and rentals,
530 proceeding with foreclosure actions, and taking other actions necessary or incidental to the
531 performance of its duties; [~~and~~]

532 (e) selling, at a public or private sale, with public bidding, a mortgage or other
533 obligation held by the fund[-]; and

534 (3) provide fund money, which has been transferred to the fund from the Unclaimed
535 Property Trust Fund as described in Section [67A-4a-801](#), for rental assistance for families with
536 children that are homeless or who are at risk of being homeless as described in Section
537 [35A-8-507.2](#).

538 Section 5. Section **35A-8-507.1** is enacted to read:

539 **35A-8-507.1. Rental assistance.**

540 (1) (a) At the direction of the board and subject to appropriations from the Legislature,
541 the division may partner with one or more housing authorities, associations of governments, or
542 nonprofit entities to provide rental assistance for housing to individuals who qualify for or
543 would qualify for, but are not benefitting from, federal housing vouchers provided under 42
544 U.S.C. Sec. 1437f.

545 (b) The rental assistance provided under this part may include:

546 (i) subsidizing rent payments for housing;

547 (ii) subsidizing the provision of temporary or transitional housing; and

548 (iii) providing money for one-time barrier assistance such as application fees, utility
549 hookups, or deposits related to housing.

550 (2) The division shall provide an annual report to the department, for inclusion in the
551 department's annual written report described in Section [35A-1-109](#), which describes:

552 (a) the housing authorities or other nonprofit entities the division has partnered with
553 under the provisions of this section;

554 (b) the amount of money provided to each housing authority or other nonprofit entity

555 under this section;

556 (c) the number of individuals who are benefitting from rental assistance under the
557 provisions of this section;

558 (d) the average monthly dollar amount of rental assistance provided to an individual
559 under the provisions of this section; and

560 (e) recommendations regarding improvements or changes related to providing rental
561 assistance under the provisions of this section.

562 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
563 department may make rules governing the administration of this section.

564 Section 6. Section **35A-8-507.2** is enacted to read:

565 **35A-8-507.2. Rental assistance for homeless families.**

566 (1) (a) At the direction of the board, and using money transferred to the Olene Walker
567 Housing Loan Fund from the Unclaimed Property Trust Fund as described in Section
568 67A-4a-801, the division may partner with the State Board of Education and one or more
569 housing authorities, associations of governments, or nonprofit entities to provide rental
570 assistance for housing to families with children that are homeless or who are at risk of being
571 homeless.

572 (b) The rental assistance provided under this part may include:

573 (i) subsidizing rent payments for housing;

574 (ii) subsidizing the provision of temporary or transitional housing; and

575 (iii) providing money for one-time barrier assistance such as application fees, utility
576 hookups, or deposits related to housing.

577 (2) The division shall provide an annual report to the department, for inclusion in the
578 department's annual written report described in Section 35A-1-109, which describes:

579 (a) the entities the division has partnered with under the provisions of this section;

580 (b) the amount of money provided to each entity under this section;

581 (c) the number of children and families who are benefitting from rental assistance
582 under the provisions of this section;

583 (d) the average monthly dollar amount provided to children and families under the
584 provisions of this section; and

585 (e) recommendations regarding improvements or changes related to providing rental

586 assistance under the provisions of this section.

587 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
588 department may make rules governing the administration of this section.

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

590 **59-7-607. Utah low-income housing tax credit.**

591 (1) As used in this section:

592 (a) "Allocation certificate" means a certificate in a form prescribed by the commission
593 and issued by the Utah Housing Corporation to a housing sponsor that specifies the aggregate
594 amount of the tax credit awarded under this section to a qualified development and includes:

595 (i) the aggregate annual amount of the tax credit awarded that may be claimed by one
596 or more qualified taxpayers that have been issued a special low-income housing tax credit
597 certificate; and

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

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

602 (c) "Credit period" means the "credit period" as defined in Section 42(f)(1), Internal
603 Revenue Code.

604 (d) (i) "Designated reporter" means, as selected by a housing sponsor, the housing
605 sponsor itself or one of the housing sponsor's direct or indirect partners, members, or
606 shareholders that will provide information to the Utah Housing Corporation regarding the
607 assignment of tax credits under this section.

608 (ii) Before the Utah Housing Corporation may issue an allocation certificate to a
609 housing sponsor, a housing sponsor shall provide the identity of the housing sponsor's
610 designated reporter to the Utah Housing Corporation.

611 (iii) Before the Utah Housing Corporation may issue a special low-income housing tax
612 credit certificate to a qualified taxpayer, a designated reporter shall provide the information
613 described in Subsection (6) to the Utah Housing Corporation.

614 (e) "Federal low-income housing tax credit" means the federal tax credit described in
615 Section 42, Internal Revenue Code.

616 (f) "Housing sponsor" means an entity that owns a qualified development.

617 (g) "Qualified allocation plan" means a qualified allocation plan adopted by the Utah
618 Housing Corporation in accordance with Section 42(m), Internal Revenue Code.

619 (h) "Qualified development" means a "qualified low-income housing project":

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

621 (ii) that is located in the state.

622 (i) (i) "Qualified taxpayer" means a person that:

623 (A) owns a direct or indirect interest in a qualified development; and

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

625 (ii) If a housing sponsor is a partnership, limited liability company, or S corporation, a
626 "qualified taxpayer" may include any partner, member, or shareholder of the housing sponsor
627 as determined by the governing documents of the housing sponsor.

628 (j) (i) "Special low-income housing tax credit certificate" means a certificate:

629 (A) in a form prescribed by the commission;

630 (B) that the Utah Housing Corporation issues to a qualified taxpayer for a taxable year
631 in accordance with this section; and

632 (C) that specifies the amount of the tax credit a qualified taxpayer may claim under this
633 section.

634 (ii) The Utah Housing Corporation may only issue one or more special low-income
635 housing tax credit certificates if the aggregate specified amount on all special low-income
636 housing tax credit certificates issued in relation to a qualified development does not exceed the
637 aggregate amount of tax credit awarded to the qualified development and issued to a housing
638 sponsor in an allocation certificate.

639 (2) (a) For taxable years beginning on or after January 1, 1995, a qualified taxpayer
640 who has been issued a special low-income housing tax credit certificate by the Utah Housing
641 Corporation may claim a nonrefundable tax credit against taxes otherwise due under this
642 chapter [or], Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay
643 Corporate Franchise or Income Tax Act, Chapter 9, Taxation of Admitted Insurers.

644 (b) The tax credit shall be in an amount equal to the tax credit amount specified on the
645 special low-income housing tax credit certificate that the Utah Housing Corporation issues to a
646 qualified taxpayer under this section.

647 (c) (i) For a calendar year beginning on or before December 31, 2016, the aggregate

648 annual tax credit that the Utah Housing Corporation may allocate for the credit period
649 described in Section 42(f), Internal Revenue Code, pursuant to this section and Section
650 59-10-1010 is an amount equal to the product of:

651 (A) 12.5 cents; and

652 (B) the population of Utah.

653 (ii) For a calendar year beginning on or after January 1, 2017, the aggregate annual tax
654 credit that the Utah Housing Corporation may allocate for the credit period described in
655 Section 42(f), Internal Revenue Code, pursuant to this section and Section 59-10-1010 is an
656 amount equal to the product of:

657 (A) 34.5 cents; and

658 (B) the population of Utah.

659 (iii) For purposes of this section, the population of Utah shall be determined in
660 accordance with Section 146(j), Internal Revenue Code.

661 (3) (a) The Utah Housing Corporation shall determine criteria and procedures for
662 allocating the tax credit under this section and Section 59-10-1010 and incorporate the criteria
663 and procedures into the Utah Housing Corporation's qualified allocation plan.

664 (b) The Utah Housing Corporation shall create the criteria under Subsection (3)(a)
665 based on:

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

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

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

670 and

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

673 (4) Any housing sponsor may apply to the Utah Housing Corporation for a tax credit
674 allocation under this section.

675 (5) (a) The Utah Housing Corporation shall determine the amount of the tax credit to
676 allocate to a qualified development in accordance with the qualified allocation plan of the Utah
677 Housing Corporation.

678 (b) (i) The Utah Housing Corporation shall issue an allocation certificate to a housing

679 sponsor as evidence of the allocation.

680 (ii) The allocation certificate under Subsection (5)(b)(i) shall specify the amount of the
681 tax credit allocated to a qualified development as determined by the Utah Housing Corporation.

682 (c) The amount of the tax credit specified in an allocation certificate may not exceed
683 100% of the federal low-income housing tax credit awarded to a qualified development.

684 (6) Before the Utah Housing Corporation may issue a special low-income housing tax
685 credit certificate, a designated reporter shall provide to the Utah Housing Corporation in a form
686 prescribed by the Utah Housing Corporation:

687 (a) a list of each qualified taxpayer that has been assigned a portion of the tax credit
688 awarded in an allocation certificate;

689 (b) for each qualified taxpayer described in Subsection (6)(a), the amount of tax credit
690 that has been assigned; and

691 (c) an aggregate list of the tax credit amount assigned related to a qualified
692 development demonstrating that the aggregate annual amount of the tax credits assigned does
693 not exceed the aggregate annual tax credit awarded in the allocation certificate.

694 (7) The Utah Housing Corporation shall provide a special low-income housing tax
695 credit certificate to a qualified taxpayer if:

696 (a) a designated reporter has provided the information regarding the qualified taxpayer
697 as described in Subsection (6); and

698 (b) the Utah Housing Corporation has verified that the aggregate tax credit amount
699 assigned with respect to a qualified development does not exceed the total tax credit awarded
700 in the allocation certificate.

701 (8) (a) All elections made by a housing sponsor pursuant to Section 42, Internal
702 Revenue Code, shall apply to this section.

703 (b) (i) If a qualified development is required to recapture a portion of any federal
704 low-income housing tax credit, then each qualified taxpayer shall also be required to recapture
705 a portion of any state tax credits authorized by this section.

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

709 (iii) The designated reporter shall identify each qualified taxpayer that is required to

710 recapture a portion of any state tax credit as described in this Subsection (8)(b).

711 (9) (a) Any tax credits returned to the Utah Housing Corporation in any year may be
712 reallocated within the same time period as provided in Section 42, Internal Revenue Code.

713 (b) Tax credits that are unallocated by the Utah Housing Corporation in any year may
714 be carried over for allocation in subsequent years.

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

718 (b) Carryover tax credits under Subsection (10)(a) shall be applied against the tax:

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

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

721 (11) A qualified taxpayer may assign a tax credit certificate under this section to
722 another person and:

723 (a) if the other person files a return under this chapter, the other person may claim the
724 tax credit as if the other person had met the requirements of this section to claim the tax credit;
725 or

726 (b) if the other person files a return under Chapter 10, Individual Income Tax Act, the
727 other person may claim the tax credit under Section 59-10-1010 as if the other person had met
728 the requirements of Section 59-10-1010 to claim the tax credit.

729 [~~11~~] (12) Any tax credit taken in this section may be subject to an annual audit by the
730 commission.

731 [~~12~~] (13) The Utah Housing Corporation shall annually provide an electronic report
732 to the Revenue and Taxation Interim Committee which shall include at least:

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

734 (b) the benefits of the tax credits to the state.

735 [~~13~~] (14) The commission may, in consultation with the Utah Housing Corporation,
736 make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to
737 implement this section.

738 Section 8. Section 59-10-1010 is amended to read:

739 **59-10-1010. Utah low-income housing tax credit.**

740 (1) As used in this section:

741 (a) "Allocation certificate" means a certificate in a form prescribed by the commission
742 and issued by the Utah Housing Corporation to a housing sponsor that specifies the aggregate
743 amount of the tax credit awarded under this section to a qualified development and includes:

744 (i) the aggregate annual amount of the tax credit awarded that may be claimed by one
745 or more qualified taxpayers that have been issued a special low-income housing tax credit
746 certificate; and

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

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

751 (c) "Credit period" means the "credit period" as defined in Section 42(f)(1), Internal
752 Revenue Code.

753 (d) (i) "Designated reporter" means, as selected by a housing sponsor, the housing
754 sponsor itself or one of the housing sponsor's direct or indirect partners, members, or
755 shareholders that will provide information to the Utah Housing Corporation regarding the
756 assignment of tax credits under this section.

757 (ii) Before the Utah Housing Corporation may issue an allocation certificate to a
758 housing sponsor, a housing sponsor shall provide the identity of the housing sponsor's
759 designated reporter to the Utah Housing Corporation.

760 (iii) Before the Utah Housing Corporation may issue a special low-income housing tax
761 credit certificate to a qualified taxpayer, a designated reporter shall provide the information
762 described in Subsection (6) to the Utah Housing Corporation.

763 (e) "Federal low-income housing credit" means the federal low-income housing credit
764 described in Section 42, Internal Revenue Code.

765 (f) "Housing sponsor" means an entity that owns a qualified development.

766 (g) "Qualified allocation plan" means a qualified allocation plan adopted by the Utah
767 Housing Corporation in accordance with Section 42(m), Internal Revenue Code.

768 (h) "Qualified development" means a "qualified low-income housing project":

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

770 (ii) that is located in the state.

771 (i) (i) "Qualified taxpayer" means a claimant, estate, or trust that:

772 (A) owns a direct or indirect interest in a qualified development; and

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

774 (ii) If a housing sponsor is a partnership, limited liability company, or S corporation, a
775 "qualified taxpayer" may include any partner, member, or shareholder of the housing sponsor
776 as determined by the governing documents of the housing sponsor.

777 (j) (i) "Special low-income housing tax credit certificate" means a certificate:

778 (A) in a form prescribed by the commission;

779 (B) that the Utah Housing Corporation issues to a qualified taxpayer for a taxable year
780 in accordance with this section; and

781 (C) that specifies the amount of the tax credit a qualified taxpayer may claim under this
782 section.

783 (ii) The Utah Housing Corporation may only issue one or more special low-income
784 housing tax credit certificates if the aggregate specified amount on all special low-income
785 housing tax credit certificates issued in relation to a qualified development does not exceed the
786 aggregate amount of tax credit awarded to a qualified development and issued to a housing
787 sponsor in an allocation certificate.

788 (2) (a) For taxable years beginning on or after January 1, 1995, a qualified taxpayer
789 who has been issued a special low-income housing tax credit certificate by the Utah Housing
790 Corporation may claim a nonrefundable tax credit against taxes otherwise due under this
791 chapter.

792 (b) The tax credit shall be in an amount equal to the tax credit amount specified on the
793 special low-income housing tax credit certificate that the Utah Housing Corporation issues to a
794 qualified taxpayer under this section.

795 (c) (i) For a calendar year beginning on or before December 31, 2016, the aggregate
796 annual tax credit that the Utah Housing Corporation may allocate for the credit period
797 described in Section 42(f), Internal Revenue Code, pursuant to this section and Section
798 59-7-607 is an amount equal to the product of:

799 (A) 12.5 cents; and

800 (B) the population of Utah.

801 (ii) For a calendar year beginning on or after January 1, 2017, the aggregate annual tax
802 credit that the Utah Housing Corporation may allocate for the credit period described in

803 Section 42(f), Internal Revenue Code, pursuant to this section and Section 59-7-607 is an
804 amount equal to the product of:

805 (A) 34.5 cents; and

806 (B) the population of Utah.

807 (iii) For purposes of this section, the population of Utah shall be determined in
808 accordance with Section 146(j), Internal Revenue Code.

809 (3) (a) The Utah Housing Corporation shall determine criteria and procedures for
810 allocating the tax credit under this section and Section 59-7-607 and incorporate the criteria
811 and procedures into the Utah Housing Corporation's qualified allocation plan.

812 (b) The Utah Housing Corporation shall create the criteria under Subsection (3)(a)
813 based on:

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

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

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

818 and

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

821 (4) Any housing sponsor may apply to the Utah Housing Corporation for a tax credit
822 allocation under this section.

823 (5) (a) The Utah Housing Corporation shall determine the amount of the tax credit to
824 allocate to a qualified development in accordance with the qualified allocation plan of the Utah
825 Housing Corporation.

826 (b) (i) The Utah Housing Corporation shall issue an allocation certificate to a housing
827 sponsor as evidence of the allocation.

828 (ii) The allocation certificate under Subsection (5)(b)(i) shall specify the amount of the
829 tax credit allocated to a qualified development as determined by the Utah Housing Corporation.

830 (c) The amount of the tax credit specified in an allocation certificate may not exceed
831 100% of the federal low-income housing credit awarded to a qualified development.

832 (6) Before the Utah Housing Corporation may issue a special low-income housing tax
833 credit certificate, a designated reporter shall provide to the Utah Housing Corporation in a form

834 prescribed by the Utah Housing Corporation:

835 (a) a list of each qualified taxpayer that has been assigned a portion of the tax credit
836 awarded in an allocation certificate;

837 (b) for each qualified taxpayer described in Subsection (6)(a), the amount of tax credit
838 that has been assigned; and

839 (c) an aggregate list of the tax credit amount assigned related to a qualified
840 development demonstrating that the aggregate annual amount of the tax credits assigned does
841 not exceed the aggregate annual tax credit awarded in the allocation certificate.

842 (7) The Utah Housing Corporation shall provide a special low-income housing tax
843 credit certificate to a qualified taxpayer if:

844 (a) a designated reporter has provided the information regarding the qualified taxpayer
845 as described in Subsection (6); and

846 (b) the Utah Housing Corporation has verified that the aggregate tax credit amount
847 assigned with respect to a qualified development does not exceed the total tax credit awarded
848 in the allocation certificate.

849 (8) (a) All elections made by a housing sponsor pursuant to Section 42, Internal
850 Revenue Code, shall apply to this section.

851 (b) (i) If a qualified taxpayer is required to recapture a portion of any federal
852 low-income housing credit, the qualified taxpayer shall also be required to recapture a portion
853 of any state tax credits authorized by this section.

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

857 (iii) The designated reporter shall identify each qualified taxpayer that is required to
858 recapture a portion of any state tax credits as described in this Subsection (8)(b).

859 (9) (a) Any tax credits returned to the Utah Housing Corporation in any year may be
860 reallocated within the same time period as provided in Section 42, Internal Revenue Code.

861 (b) Tax credits that are unallocated by the Utah Housing Corporation in any year may
862 be carried over for allocation in subsequent years.

863 (10) (a) If a tax credit is not claimed by a qualified taxpayer in the year in which it is
864 earned because the tax credit is more than the tax owed by the qualified taxpayer, the tax credit

865 may be carried back three years or may be carried forward five years as a credit against the tax.

866 (b) Carryover tax credits under Subsection (10)(a) shall be applied against the tax:

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

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

869 (11) A qualified taxpayer may assign a tax credit certificate under this section to
870 another person and:

871 (a) if the other person files a return under this chapter, the other person may claim the
872 tax credit as if the other person had met the requirements of this section to claim the tax credit;

873 or

874 (b) if the other person files a return under Chapter 7, Corporate Franchise and Income
875 Taxes, the other person may claim the tax credit under Section 59-7-607 as if the other person
876 had met the requirements of Section 59-7-607 to claim the tax credit.

877 ~~[(11)]~~ (12) Any tax credit taken in this section may be subject to an annual audit by the
878 commission.

879 ~~[(12)]~~ (13) The Utah Housing Corporation shall annually provide an electronic report
880 to the Revenue and Taxation Interim Committee which shall include at least:

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

882 (b) the benefits of the tax credits to the state.

883 ~~[(13)]~~ (14) The commission may, in consultation with the Utah Housing Corporation,
884 promulgate rules to implement this section.

885 Section 9. Section **67-4a-801** is amended to read:

886 **67-4a-801. Deposit of funds by administrator.**

887 (1) (a) There is created a private-purpose trust fund entitled the "Unclaimed Property
888 Trust Fund."

889 (b) Except as otherwise provided in this section, the administrator shall deposit all
890 funds received under this chapter, including proceeds from the sale of property under Part 7,
891 Sale of Property by Administrator, in the fund.

892 (c) The fund shall earn interest.

893 (2) The administrator shall:

894 (a) pay any legitimate claims or deductions authorized by this chapter from the fund;

895 (b) before the end of the fiscal year, estimate the amount of money from the fund that

896 will ultimately be needed to be paid to claimants; ~~and]~~

897 (c) except as described in Subsection (2)(d), at the end of the fiscal year, transfer any
898 amount of money in excess of that amount to [the Uniform School Fund, except that unclaimed
899 restitution for crime victims shall be transferred to the Crime Victim Reparations Fund.];

900 (i) the Olene Walker Housing Loan Fund in an amount equal to the lesser of the excess
901 money or \$5,000,000; and

902 (ii) the Uniform School Fund for any remaining excess money after \$5,000,000 has
903 been provided to the Olene Walker Housing Loan Fund; and

904 (d) transfer excess unclaimed restitution money for crime victims to the Crime Victim
905 Reparations Fund.

906 (3) Before making any transfer ~~[to the Uniform School Fund]~~ of money as described in
907 Subsection (2), the administrator may deduct from the fund:

908 (a) amounts appropriated by the Legislature for administration of this chapter;

909 (b) any costs incurred in connection with the sale of abandoned property;

910 (c) costs of mailing and publication in connection with any abandoned property;

911 (d) reasonable service charges; and

912 (e) costs incurred in examining records of holders of property and in collecting the
913 property from those holders.

914 Section 10. Section **67-4a-803** is amended to read:

915 **67-4a-803. Expenses and service charges of administrator.**

916 Before making a deposit of funds received under this chapter to the Olene Walker
917 Housing Loan Fund, the Uniform School Fund, or the Crime Victim Reparations Fund, the
918 administrator may deduct:

919 (1) expenses of disposition of property delivered to the administrator under this
920 chapter;

921 (2) costs of mailing and publication in connection with property delivered to the
922 administrator under this chapter;

923 (3) reasonable service charges; and

924 (4) expenses incurred in examining records of or collecting property from a putative
925 holder or holder.

926 Section 11. **Appropriation.**

927 The following sums of money are appropriated for the fiscal year beginning July 1,
 928 2020, and ending June 30, 2021. These are additions to amounts previously appropriated for
 929 fiscal year 2021. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
 930 Act, the Legislature appropriates the following sums of money from the funds or accounts
 931 indicated for the use and support of the government of the state of Utah.

932 ITEM 1

933 To Department of Workforce Services -- Olene Walker Housing Loan Fund
 934 From General Fund, One-time \$20,300,000
 935 Schedule of Programs:
 936 Olene Walker Housing Loan Fund \$20,300,000

937 ITEM 2

938 To Department of Workforce Services -- Olene Walker Housing Loan Fund
 939 From General Fund \$10,000,000
 940 Schedule of Programs:
 941 Olene Walker Housing Loan Fund \$10,000,000

942 The Legislature intends that:

943 (1) up to \$15,000,000 of the appropriation in the first item be used for gap financing of
 944 private activity bond financed rental housing;

945 (2) up to \$5,000,000 of the appropriation in the first item be used for matching private
 946 dollars for site acquisition needs related to transit oriented developments that will include
 947 affordable housing;

948 (3) up to \$300,000 of the appropriation in the first item be used to assist with
 949 pre-development costs for affordable housing projects in rural Utah; and

950 (4) \$10,000,000 in the second item be used by the Housing and Community
 951 Development Division to partner with one or more housing authorities to provide rental
 952 assistance.