

Senator Lincoln Fillmore proposes the following substitute bill:

AFFORDABLE BUILDING AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Stephen L. Whyte

LONG TITLE

General Description:

This bill modifies provisions facilitating affordable buildings.

Highlighted Provisions:

This bill:

- ▶ defines terms and modifies definitions;
- ▶ adopts a statewide building code for modular building units;
- ▶ modifies the membership of the Olene Walker Housing Loan Fund Board by adding a member representing the interests of modular housing;
- ▶ modifies provisions related to reinvestment fee covenants or transfer fee covenants;
- ▶ modifies provisions of the First-Time Homebuyer Assistance Program;
- ▶ creates the Home Ownership Promotion Zone Act;
- ▶ authorizes a municipality or county to create a home ownership promotion zone of 10 acres or less;
- ▶ requires the Housing, Home Ownership, and Transit Reinvestment Zone Committee to review a city's or county's proposal for a home ownership promotion zone if the proposed district is larger than 10 acres;
- ▶ allows a home ownership promotion zone to capture tax increment for up to 15 consecutive years to finance the objectives of the home ownership promotion zone;



26 and

27 ▶ makes technical and conforming changes.

28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 This bill provides retrospective operation.

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **15A-1-202**, as last amended by Laws of Utah 2021, First Special Session, Chapter 3

35 **15A-1-205**, as enacted by Laws of Utah 2011, Chapter 14

36 **15A-1-302**, as enacted by Laws of Utah 2011, Chapter 14

37 **15A-1-304**, as enacted by Laws of Utah 2011, Chapter 14

38 **15A-2-103**, as last amended by Laws of Utah 2023, Chapters 160, 209

39 **35A-8-503**, as last amended by Laws of Utah 2022, Chapter 406

40 **57-1-46**, as enacted by Laws of Utah 2010, Chapter 16

41 **63H-8-501**, as enacted by Laws of Utah 2023, Chapter 519

42 **63H-8-502**, as enacted by Laws of Utah 2023, Chapter 519

43 **63N-3-602**, as last amended by Laws of Utah 2023, Chapter 357

44 **63N-3-603**, as last amended by Laws of Utah 2023, Chapter 357

45 **63N-3-604**, as last amended by Laws of Utah 2023, Chapter 357

46 **63N-3-605**, as last amended by Laws of Utah 2023, Chapter 357

47 **63N-3-606**, as enacted by Laws of Utah 2021, Chapter 411

48 **63N-3-607**, as last amended by Laws of Utah 2022, Chapter 433

49 **63N-3-609**, as enacted by Laws of Utah 2021, Chapter 411

50 ENACTS:

51 **10-9a-538**, Utah Code Annotated 1953

52 **10-9a-539**, Utah Code Annotated 1953

53 **15A-1-304.1**, Utah Code Annotated 1953

54 **15A-1-306.1**, Utah Code Annotated 1953

55 **15A-1-307**, Utah Code Annotated 1953

56 **15A-1-308**, Utah Code Annotated 1953

- 57 [15A-1-309](#), Utah Code Annotated 1953
- 58 [17-27a-534](#), Utah Code Annotated 1953
- 59 [57-1-47](#), Utah Code Annotated 1953
- 60 [63N-3-1301](#), Utah Code Annotated 1953
- 61 [63N-3-1302](#), Utah Code Annotated 1953
- 62 [63N-3-1303](#), Utah Code Annotated 1953
- 63 [63N-3-1304](#), Utah Code Annotated 1953
- 64 [63N-3-1305](#), Utah Code Annotated 1953
- 65 [63N-3-1306](#), Utah Code Annotated 1953

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

68 Section 1. Section **10-9a-538** is enacted to read:

69 **10-9a-538. Municipal designation of a home ownership promotion zone.**

70 (1) Subject to Subsection (8), a municipality may create a home ownership promotion
71 zone as described in this section.

72 (2) (a) A home ownership promotion zone created under this section:

73 (i) is an area of 10 contiguous acres or less entirely within the boundaries of the
74 municipality:

75 (A) designated for residential zoning; and

76 (B) zoned for fewer than six housing units per acre before the creation of the home
77 ownership promotion zone;

78 (ii) shall be re-zoned for at least six housing units per acre; and

79 (iii) may not be encumbered by any residential building permits as of the day on which
80 the home ownership promotion zone is created.

81 (3) (a) The municipality shall designate the home ownership promotion zone by
82 resolution of the legislative body of the municipality, following the recommendation of the
83 municipality planning commission.

84 (b) The resolution described in Subsection (3)(a) shall describe how the home
85 ownership promotion zone created pursuant to this section meets:

86 (i) the objectives in Subsection [63N-3-1302](#)(2); and

87 (ii) the requirements described in Subsection [63N-3-1302](#)(3).

88 (c) The home ownership promotion zone is created on the effective date of the
89 resolution described in Subsection (3)(a).

90 (4) If a home ownership promotion zone is created as described in this section:

91 (a) affected local taxing entities are required to participate according to the
92 requirements of the home ownership promotion zone established by the municipality; and

93 (b) each affected taxing entity is required to participate at the same rate.

94 (5) A home ownership promotion zone may be modified by the same manner it is
95 created as described in Subsection (3).

96 (6) Within 30 days after the day on which the municipality creates the home ownership
97 promotion zone as described in Subsection (3), the municipality shall:

98 (a) record with the recorder of the county in which the home ownership promotion
99 zone is located a document containing:

100 (i) a description of the land within the home ownership promotion zone; and

101 (ii) the date of creation of the home ownership promotion zone;

102 (b) transmit a copy of the description of the land within the home ownership promotion
103 zone and an accurate map or plat indicating the boundaries of the home ownership promotion
104 zone to the Utah Geospatial Resource Center created under Section [63A-16-505](#); and

105 (c) transmit a map and description of the land within the home ownership promotion
106 zone to:

107 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any
108 part of the home ownership promotion zone is located;

109 (ii) the officer or officers performing the function of auditor or assessor for each taxing
110 entity that does not use the county assessment roll or collect the taxing entity's taxes through
111 the county;

112 (iii) the legislative body or governing board of each taxing entity impacted by the home
113 ownership promotion zone;

114 (iv) the tax commission;

115 (v) the Governor's Office of Economic Opportunity; and

116 (vi) the State Board of Education.

117 (7) A municipality may receive tax increment and use home ownership promotion zone
118 funds as described in Section [63N-3-1306](#).

- 119 (8) A municipality may not create a home ownership promotion zone if:
120 (a) the limitation described in Subsection 63N-3-603(7)(c) has been reached; or
121 (b) the area in the proposed home ownership promotion zone would overlap with:
122 (i) a project area, as that term is defined in Section 17C-1-102, and created under Title
123 17C, Chapter 1, Agency Operations, until the project area is dissolved pursuant to Section
124 17C-1-702; or
125 (ii) an existing housing and transit reinvestment zone.

126 (9) A municipality may restrict short term rentals in a home ownership promotion
127 zone.

128 Section 2. Section **10-9a-539** is enacted to read:

129 **10-9a-539. Modular building.**

130 (1) Title 15A, State Construction and Fire Codes Act, governs regulations related to the
131 construction, transportation, installation, inspection, fees, and enforcement related to modular
132 building.

133 (2) A municipality may adopt an ordinance regulating modular building so long as the
134 ordinance conforms with Title 15A, State Construction and Fire Codes Act, and this chapter.

135 Section 3. Section **15A-1-202** is amended to read:

136 **15A-1-202. Definitions.**

137 As used in this chapter:

138 (1) "Agricultural use" means a use that relates to the tilling of soil and raising of crops,
139 or keeping or raising domestic animals.

140 (2) (a) "Approved code" means a code, including the standards and specifications
141 contained in the code, approved by the division under Section **15A-1-204** for use by a
142 compliance agency.

143 (b) "Approved code" does not include the State Construction Code.

144 (3) "Building" means a structure used or intended for supporting or sheltering any use
145 or occupancy and any improvements attached to it.

146 (4) "Code" means:

147 (a) the State Construction Code; or

148 (b) an approved code.

149 (5) "Commission" means the Uniform Building Code Commission created in Section

150 15A-1-203.

151 (6) "Compliance agency" means:

152 (a) an agency of the state or any of its political subdivisions which issues permits for
153 construction regulated under the codes;

154 (b) any other agency of the state or its political subdivisions specifically empowered to
155 enforce compliance with the codes; or

156 (c) any other state agency which chooses to enforce codes adopted under this chapter
157 by authority given the agency under a title other than this part and Part 3, Factory Built
158 Housing and Modular Units Administration Act.

159 (7) "Construction code" means standards and specifications published by a nationally
160 recognized code authority for use in circumstances described in Subsection 15A-1-204(1),
161 including:

162 (a) a building code;

163 (b) an electrical code;

164 (c) a residential one and two family dwelling code;

165 (d) a plumbing code;

166 (e) a mechanical code;

167 (f) a fuel gas code;

168 (g) an energy conservation code;

169 (h) a swimming pool and spa code; ~~and~~

170 (i) a manufactured housing installation standard code; and

171 (j) Modular Building Institute Standards 1200 and 1205, issued by the International
172 Code Council, except as specifically modified by provisions of this title governing modular
173 units.

174 (8) "Construction project" means the same as that term is defined in Section 38-1a-102.

175 (9) "Executive director" means the executive director of the Department of Commerce.

176 (10) "Legislative action" includes legislation that:

177 (a) adopts a new State Construction Code;

178 (b) amends the State Construction Code; or

179 (c) repeals one or more provisions of the State Construction Code.

180 (11) (a) "Local regulator" means a political subdivision of the state that is empowered

181 to engage in the regulation of construction, alteration, remodeling, building, repair, [~~and~~]
182 installation, inspection, or other activities subject to the codes.

183 (b) "Local regulator" may include the local regulator's designee.

184 (12) "Membrane-covered frame structure" means a nonpressurized building with a
185 structure composed of a rigid framework to support a tensioned membrane that provides a
186 weather barrier.

187 (13) "Not for human occupancy" means use of a structure for purposes other than
188 protection or comfort of human beings, but allows people to enter the structure for:

189 (a) maintenance [~~and~~] or repair; [~~and~~] or

190 (b) the care of livestock, crops, or equipment intended for agricultural use which are
191 kept there.

192 (14) "Opinion" means a written, nonbinding, and advisory statement issued by the
193 commission concerning an interpretation of the meaning of the codes or the application of the
194 codes in a specific circumstance issued in response to a specific request by a party to the issue.

195 (15) "Remote yurt" means a membrane-covered frame structure that:

196 (a) is no larger than 710 square feet;

197 (b) is not used as a permanent residence;

198 (c) is located in an unincorporated county area that is not zoned for residential,
199 commercial, industrial, or agricultural use;

200 (d) does not have plumbing or electricity;

201 (e) is set back at least 300 feet from any river, stream, lake, or other body of water; and

202 (f) is registered with the local health department.

203 (16) "State regulator" means an agency of the state which is empowered to engage in
204 the regulation of construction, alteration, remodeling, building, repair, and other activities
205 subject to the codes adopted pursuant to this chapter.

206 Section 4. Section **15A-1-205** is amended to read:

207 **15A-1-205. Division duties -- Relationship of division to other entities.**

208 (1) (a) The division shall administer the codes adopted or approved under Section
209 **15A-1-204** pursuant to this chapter.

210 (b) Notwithstanding Subsection (1)(a), the division has no responsibility to:

211 (i) conduct inspections to determine compliance with the codes;

212 (ii) issue permits; or
213 (iii) assess building permit fees.
214 (c) Notwithstanding any other provision, the division, the Division of Facilities
215 Construction and Management, the state regulator, any approved third party inspection agency
216 as defined by Section 15A-1-302, or any approved third party inspector as defined by Section
217 15A-1-302 does not have the responsibility or authority to perform the duties reserved to a
218 local regulator as set forth in Section 15A-1-304, unless designated by a local regulator to
219 perform that duty.

220 (2) As part of the administration of the codes, the division shall:

221 (a) comply with Section 15A-1-206;

222 (b) schedule appropriate hearings;

223 (c) maintain and publish for reference:

224 (i) the current State Construction Code; and

225 (ii) any approved code; and

226 (d) publish the opinions of the commission with respect to interpretation and
227 application of the codes.

228 (3) (a) As part of the administration of the codes, the division shall license inspectors,
229 including approved third party inspectors.

230 (b) The Division of Facilities Construction and Management may access a list of all
231 licensed inspectors, including approved third party inspectors, on the division's website.

232 Section 5. Section 15A-1-302 is amended to read:

233 **15A-1-302. Definitions.**

234 As used in this part:

235 (1) "Compliance agency" [~~is as~~] means the same as that term is defined in Section
236 15A-1-202.

237 (2) "Construction documents" means the same as that term is defined by Modular
238 Building Institute Standards 1200.

239 (3) "Decal" means a form of certification, created by the Division of Facilities
240 Construction and Management and issued by a third party inspection agency, to be permanently
241 attached to a module, panelized system, or modular building unit indicating that the module,
242 panelized system, or modular building unit has been constructed to meet or exceed applicable

243 building code requirements.

244 [~~(2)~~] (4) "Factory built housing" means a manufactured home or mobile home.

245 [~~(3)~~] (5) "Factory built housing set-up contractor" means an individual licensed by the
246 division to set up or install factory built housing on a temporary or permanent basis.

247 [~~(4)~~] (6) "HUD Code" means the National Manufactured Housing Construction and
248 Safety Standards Act, 42 U.S.C. Sec. 5401 et seq.

249 [~~(5)~~] (7) "Local regulator" [~~is as~~] means the same as that term is defined in Section
250 15A-1-202.

251 [~~(6)~~] (8) "Manufactured home" means a transportable factory built housing unit
252 constructed on or after June 15, 1976, according to the HUD Code, in one or more sections,
253 that:

254 (a) in the traveling mode, is eight body feet or more in width or 40 body feet or more in
255 length, or when erected on site, is 400 or more square feet; and

256 (b) is built on a permanent chassis and designed to be used as a dwelling with or
257 without a permanent foundation when connected to the required utilities, and includes the
258 plumbing, heating, air-conditioning, and electrical systems.

259 (9) "Manufacturing plant" means the same as that term is defined by Modular Building
260 Institute Standards 1200.

261 [~~(7)~~] (10) "Mobile home" means a transportable factory built housing unit built before
262 June 15, 1976, in accordance with a state mobile home code which existed prior to the HUD
263 Code.

264 (11) "Modular manufacturer" means the entity responsible for manufacturing a
265 panelized system or module.

266 [~~(8)~~] (12) "Modular unit" or "modular building unit" means a structure:

267 (a) [~~built from sections that are manufactured~~] constructed from one or more modules
268 or panelized systems that is manufactured in accordance with the State Construction Code and
269 transported to a [~~building site; and~~] location;

270 (b) the purpose of which is for human habitation, occupancy, or use; and

271 (c) is not a factory-built house, manufactured home, or mobile home.

272 (13) "Module" means a three-dimensional, volumetric section of a modular building
273 unit designed and approved to be transported as a single section, independent of other sections,

274 to a location for onsite construction.

275 (14) "Offsite construction" means a modular building unit that:

276 (a) is designed and constructed in compliance with this part;

277 (b) is wholly or in substantial part fabricated in a manufacturing plant for installation at

278 an onsite location; and

279 (c) has been manufactured in such a manner that all parts or processes cannot be

280 inspected at the end site location without disassembly, potentially resulting in damage or

281 destruction to the modular building unit.

282 (15) "Onsite construction" means:

283 (a) the preparation of a location where a modular building unit will be installed,

284 including preparation of site foundation, construction of any necessary supporting structure,

285 and preparation to connect the modular building unit to necessary utilities; and

286 (b) assembly and installation of one or more modules or panelized systems in

287 accordance with construction documents into a modular building unit, including completion of

288 any site-related construction and connecting the modular building unit to necessary utilities.

289 (16) "Panelized system" means a closed wall, roof, or floor component that is

290 constructed at a manufacturing plant or by a modular manufacturer in a manner that prevents

291 the construction from being fully inspected at an onsite location without disassembly, damage,

292 or destruction.

293 ~~[(9)]~~ (17) "State regulator" [is as] means the same as that term is defined in Section

294 15A-1-202.

295 (18) "Third party inspection agency" means an entity approved by the Division of

296 Facilities Construction and Management to be qualified to inspect a module or panelized

297 system for compliance with the construction documents, compliance control, and applicable

298 code.

299 (19) "Third party inspector" means a person who:

300 (a) is qualified to inspect a modular building unit for compliance with construction

301 documents, compliance control, and applicable building code;

302 (b) works under the direction of a third party inspection agency;

303 (c) has been licensed by the division under Section 15A-1-307; and

304 (d) is approved by the Division of Facilities Construction and Management to conduct

305 third party inspections, as described in Section 15A-1-307.

306 (20) "Unregistered modular unit" means a modular unit that:

307 (a) has not been inspected as required by this title; or

308 (b) does not have a required decal.

309 Section 6. Section **15A-1-304** is amended to read:

310 **15A-1-304. Modular units.**

311 Modular unit construction, [~~setup~~] installation, issuance of permits for construction or
312 [~~setup~~] installation, and setup shall be in accordance with the following:

313 (1) Construction, installation, and setup of a modular unit, module, or panelized system
314 shall be in accordance with the State Construction Code.

315 (2) A local regulator has the responsibility and exclusive authority [for plan review and
316 issuance of permits for construction, modification, or setup for the political subdivision in
317 which the modular unit is to be setup;] to:

318 (a) review and approve the elements of construction documents related to onsite
319 construction;

320 (b) issue a permit for construction of a modular building unit or a modular building
321 unit site modification;

322 (c) perform an inspection of onsite construction of a modular building unit or modular
323 building unit site modification;

324 (d) verify that a module or panelized system is installed in accordance with:

325 (i) the modular unit's construction documents;

326 (ii) the State Construction Code; and

327 (iii) applicable state and local requirements;

328 (e) verify that a decal has been permanently affixed to a modular building unit;

329 (f) subject to Subsection (3), establish and assess fees related to the construction and
330 installation of modular units;

331 (g) upon discovery of visible damage to a module or panelized system, or discovery of
332 evidence that would cause a reasonable inspector to believe that a modular building unit may
333 not be in compliance with the State Construction Code or construction documents:

334 (i) inform the Division of Facilities Construction and Management; and

335 (ii) proceed in accordance with the guidance in Modular Building Institute Standards

336 1200 and 1205;

337 (h) approve any proposed alteration or change to a set of construction documents so
338 long as the alteration or change complies with the requirements of this chapter;

339 (i) inspect any alteration to a modular unit or panelized system that occurred after
340 installation;

341 (j) notwithstanding any other provision of state law, the construction code and
342 standards, agency rule, or local ordinance;

343 (i) prevent the use or occupancy of a modular building unit that, in the opinion of the
344 local regulator, contains a serious defect or presents an imminent safety hazard; and

345 (ii) report the prevention of use or occupancy of a modular building unit to the
346 Division of Facilities Construction and Management and the division; and

347 (k) perform all other duties and responsibilities set forth in the Modular Building
348 Institute Standards 1200 and 1205 not otherwise listed in this section.

349 (3) Fees related to the construction and installation of modular building units may
350 include building permit fees, inspection fees, impact fees, and administrative fees.

351 (4) (a) In addition to any immunity and protections set forth in the Utah Governmental
352 Immunity Act, a municipality shall not be liable for a claim arising solely from the offsite
353 construction of a module, panelized system, or modular building unit.

354 (b) A local regulator may provide written notice with the certificate of occupancy that
355 explains the municipality's limitations of liability pursuant to this section and the Utah
356 Governmental Immunity Act.

357 ~~[(3)]~~ (5) An inspection of the construction, modification of, or setup of a modular unit
358 shall conform with this chapter.

359 ~~[(4)]~~ (6) A local regulator has the responsibility to issue an approval for the political
360 subdivision in which a modular unit is to be setup or is setup.

361 ~~[(5)]~~ (7) Nothing in this section precludes:

362 (a) a local regulator from contracting with a qualified third party to act as its designee
363 for the inspection or plan review provided in this section; or

364 (b) the state from entering into an interstate compact for third party inspection of the
365 construction of a modular unit.

366 Section 7. Section **15A-1-304.1** is enacted to read:

367 15A-1-304.1. Unregistered modular units.

368 (1) Except as provided in Subsection (7), the Division of Facilities Construction and
369 Management shall determine whether an unregistered modular unit is compliant with this
370 chapter.

371 (2) Upon discovery of an unregistered modular unit, the Division of Facilities
372 Construction and Management shall:

373 (a) inform the local regulator, which shall:

374 (i) issue an order to the owner of the unregistered modular unit to cease use or
375 occupancy of the unregistered modular unit until a third party inspector determines the
376 unregistered modular unit has come into compliance; or

377 (ii) determine if the unregistered modular unit is considered compliant, as described in
378 Subsection (7); and

379 (b) require the owner of the unregistered modular unit to:

380 (i) produce documentation of the modular unit's compliance with this chapter:

381 (A) if the unregistered modular unit is only missing a decal or had a decal but the decal
382 is no longer visible; or

383 (B) if the unregistered modular unit is considered compliant under Subsection (7); or

384 (ii) arrange for a third party inspector to inspect the unregistered modular unit, as
385 described in Subsection (4).

386 (3) Upon receiving and verifying the documentation described in Subsection
387 (2)(b)(i)(A), the Division of Facilities Construction and Management shall issue the owner of
388 an unregistered modular unit a decal to be affixed to the unregistered modular unit.

389 (4) (a) Upon inspection of an unregistered modular unit, a third party inspector shall
390 determine when and where the unregistered modular unit was manufactured.

391 (b) If the unregistered modular unit was manufactured in another state by a modular
392 manufacturer approved by a regulator in that state at the time the unregistered modular unit was
393 manufactured, the third party inspector shall:

394 (i) conduct a review of the original construction documents and the requirements of the
395 state in which the unregistered modular unit was manufactured as of the time of manufacturing
396 to determine the degree to which the unregistered modular unit's manufacture and installation
397 is compliant with the requirements of this chapter;

398 (ii) in accordance with Subsection (5), conduct an inspection of the unregistered
399 modular unit; and

400 (iii) determine whether the unregistered modular unit is compliant with:

401 (A) the requirements for a modular building described in this chapter; and

402 (B) the building codes that were in effect at the time the unregistered modular building
403 was manufactured.

404 (c) If the unregistered modular unit was manufactured in another state by a modular
405 manufacturer that was not approved by that state, or if the date of manufacture of the
406 unregistered modular unit cannot be determined, the third party inspector shall:

407 (i) in accordance with Subsection (5), conduct an inspection of the unregistered
408 modular unit; and

409 (ii) determine whether the unregistered modular unit is compliant with the
410 requirements for a modular building described in this chapter.

411 (d) If the third party inspector cannot determine where or when the unregistered
412 modular unit was manufactured, or if original construction documents for the unregistered
413 modular unit cannot be located or verified, the third party inspector shall inspect the
414 unregistered modular unit for compliance with this chapter, including requiring disassembly of
415 the unregistered modular unit if necessary.

416 (5) If the third party inspector is able to review and verify the original construction
417 documents for the unregistered modular unit, and the original construction documents for the
418 unregistered modular unit are sufficient to determine whether the construction of the
419 unregistered modular unit complies with this chapter, the third party inspector may not require
420 disassembly of the modular unit.

421 (6) (a) If the third party inspector determines the unregistered modular unit is
422 compliant with the requirements for modular units in this chapter:

423 (i) the third party inspector shall report the finding to:

424 (A) the Division of Facilities Construction and Management; and

425 (B) the local regulator; and

426 (ii) affix a decal to the unregistered modular unit.

427 (b) The report described in Subsection (6)(a)(i) shall include a description of any
428 changes made to the unregistered modular unit.

429 (7) If an unregistered modular unit installed before May 4, 2024, has a certificate of
430 occupancy from a local regulator, the unregistered modular unit is considered compliant with
431 the requirements for a modular unit described in this chapter so long as the unregistered
432 modular unit remains in the jurisdiction of the local regulator that issued the certificate of
433 occupancy.

434 Section 8. Section **15A-1-306.1** is enacted to read:

435 **15A-1-306.1. Division of Facilities Construction and Management duties for**
436 **modular building units.**

437 The Division of Facilities Construction and Management:

438 (1) shall maintain current information on the HUD Code and the portions of the State
439 Construction Code relevant to modular building unit installation and provide at reasonable cost
440 the information to compliance agencies or local regulators requesting the information;

441 (2) shall provide qualified personnel to advise compliance agencies and local
442 regulators regarding the standards for:

443 (a) construction and installation of modular building units;

444 (b) construction and setup inspection of modular building units; and

445 (c) additions or modifications to modular building units;

446 (3) may inspect modular building units during the construction or manufacturing
447 process to determine compliance of a modular manufacturer with this title for modular building
448 units to be installed within the state;

449 (4) upon a finding of substantive deficiency at a modular manufacturer, through
450 inspection or based on a report from an approved third party inspection agency, may:

451 (a) suspend the manufacturer's construction of modular units to be sold or installed in
452 the state;

453 (b) issue a corrective order to the manufacturer; or

454 (c) require an increase in third party inspections until the Division of Facilities
455 Construction and Management is satisfied that the deficiency is resolved;

456 (5) shall, if an action is taken pursuant to Subsection (4), provide notice of its action
457 and a copy of the corrective order to the local regulator in the political subdivision where a
458 modular unit is to be installed;

459 (6) shall have rights of entry and inspection as specified under the HUD Code and

460 Modular Building Institute Standard 1200 and Standard 1205, as applicable;

461 (7) shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
462 Rulemaking Act, to implement this section and Section 15A-1-307, including a continuing
463 education requirement for modular building unit construction and installation contractors; and

464 (8) shall have the authority to set and collect fees associated with the provision of
465 decals to support the administration of the modular building unit program.

466 Section 9. Section 15A-1-307 is enacted to read:

467 **15A-1-307. Third party review - Inspection agencies.**

468 (1) By no later than July 1, 2024, the Division of Facilities Construction and
469 Management shall maintain a list of third party inspection agencies that have been approved by
470 the Division of Facilities Construction and Management to conduct:

471 (a) review of construction documents; and

472 (b) an inspection of a module or panelized system.

473 (2) An approved third party inspection agency:

474 (a) shall demonstrate knowledge of applicable sections of the Utah Code and State
475 Construction Code and other applicable laws and rules;

476 (b) shall be independent in judgment and not have any actual or potential conflict of
477 interest;

478 (c) is not affiliated with or influenced or controlled by any producer, supplier, vendor,
479 developer, builder, or related fields applicable to the construction of modular units in any
480 manner that might affect its capacity to render its conclusions and inspections without bias;

481 (d) shall carry insurance in the amount set by the Division of Facilities Construction
482 and Management to cover liabilities and losses arising or relating to possible errors and
483 omissions from its operations, reviews, and inspections; and

484 (e) shall perform all duties set forth in the Modular Building Institute Standard 1205,
485 Chapter 4, as amended.

486 (3) An approved third party inspector:

487 (a) shall demonstrate knowledge of applicable sections of the Utah Code and State
488 Construction Code and other applicable laws and rules;

489 (b) shall be independent in judgment and not have any actual or potential conflict of
490 interest;

491 (c) is not affiliated with or influenced or controlled by any producer, supplier, vendor,
492 developer, builder, or related fields applicable to the construction of modular units in any
493 manner that might affect its capacity to render its conclusions and inspections without bias;

494 (d) shall carry insurance in the amount set by the Division of Facilities Construction
495 and Management to cover liabilities and losses arising or relating to possible errors and
496 omissions from its operations, reviews, and inspections; and

497 (e) shall perform all duties set forth in the Modular Building Institute Standard 1205,
498 Chapter 4, as amended.

499 (4) A third party inspector at an approved third party agency shall:

500 (a) be licensed and certified as a combination building inspector under Title 58,
501 Occupations and Professions;

502 (b) meet the requirements for a third party inspector under the Modular Building
503 Institute Standard 1205, Chapter 4; and

504 (c) be knowledgeable regarding the construction and installation of modular units.

505 (5) (a) A modular manufacturer shall contract with one or more third party agencies or
506 third party inspectors to perform offsite construction documents review and inspection.

507 (b) A contract described in Subsection (5)(a) does not constitute an actual or implied
508 conflict of interest.

509 Section 10. Section **15A-1-308** is enacted to read:

510 **15A-1-308. Manufacturing plants -- Quality assurance inspections.**

511 (1) The Division of Facilities Construction and Management shall approve a modular
512 manufacturer before modular building units produced by or sold by the modular manufacturer
513 may be used for human occupancy within the state.

514 (2) A modular manufacturer, or an employee of a modular manufacturer, shall meet
515 each requirement of Modular Building Institute 1200 Standard, Chapter 5 and 1205 Standard,
516 Chapters 4 and 5.

517 (3) The quality assurance and control plan, as required in Modular Building Institute
518 1200 Standard, Chapter 5, and further defined per Modular Building Institute 1205 Standard,
519 Chapter 5, shall include a conflict of interest form developed by the Division of Facilities
520 Construction and Management.

521 (4) Quality assurance personnel at the manufacturing plant shall:

522 (a) demonstrate to the Division of Facilities Construction and Management and an
523 applicable third party inspection agency that the quality assurance personnel have adequate
524 knowledge of the product, factory operations, and the codes and standards for the product being
525 manufactured;

526 (b) demonstrate to the satisfaction of the Division of Facilities Construction and
527 Management the ability of the quality assurance personnel to perform required duties, as
528 outlined by the Division of Facilities Construction and Management by rule; and

529 (c) inspect each module and panelized system for quality control.

530 (5) (a) After local building permit issuance, a modular manufacturer, third party
531 agency, or third party inspector may not amend a construction document without approval from
532 a local regulator.

533 (b) A local regulator shall approve an amendment to a construction document unless it
534 violates a site-specific provision of municipal code or affects the safety or the habitability of a
535 modular unit.

536 Section 11. Section **15A-1-309** is enacted to read:

537 **15A-1-309. Decal.**

538 A decal issued by the Division of Facilities Construction and Management and affixed
539 by a third party inspection agency in compliance with this part shall warrant that the modular
540 building unit has been inspected in accordance with this part and the modular building unit is:

541 (1) fit for human occupancy; and

542 (2) manufactured in accordance with applicable codes and the construction documents.

543 Section 12. Section **15A-2-103** is amended to read:

544 **15A-2-103. Specific editions adopted of construction code of a nationally**
545 **recognized code authority.**

546 (1) Subject to the other provisions of this part, the following construction codes are
547 incorporated by reference, and together with the amendments specified in Chapter 3, Statewide
548 Amendments Incorporated as Part of State Construction Code, and Chapter 4, Local
549 Amendments Incorporated as Part of State Construction Code, are the construction standards to
550 be applied to building construction, alteration, remodeling, and repair, and in the regulation of
551 building construction, alteration, remodeling, and repair in the state:

552 (a) the 2021 edition of the International Building Code, including Appendices C and J,

- 553 issued by the International Code Council;
- 554 (b) except as provided in Subsection (1)(c), the 2021 edition of the International
555 Residential Code, issued by the International Code Council;
- 556 (c) the residential provisions of Chapter 11, Energy Efficiency, of the 2015 edition of
557 the International Residential Code, issued by the International Code Council;
- 558 (d) Appendix AQ of the 2021 edition of the International Residential Code, issued by
559 the International Code Council;
- 560 (e) the 2021 edition of the International Plumbing Code, issued by the International
561 Code Council;
- 562 (f) the 2021 edition of the International Mechanical Code, issued by the International
563 Code Council;
- 564 (g) the 2021 edition of the International Fuel Gas Code, issued by the International
565 Code Council;
- 566 (h) the 2020 edition of the National Electrical Code, issued by the National Fire
567 Protection Association;
- 568 (i) the residential provisions of the 2015 edition of the International Energy
569 Conservation Code, issued by the International Code Council;
- 570 (j) the commercial provisions of the 2021 edition of the International Energy
571 Conservation Code, issued by the International Code Council;
- 572 (k) the 2021 edition of the International Existing Building Code, issued by the
573 International Code Council;
- 574 (l) subject to Subsection [15A-2-104\(2\)](#), the HUD Code;
- 575 (m) subject to Subsection [15A-2-104\(1\)](#), Appendix AE of the 2021 edition of the
576 International Residential Code, issued by the International Code Council;
- 577 (n) subject to Subsection [15A-2-104\(1\)](#), the 2005 edition of the NFPA 225 Model
578 Manufactured Home Installation Standard, issued by the National Fire Protection Association;
- 579 (o) subject to Subsection (3), for standards and guidelines pertaining to plaster on a
580 historic property, as defined in Section [9-8a-302](#), the U.S. Department of the Interior
581 Secretary's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings;
582 [~~and~~]
- 583 (p) the residential provisions of the 2021 edition of the International Swimming Pool

584 and Spa Code, issued by the International Code Council[-]; and

585 (q) Modular Building Institute Standards 1200 and 1205, issued by the International
586 Code Council, except as modified by provisions of this title governing modular units.

587 (2) Consistent with Title 65A, Chapter 8, Management of Forest Lands and Fire
588 Control, the Legislature adopts the 2006 edition of the Utah Wildland Urban Interface Code,
589 issued by the International Code Council, with the alternatives or amendments approved by the
590 Utah Division of Forestry, Fire, and State Lands, as a construction code that may be adopted by
591 a local compliance agency by local ordinance or other similar action as a local amendment to
592 the codes listed in this section.

593 (3) The standards and guidelines described in Subsection (1)(o) apply only if:

594 (a) the owner of the historic property receives a government tax subsidy based on the
595 property's status as a historic property;

596 (b) the historic property is wholly or partially funded by public money; or

597 (c) the historic property is owned by a government entity.

598 Section 13. Section **17-27a-534** is enacted to read:

599 **17-27a-534. County designation of a home ownership promotion zone.**

600 (1) Subject to Subsection (8), a county may create a home ownership promotion zone
601 as described in this section.

602 (2) (a) A home ownership promotion zone created under this section:

603 (i) is an area of 10 contiguous unincorporated acres or less entirely within the
604 boundaries of the county:

605 (A) designated for residential zoning; and

606 (B) zoned for fewer than six housing units per acre before the creation of the home
607 ownership promotion zone;

608 (ii) shall be re-zoned for at least six housing units per acre; and

609 (iii) may not be encumbered by any residential building permits as of the day on which
610 the home ownership promotion zone is created.

611 (3) (a) The county shall designate the home ownership promotion zone by resolution of
612 the legislative body of the county, following the recommendation of the county planning
613 commission.

614 (b) The resolution described in Subsection (3)(a) shall describe how the home

615 ownership promotion zone created pursuant to this section meets:

616 (i) the objectives in Subsection 63N-3-1302(2); and

617 (ii) the requirements described in Subsection 63N-3-1302(3).

618 (c) The home ownership promotion zone is created on the effective date of the

619 resolution described in Subsection (3)(a).

620 (4) If a home ownership promotion zone is created as described in this section:

621 (a) affected local taxing entities are required to participate according to the

622 requirements of the home ownership promotion zone established by the municipality; and

623 (b) each affected taxing entity is required to participate at the same rate.

624 (5) A home ownership promotion zone may be modified by the same manner it is

625 created as described in Subsection (3).

626 (6) Within 30 days after the day on which the county creates the home ownership

627 promotion zone as described in Subsection (3), the county shall:

628 (a) record with the recorder a document containing:

629 (i) a description of the land within the home ownership promotion zone; and

630 (ii) the date of creation of the home ownership promotion zone;

631 (b) transmit a copy of the description of the land within the home ownership promotion

632 zone and an accurate map or plat indicating the boundaries of the home ownership promotion

633 zone to the Utah Geospatial Resource Center created under Section 63A-16-505; and

634 (c) transmit a map and description of the land within the home ownership promotion

635 zone to:

636 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any

637 part of the home ownership promotion zone is located;

638 (ii) the officer or officers performing the function of auditor or assessor for each taxing

639 entity that does not use the county assessment roll or collect the taxing entity's taxes through

640 the county;

641 (iii) the legislative body or governing board of each taxing entity impacted by the home

642 ownership promotion zone;

643 (iv) the tax commission;

644 (v) the Governor's Office of Economic Opportunity; and

645 (vi) the State Board of Education.

646 (7) A county may receive tax increment and use home ownership promotion zone
647 funds as described in Section 63N-3-1306.

648 (8) A county may not create a home ownership promotion zone if:

649 (a) the limitation described in Subsection 63N-3-603(7)(c) has been reached; or

650 (b) the area in the proposed home ownership promotion zone would overlap with:

651 (i) a project area, as that term is defined in Section 17C-1-102, and created under Title
652 17C, Chapter 1, Agency Operations, until the project area is dissolved pursuant to Section
653 17C-1-702; or

654 (ii) an existing housing and transit reinvestment zone.

655 (9) A county may restrict short term rentals in a home ownership promotion zone.

656 Section 14. Section 35A-8-503 is amended to read:

657 **35A-8-503. Housing loan fund board -- Duties -- Expenses.**

658 (1) There is created the Olene Walker Housing Loan Fund Board.

659 (2) The board is composed of [~~13~~] 14 voting members.

660 (a) The governor shall appoint the following members to four-year terms:

661 (i) two members from local governments, of which:

662 (A) one member shall be a locally elected official who resides in a county of the first or
663 second class; and

664 (B) one member shall be a locally elected official who resides in a county of the third,
665 fourth, fifth, or sixth class;

666 (ii) two members from the mortgage lending community, of which:

667 (A) one member shall have expertise in single-family mortgage lending; and

668 (B) one member shall have expertise in multi-family mortgage lending;

669 (iii) one member from real estate sales interests;

670 (iv) two members from home builders interests, of which:

671 (A) one member shall have expertise in single-family residential construction; and

672 (B) one member shall have expertise in multi-family residential construction;

673 (v) one member from rental housing interests;

674 (vi) two members from housing advocacy interests, of which:

675 (A) one member who resides within any area in a county of the first or second class;

676 and

677 (B) one member who resides within any area in a county of the third, fourth, fifth, or
678 sixth class;

679 (vii) one member of the manufactured housing interest;

680 (viii) one member with expertise in transit-oriented developments; ~~and~~

681 (ix) one member who represents rural interests[-]; and

682 (x) one member who represents the interests of modular housing.

683 (b) The director or the director's designee serves as the secretary of the board.

684 (c) The members of the board shall annually elect a chair from among the voting
685 membership of the board.

686 (3) (a) Notwithstanding the requirements of Subsection (2), the governor shall, at the
687 time of appointment or reappointment, adjust the length of terms to ensure that the terms of
688 board members are staggered so that approximately half of the board is appointed every two
689 years.

690 (b) When a vacancy occurs in the membership for any reason, the replacement is
691 appointed for the unexpired term.

692 (4) (a) The board shall:

693 (i) meet regularly, at least quarterly to conduct business of the board, on dates fixed by
694 the board;

695 (ii) meet twice per year, with at least one of the meetings in a rural area of the state, to
696 provide information to and receive input from the public regarding the state's housing policies
697 and needs;

698 (iii) keep minutes of its meetings; and

699 (iv) comply with the procedures and requirements of Title 52, Chapter 4, Open and
700 Public Meetings Act.

701 (b) Seven members of the board constitute a quorum, and the governor, the chair, or a
702 majority of the board may call a meeting of the board.

703 (5) The board shall:

704 (a) review the housing needs in the state;

705 (b) determine the relevant operational aspects of any grant, loan, or revenue collection
706 program established under the authority of this chapter;

707 (c) determine the means to implement the policies and goals of this chapter;

- 708 (d) select specific projects to receive grant or loan money; and
- 709 (e) determine how fund money shall be allocated and distributed.
- 710 (6) A member may not receive compensation or benefits for the member's service, but
- 711 may receive per diem and travel expenses in accordance with:
- 712 (a) Section [63A-3-106](#);
- 713 (b) Section [63A-3-107](#); and
- 714 (c) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
- 715 [63A-3-107](#).
- 716 Section 15. Section **57-1-46** is amended to read:
- 717 **57-1-46. Transfer fee and reinvestment fee covenants.**
- 718 (1) As used in this section:
- 719 (a) "Association expenses" means expenses incurred by a common interest association
- 720 for:
- 721 (i) the administration of the common interest association;
- 722 (ii) the purchase, ownership, leasing, construction, operation, use, administration,
- 723 maintenance, improvement, repair, or replacement of association facilities, including expenses
- 724 for taxes, insurance, operating reserves, capital reserves, and emergency funds;
- 725 (iii) providing, establishing, creating, or managing a facility, activity, service, or
- 726 program for the benefit of property owners, tenants, common areas, the burdened property, or
- 727 property governed by the common interest association; or
- 728 (iv) other facilities, activities, services, or programs that are required or permitted
- 729 under the common interest association's organizational documents.
- 730 (b) "Association facilities" means any real property, improvements on real property, or
- 731 personal property owned, leased, constructed, developed, managed, or used by a common
- 732 interest association, including common areas.
- 733 (c) "Burdened property" means the real property that is subject to a reinvestment fee
- 734 covenant or transfer fee covenant.
- 735 (d) "Common areas" means areas described within:
- 736 (i) the definition of "common areas and facilities" under Section [57-8-3](#); and
- 737 (ii) the definition of "common areas" under Section [57-8a-102](#).
- 738 (e) "Common interest association":

- 739 (i) means:
- 740 (A) an association, as defined in Section 57-8a-102;
- 741 (B) an association of unit owners, as defined in Section 57-8-3; or
- 742 (C) a nonprofit association; and
- 743 (ii) includes a person authorized by an association, association of unit owners, or
- 744 nonprofit association, as the case may be.
- 745 (f) "Large master planned development" means an approved development:
- 746 (i) of at least 500 acres or 500 units; and
- 747 (ii) that includes a commitment to fund, construct, develop, or maintain:
- 748 (A) common infrastructure;
- 749 (B) association facilities;
- 750 (C) community programming;
- 751 (D) resort facilities;
- 752 (E) open space; or
- 753 (F) recreation amenities.
- 754 (g) "Nonprofit association" means a nonprofit corporation organized under Title 16,
- 755 Chapter 6a, Utah Revised Nonprofit Corporation Act, to benefit, enhance, preserve, govern,
- 756 manage, or maintain burdened property.
- 757 (h) "Organizational documents":
- 758 (i) for an association, as defined in Section 57-8a-102, means governing documents as
- 759 defined in Section 57-8a-102;
- 760 (ii) for an association of unit owners, as defined in Section 57-8-3, means a declaration
- 761 as defined in Section 57-8-3; and
- 762 (iii) for a nonprofit association:
- 763 (A) means a written instrument by which the nonprofit association exercises powers or
- 764 manages, maintains, or otherwise affects the property under the jurisdiction of the nonprofit
- 765 association; and
- 766 (B) includes articles of incorporation, bylaws, plats, charters, the nonprofit
- 767 association's rules, and declarations of covenants, conditions, and restrictions.
- 768 (i) "Reinvestment fee covenant" means a covenant, restriction, or agreement that:
- 769 (i) affects real property; and

770 (ii) obligates a future buyer or seller of the real property to pay to a common interest
771 association, upon and as a result of a transfer of the real property, a fee that is dedicated to
772 benefitting the burdened property, including payment for:

- 773 (A) common planning, facilities, and infrastructure;
- 774 (B) obligations arising from an environmental covenant;
- 775 (C) community programming;
- 776 (D) resort facilities;
- 777 (E) open space;
- 778 (F) recreation amenities;
- 779 (G) charitable purposes; or
- 780 (H) association expenses.

781 (j) "Transfer fee covenant":

782 (i) means an obligation, however denominated, expressed in a covenant, restriction,
783 agreement, or other instrument or document:

- 784 (A) that affects real property;
- 785 (B) that is imposed on a future buyer or seller of real property, other than a person who
786 is a party to the covenant, restriction, agreement, or other instrument or document; and
- 787 (C) to pay a fee upon and as a result of a transfer of the real property; and

788 (ii) does not include:

- 789 (A) an obligation imposed by a court judgment, order, or decree;
- 790 (B) an obligation imposed by the federal government or a state or local government
791 entity; or
- 792 (C) a reinvestment fee covenant.

793 (2) A transfer fee covenant recorded on or after March 16, 2010 is void and
794 unenforceable.

795 (3) (a) Except as provided in Subsection (3)(b), a reinvestment fee covenant may not
796 be sold, assigned, or conveyed unless the sale, assignment, or conveyance is to a common
797 interest association that was formed to benefit the burdened property.

798 (b) A common interest association may assign or pledge to a lender the right to receive
799 payment under a reinvestment fee covenant if:

- 800 (i) the assignment or pledge is as collateral for a credit facility; and

801 (ii) the lender releases the collateral interest upon payment in full of all amounts that
802 the common interest association owes to the lender under the credit facility.

803 (4) A reinvestment fee covenant recorded on or after March 16, 2010 is not enforceable
804 if the reinvestment fee covenant is intended to affect property that is the subject of a previously
805 recorded transfer fee covenant or reinvestment fee covenant.

806 (5) A reinvestment fee covenant recorded on or after March 16, 2010 may not obligate
807 the payment of a fee that exceeds .5% of the value of the burdened property, unless the
808 burdened property is part of a large master planned development.

809 (6) (a) A reinvestment fee covenant recorded on or after March 16, 2010 is void and
810 unenforceable unless a notice of reinvestment fee covenant, separate from the reinvestment fee
811 covenant, is recorded in the office of the recorder of each county in which any of the burdened
812 property is located.

813 (b) A notice under Subsection (6)(a) shall:

814 (i) state the name and address of the common interest association to which the fee
815 under the reinvestment fee covenant is required to be paid;

816 (ii) include the notarized signature of the common interest association's authorized
817 representative;

818 (iii) state that the burden of the reinvestment fee covenant is intended to run with the
819 land and to bind successors in interest and assigns;

820 (iv) state that the existence of the reinvestment fee covenant precludes the imposition
821 of an additional reinvestment fee covenant on the burdened property;

822 (v) state the duration of the reinvestment fee covenant;

823 (vi) state the purpose of the fee required to be paid under the reinvestment fee
824 covenant; and

825 (vii) state that the fee required to be paid under the reinvestment fee covenant is
826 required to benefit the burdened property.

827 (c) A recorded notice of reinvestment fee covenant that substantially complies with the
828 requirements of Subsection (6)(b) is valid and effective.

829 (7) (a) A reinvestment fee covenant or transfer fee covenant recorded before March 16,
830 2010 is not enforceable after May 31, 2010, unless:

831 (i) a notice that is consistent with the notice described in Subsection (6) is recorded in

832 the office of the recorder of each county in which any of the burdened property is located; or
833 (ii) a notice of reinvestment fee covenant or transfer fee covenant, as described in
834 Subsection (7)(b), is recorded in the office of the recorder of each county in which any of the
835 burdened property is located.

836 (b) A notice under Subsection (7)(a)(ii) shall:

837 (i) include the notarized signature of the beneficiary of the reinvestment fee covenant
838 or transfer fee covenant, or the beneficiary's authorized representative;

839 (ii) state the name and current address of the beneficiary under the reinvestment fee
840 covenant or transfer fee covenant;

841 (iii) state that the burden of the reinvestment fee covenant or transfer fee covenant is
842 intended to run with the land and to bind successors in interest and assigns; and

843 (iv) state the duration of the reinvestment fee covenant or transfer fee covenant.

844 (c) A recorded notice of reinvestment fee covenant or transfer fee covenant that
845 substantially complies with the requirements of Subsection (7)(b) is valid and effective.

846 (d) A notice under Subsection (7)(b):

847 (i) that is recorded after May 31, 2010, is not enforceable; and

848 (ii) shall comply with the requirements of Section [57-1-47](#).

849 (e) An amendment to a notice under Subsection (7)(b) recorded after May 31, 2010,
850 seeking to amend a notice under Subsection (7)(b) recorded before May 31, 2010, is not an
851 enforceable amendment.

852 (8) A reinvestment fee covenant recorded on or after March 16, 2010, may not be
853 enforced upon:

854 (a) an involuntary transfer;

855 (b) a transfer that results from a court order;

856 (c) a bona fide transfer to a family member of the seller within three degrees of
857 consanguinity who, before the transfer, provides adequate proof of consanguinity;

858 (d) a transfer or change of interest due to death, whether provided in a will, trust, or
859 decree of distribution; or

860 (e) the transfer of burdened property by a financial institution, except to the extent that
861 the reinvestment fee covenant requires the payment of a common interest association's costs
862 directly related to the transfer of the burdened property, not to exceed \$250.

863 Section 16. Section **57-1-47** is enacted to read:

864 **57-1-47. Notice requirements for continuation of existing private transfer fee**
865 **obligations.**

866 (1) In addition to the requirements described in Subsection 57-1-46(7), a person
867 required to file a notice under this section shall:

868 (a) (i) file the notice described in this section on or before May 31, 2024; and

869 (ii) re-file the notice, no earlier than May 1 and no later than May 31, every three years
870 thereafter; and

871 (b) amend the notice to reflect any change in the name or address of any payee included
872 in the notice no later than the 30 days after the day on which the change occurs.

873 (2) A person who amends a notice filed under Subsection (1) shall include with the
874 amendment:

875 (a) the recording information of the original notice; and

876 (b) the legal description of the property subject to the private transfer fee obligation.

877 (3) To be effective, a notice filed under this section shall be approved in writing by
878 every person holding a majority of the beneficial interests in the private transfer fee obligation.

879 (4) If a person required to file a notice under this section fails to comply with this
880 section:

881 (a) payment of the private transfer fee may not be a requirement for the conveyance of
882 an interest in the property to a purchaser;

883 (b) the property is not subject to further obligation under the private transfer fee
884 obligation; and

885 (c) the private transfer fee obligation is void.

886 (5) A recorded notice of transfer fee covenant that complies with the requirements of
887 this section is valid and effective.

888 (6) (a) A person that is no longer subject to a private transfer fee obligation may seek
889 declaratory relief in court to address any encumbrance on real property owned by the person.

890 (b) Upon a successful claim for declaratory relief, as described in Subsection (6)(a), a
891 court may award the person costs and reasonable attorney fees.

892 Section 17. Section **63H-8-501** is amended to read:

893 **63H-8-501. Definitions.**

894 As used in this part:

895 (1) (a) "First-time homebuyer" means an individual who ~~[qualifies for assistance under~~
896 ~~42 U.S.C. Sec. 12852.]~~ satisfies:

897 (i) the three-year requirement described in Section 143(d) of the Internal Revenue Code
898 of 1986, as amended, and any corresponding federal regulations; and

899 (ii) requirements made by the corporation by rule, as described in Section 63H-8-502.

900 (b) "First-time homebuyer" includes a single parent, as defined by the corporation by
901 rule made as described in Section 63H-8-502, who would meet the three-year requirement
902 described in Subsection (1)(a)(i) but for a present ownership interest in a principal residence in
903 which the single parent:

904 (i) had a present ownership interest with the single parent's former spouse during the
905 three-year period;

906 (ii) resided while married during the three-year period; and

907 (iii) no longer:

908 (A) has a present ownership interest; or

909 (B) resides.

910 (2) "Home equity amount" means the difference between:

911 (a) (i) in the case of a sale, the sales price for which the qualifying residential unit is
912 sold by the recipient in a bona fide sale to a third party with no right to repurchase less an
913 amount up to 1% of the sales price used for seller-paid closing costs; or

914 (ii) in the case of a refinance, the current appraised value of the qualifying residential
915 unit; and

916 (b) the total payoff amount of any qualifying mortgage loan that was used to finance
917 the purchase of the qualifying residential unit.

918 (3) "Program" means the First-Time Homebuyer Assistance Program created in Section
919 63H-8-502.

920 (4) "Program funds" means money appropriated for the program.

921 (5) "Qualifying mortgage loan" means a mortgage loan that:

922 (a) is purchased by the corporation; and

923 (b) is subject to a document that is recorded in the office of the county recorder of the
924 county in which the residential unit is located.

- 925 (6) "Qualifying residential unit" means a residential unit that:
- 926 (a) is located in the state;
- 927 (b) is new construction or newly constructed but not yet inhabited;
- 928 (c) is financed by a qualifying mortgage loan;
- 929 (d) is owner-occupied ~~[upon]~~ within 60 days of purchase, or in the case of a two-unit
- 930 dwelling, at least one unit is owner-occupied within 60 days of purchase; and
- 931 (e) is purchased for an amount that does not exceed:
- 932 (i) \$450,000; or
- 933 (ii) if applicable, the maximum purchase price established by the corporation under
- 934 Subsection [63H-8-502\(6\)](#).
- 935 (7) "Recipient" means a first-time homebuyer who receives program funds.
- 936 (8) (a) "Residential unit" means a house, condominium, townhome, or similar
- 937 residential structure that serves as a one-unit dwelling or forms part of a two-unit dwelling.
- 938 (b) "Residential unit" includes a manufactured home or modular home that is attached
- 939 to a permanent foundation.
- 940 Section 18. Section **63H-8-502** is amended to read:
- 941 **63H-8-502. First-Time Homebuyer Assistance Program.**
- 942 (1) There is created the First-Time Homebuyer Assistance Program administered by
- 943 the corporation.
- 944 (2) Subject to appropriations from the Legislature, the corporation shall distribute
- 945 program funds to:
- 946 (a) first-time homebuyers to provide support for the purchase of qualifying residential
- 947 units; and
- 948 (b) reimburse the corporation for a distribution of funds under Subsection (2)(a) that
- 949 took place on or after July 1, 2023.
- 950 (3) The maximum amount of program funds that a first-time homebuyer may receive
- 951 under the program is \$20,000.
- 952 (4) (a) A recipient may use program funds to pay for:
- 953 (i) the down payment on a qualifying residential unit;
- 954 (ii) closing costs associated with the purchase of a qualifying residential unit;
- 955 (iii) a permanent reduction in the advertised par interest rate on a qualifying mortgage

956 loan that is used to finance a qualifying residential unit; or

957 (iv) any combination of Subsections (4)(a)(i), (ii), and (iii).

958 (b) The corporation shall direct the disbursement of program funds for a purpose
959 authorized in Subsection (4)(a).

960 (c) A recipient may not receive a payout or distribution of program funds upon closing.

961 (5) The builder or developer of a qualifying residential unit may not increase the price
962 of the qualifying residential unit on the basis of program funds being used towards the purchase
963 of that qualifying residential unit.

964 (6) (a) In accordance with rules made by the corporation under Subsection (9), the
965 corporation may adjust the maximum purchase price of a qualifying residential unit for which a
966 first-time homebuyer qualifies to receive program funds in order to reflect current market
967 conditions~~[, provided that]~~.

968 (b) In connection with an adjustment made under Subsection (6)(a), the corporation
969 may establish one or more maximum purchase prices corresponding by residential unit type,
970 geographic location, or any other factor the corporation considers relevant.

971 (c) ~~[the]~~ The corporation [adjusts the] may adjust a maximum purchase price under this
972 Subsection (6) no more frequently than once each calendar year.

973 (7) (a) ~~[If]~~ Except as provided in Subsection (7)(b), if the recipient sells the qualifying
974 residential unit or refinances the qualifying mortgage loan that was used to finance the
975 purchase of the qualifying residential unit before the end of the original term of the qualifying
976 mortgage loan, the recipient shall repay to the corporation an amount equal to the lesser of:

977 ~~[(a)]~~ (i) the amount of program funds the recipient received; or

978 ~~[(b)]~~ (ii) 50% of the recipient's home equity amount.

979 (b) Subsection (7)(a) does not apply to a qualifying mortgage loan that is refinanced
980 with a new qualifying mortgage loan if any subordinate qualifying mortgage loan, or loan from
981 program funds used on the purchase of the qualifying residential unit, is resubordinated only to
982 the new qualifying mortgage loan.

983 (8) Any funds repaid to the corporation under Subsection (7) shall be used for program
984 distributions.

985 (9) The corporation shall make rules governing the application form, process, and
986 criteria the corporation will use to distribute program funds to first-time homebuyers, in

987 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

988 (10) The corporation may use up to 5% of program funds for administration.

989 (11) The corporation shall report annually to the Social Services Appropriations
990 Subcommittee on disbursements from the program and any adjustments made to the maximum
991 purchase price or maximum purchase prices of a qualifying residential unit under Subsection
992 (6).

993 Section 19. Section **63N-3-602** is amended to read:

994 **63N-3-602. Definitions.**

995 As used in this part:

996 (1) "Affordable housing" means housing occupied or reserved for occupancy by
997 households with a gross household income equal to or less than 80% of the median gross
998 income of the applicable municipal or county statistical area for households of the same size.

999 (2) "Agency" means the same as that term is defined in Section [17C-1-102](#).

1000 (3) "Base taxable value" means a property's taxable value as shown upon the
1001 assessment roll last equalized during the base year.

1002 (4) "Base year" means, for a proposed housing and transit reinvestment zone area, a
1003 year beginning the first day of the calendar quarter determined by the last equalized tax roll
1004 before the adoption of the housing and transit reinvestment zone.

1005 (5) "Bus rapid transit" means a high-quality bus-based transit system that delivers fast
1006 and efficient service that may include dedicated lanes, busways, traffic signal priority,
1007 off-board fare collection, elevated platforms, and enhanced stations.

1008 (6) "Bus rapid transit station" means an existing station, stop, or terminal, or a
1009 proposed station, stop, or terminal that is specifically identified in a metropolitan planning
1010 organization's adopted long-range transportation plan and the relevant public transit district's
1011 five-year plan:

1012 (a) along an existing bus rapid transit line; or

1013 (b) along an extension to an existing bus rapid transit line or new bus rapid transit line.

1014 (7) "Committee" means a housing, home ownership, and transit reinvestment zone
1015 committee created pursuant to Section [63N-3-605](#).

1016 [~~7~~] (8) (a) "Commuter rail" means a heavy-rail passenger rail transit facility operated
1017 by a large public transit district.

1018 (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public
1019 transit district.

1020 [~~8~~] (9) "Commuter rail station" means an existing station, stop, or terminal, or a
1021 proposed station, stop, or terminal, which has been specifically identified in a metropolitan
1022 planning organization's adopted long-range transportation plan and the relevant public transit
1023 district's five-year plan:

- 1024 (a) along an existing commuter rail line;
- 1025 (b) along an extension to an existing commuter rail line or new commuter rail line; or
- 1026 (c) along a fixed guideway extension from an existing commuter rail line.

1027 [~~9~~] (10) (a) "Developable area" means the portion of land within a housing and transit
1028 reinvestment zone available for development and construction of business and residential uses.

1029 (b) "Developable area" does not include portions of land within a housing and transit
1030 reinvestment zone that are allocated to:

- 1031 (i) parks;
- 1032 (ii) recreation facilities;
- 1033 (iii) open space;
- 1034 (iv) trails;
- 1035 (v) publicly-owned roadway facilities; or
- 1036 (vi) other public facilities.

1037 [~~10~~] (11) "Dwelling unit" means one or more rooms arranged for the use of one or
1038 more individuals living together, as a single housekeeping unit normally having cooking,
1039 living, sanitary, and sleeping facilities.

1040 [~~11~~] (12) "Enhanced development" means the construction of mixed uses including
1041 housing, commercial uses, and related facilities.

1042 [~~12~~] (13) "Enhanced development costs" means extra costs associated with structured
1043 parking costs, vertical construction costs, horizontal construction costs, life safety costs,
1044 structural costs, conveyor or elevator costs, and other costs incurred due to the increased height
1045 of buildings or enhanced development.

1046 [~~13~~] (14) "Fixed guideway" means the same as that term is defined in Section
1047 [59-12-102](#).

1048 (15) "Home ownership promotion zone" means the same as that term is defined in

1049 Section 63N-3-1301.

1050 ~~[(14)]~~ (16) "Horizontal construction costs" means the additional costs associated with
1051 earthwork, over excavation, utility work, transportation infrastructure, and landscaping to
1052 achieve enhanced development in the housing and transit reinvestment zone.

1053 ~~[(15)]~~ (17) "Housing and transit reinvestment zone" means a housing and transit
1054 reinvestment zone created pursuant to this part.

1055 ~~[(16)] "Housing and transit reinvestment zone committee" means a housing and transit~~
1056 ~~reinvestment zone committee created pursuant to Section 63N-3-605.]~~

1057 ~~[(17)]~~ (18) "Large public transit district" means the same as that term is defined in
1058 Section 17B-2a-802.

1059 ~~[(18)]~~ (19) "Light rail" means a passenger rail public transit system with right-of-way
1060 and fixed rails:

- 1061 (a) dedicated to exclusive use by light-rail public transit vehicles;
- 1062 (b) that may cross streets at grade; and
- 1063 (c) that may share parts of surface streets.

1064 ~~[(19)]~~ (20) "Light rail station" means an existing station, stop, or terminal or a
1065 proposed station, stop, or terminal, which has been specifically identified in a metropolitan
1066 planning organization's adopted long-range transportation plan and the relevant public transit
1067 district's five-year plan:

- 1068 (a) along an existing light rail line; or
- 1069 (b) along an extension to an existing light rail line or new light rail line.

1070 ~~[(20)]~~ (21) "Metropolitan planning organization" means the same as that term is
1071 defined in Section 72-1-208.5.

1072 ~~[(21)]~~ (22) "Mixed use development" means development with a mix of multi-family
1073 residential use and at least one additional land use.

1074 ~~[(22)]~~ (23) "Municipality" means the same as that term is defined in Section 10-1-104.

1075 ~~[(23)]~~ (24) "Participant" means the same as that term is defined in Section 17C-1-102.

1076 ~~[(24)]~~ (25) "Participation agreement" means the same as that term is defined in Section
1077 17C-1-102, except that the agency may not provide and the person may not receive a direct
1078 subsidy.

1079 ~~[(25)]~~ (26) "Public transit county" means a county that has created a small public

1080 transit district.

1081 ~~[(26)]~~ (27) "Public transit hub" means a public transit depot or station where four or
1082 more routes serving separate parts of the county-created transit district stop to transfer riders
1083 between routes.

1084 ~~[(27)]~~ (28) "Sales and use tax base year" means a sales and use tax year determined by
1085 the first year pertaining to the tax imposed in Section 59-12-103 after the sales and use tax
1086 boundary for a housing and transit reinvestment zone is established.

1087 ~~[(28)]~~ (29) "Sales and use tax boundary" means a boundary created as described in
1088 Section 63N-3-604, based on state sales and use tax collection that corresponds as closely as
1089 reasonably practicable to the housing and transit reinvestment zone boundary.

1090 ~~[(29)]~~ (30) "Sales and use tax increment" means the difference between:

1091 (a) the amount of state sales and use tax revenue generated each year following the
1092 sales and use tax base year by the sales and use tax from the area within a housing and transit
1093 reinvestment zone designated in the housing and transit reinvestment zone proposal as the area
1094 from which sales and use tax increment is to be collected; and

1095 (b) the amount of state sales and use tax revenue that was generated from that same
1096 area during the sales and use tax base year.

1097 ~~[(30)]~~ (31) "Sales and use tax revenue" means revenue that is generated from the tax
1098 imposed under Section 59-12-103.

1099 ~~[(31)]~~ (32) "Small public transit district" means the same as that term is defined in
1100 Section 17B-2a-802.

1101 ~~[(32)]~~ (33) "Tax Commission" means the State Tax Commission created in Section
1102 59-1-201.

1103 ~~[(33)]~~ (34) "Tax increment" means the difference between:

1104 (a) the amount of property tax revenue generated each tax year by a taxing entity from
1105 the area within a housing and transit reinvestment zone designated in the housing and transit
1106 reinvestment zone proposal as the area from which tax increment is to be collected, using the
1107 current assessed value and each taxing entity's current certified tax rate as defined in Section
1108 59-2-924; and

1109 (b) the amount of property tax revenue that would be generated from that same area
1110 using the base taxable value and each taxing entity's current certified tax rate as defined in

1111 Section 59-2-924.

1112 [~~34~~] (35) "Taxing entity" means the same as that term is defined in Section
1113 17C-1-102.

1114 [~~35~~] (36) "Vertical construction costs" means the additional costs associated with
1115 construction above four stories and structured parking to achieve enhanced development in the
1116 housing and transit reinvestment zone.

1117 Section 20. Section 63N-3-603 is amended to read:

1118 **63N-3-603. Applicability, requirements, and limitations on a housing and transit**
1119 **reinvestment zone.**

1120 (1) A housing and transit reinvestment zone proposal created under this part shall
1121 promote the following objectives:

1122 (a) higher utilization of public transit;

1123 (b) increasing availability of housing, including affordable housing, and fulfillment of
1124 moderate income housing plans;

1125 (c) improving efficiencies in parking and transportation, including walkability of
1126 communities near public transit facilities;

1127 (d) overcoming development impediments and market conditions that render a
1128 development cost prohibitive absent the proposal and incentives;

1129 (e) conservation of water resources through efficient land use;

1130 (f) improving air quality by reducing fuel consumption and motor vehicle trips;

1131 (g) encouraging transformative mixed-use development and investment in

1132 transportation and public transit infrastructure in strategic areas;

1133 (h) strategic land use and municipal planning in major transit investment corridors as
1134 described in Subsection 10-9a-403(2);

1135 (i) increasing access to employment and educational opportunities; and

1136 (j) increasing access to child care.

1137 (2) In order to accomplish the objectives described in Subsection (1), a municipality or
1138 public transit county that initiates the process to create a housing and transit reinvestment zone
1139 as described in this part shall ensure that the proposal for a housing and transit reinvestment
1140 zone includes:

1141 (a) except as provided in Subsection (3), at least 10% of the proposed dwelling units

1142 within the housing and transit reinvestment zone are affordable housing units;

1143 (b) at least 51% of the developable area within the housing and transit reinvestment
1144 zone includes residential uses with, except as provided in Subsection (4)(c), an average of 50
1145 dwelling units per acre or greater;

1146 (c) mixed-use development; and

1147 (d) a mix of dwelling units to ensure that a reasonable percentage of the dwelling units
1148 has more than one bedroom.

1149 (3) A municipality or public transit county that, at the time the housing and transit
1150 reinvestment zone proposal is approved by the [~~housing and transit reinvestment zone~~]
1151 committee, meets the affordable housing guidelines of the United States Department of
1152 Housing and Urban Development at 60% area median income is exempt from the requirement
1153 described in Subsection (2)(a).

1154 (4) (a) A municipality may only propose a housing and transit reinvestment zone at a
1155 commuter rail station, and a public transit county may only propose a housing and transit
1156 reinvestment zone at a public transit hub, that:

1157 (i) subject to Subsection (5)(a):

1158 (A) (I) except as provided in Subsection (4)(a)(i)(A)(II), for a municipality, does not
1159 exceed a 1/3 mile radius of a commuter rail station;

1160 (II) for a municipality that is a city of the first class with a population greater than
1161 150,000 that is within a county of the first class, with an opportunity zone created pursuant to
1162 Section 1400Z-1, Internal Revenue Code, does not exceed a 1/2 mile radius of a commuter rail
1163 station located within the opportunity zone; or

1164 (III) for a public transit county, does not exceed a 1/3 mile radius of a public transit
1165 hub; and

1166 (B) has a total area of no more than 125 noncontiguous acres;

1167 (ii) subject to Section 63N-3-607, proposes the capture of a maximum of 80% of each
1168 taxing entity's tax increment above the base year for a term of no more than 25 consecutive
1169 years on each parcel within a 45-year period not to exceed the tax increment amount approved
1170 in the housing and transit reinvestment zone proposal; and

1171 (iii) the commencement of collection of tax increment, for all or a portion of the
1172 housing and transit reinvestment zone, will be triggered by providing notice as described in

1173 Subsection (6).

1174 (b) A municipality or public transit county may only propose a housing and transit
1175 reinvestment zone at a light rail station or bus rapid transit station that:

1176 (i) subject to Subsection (5):

1177 (A) does not exceed:

1178 (I) except as provided in Subsection (4)(b)(i)(A)(II) or (III), a 1/4 mile radius of a bus
1179 rapid transit station or light rail station;

1180 (II) for a municipality that is a city of the first class with a population greater than
1181 150,000 that is within a county of the first class, a 1/2 mile radius of a light rail station located
1182 in an opportunity zone created pursuant to Section

1183 1400Z-1, Internal Revenue Code; or

1184 (III) a 1/2 mile radius of a light rail station located within a master-planned
1185 development of 500 acres or more; and

1186 (B) has a total area of no more than 100 noncontiguous acres;

1187 (ii) subject to Subsection (4)(c) and Section 63N-3-607, proposes the capture of a
1188 maximum of 80% of each taxing entity's tax increment above the base year for a term of no
1189 more than 15 consecutive years on each parcel within a 30-year period not to exceed the tax
1190 increment amount approved in the housing and transit reinvestment zone proposal; and

1191 (iii) the commencement of collection of tax increment, for all or a portion of the
1192 housing and transit reinvestment zone, will be triggered by providing notice as described in
1193 Subsection (6).

1194 (c) For a housing and transit reinvestment zone proposed by a public transit county at a
1195 public transit hub, or for a housing and transit reinvestment zone proposed by a municipality at
1196 a bus rapid transit station, if the proposed housing density within the housing and transit
1197 reinvestment zone is between 39 and 49 dwelling units per acre, the maximum capture of each
1198 taxing entity's tax increment above the base year is 60%.

1199 (d) A municipality that is a city of the first class with a population greater than 150,000
1200 in a county of the first class as described in Subsections (4)(a)(i)(A)(II) and (4)(b)(i)(A)(II) may
1201 only propose one housing and transit reinvestment zone within an opportunity zone.

1202 (e) A county of the first class may not propose a housing and transit reinvestment zone
1203 that includes an area that is part of a project area, as that term is defined in Section 17C-1-102,

1204 and created under Title 17C, Chapter 1, Agency Operations, until the project area is dissolved
1205 pursuant to Section [17C-1-702](#).

1206 (5) (a) For a housing and transit reinvestment zone for a commuter rail station, if a
1207 parcel is bisected by the relevant radius limitation, the full parcel may be included as part of the
1208 housing and transit reinvestment zone area and will not count against the limitations described
1209 in Subsection (4)(a)(i).

1210 (b) For a housing and transit reinvestment zone for a light rail or bus rapid transit
1211 station, if a parcel is bisected by the relevant radius limitation, the full parcel may be included
1212 as part of the housing and transit reinvestment zone area and will not count against the
1213 limitations described in Subsection (4)(b)(i).

1214 (6) The notice of commencement of collection of tax increment required in Subsection
1215 (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to:

1216 (a) the tax commission;

1217 (b) the State Board of Education;

1218 (c) the state auditor;

1219 (d) the auditor of the county in which the housing and transit reinvestment zone is
1220 located;

1221 (e) each taxing entity affected by the collection of tax increment from the housing and
1222 transit reinvestment zone; and

1223 (f) the Governor's Office of Economic Opportunity.

1224 (7) (a) The maximum number of housing and transit reinvestment zones at light rail
1225 stations is eight in any given county.

1226 (b) Within a county of the first class, the maximum number of housing and transit
1227 reinvestment zones at bus rapid transit stations is three.

1228 (c) Within a county of the first class, the maximum total combined number of housing
1229 and transit reinvestment zones and home ownership promotion zones created under Section
1230 [10-9a-539](#), Section [17-27a-534](#), or Part 13, Home Ownership Promotion Zone Act, is 11.

1231 (8) (a) This Subsection (8) applies to a specified county, as defined in Section
1232 [17-27a-408](#), that has created a small public transit district on or before January 1, 2022.

1233 (b) (i) A county described in Subsection (8)(a) shall, in accordance with Section
1234 [63N-3-604](#), prepare and submit to the Governor's Office of Economic Opportunity a proposal

1235 to create a housing and transit reinvestment zone on or before December 31, 2022.

1236 (ii) A county described in Subsection (8)(a) that, on December 31, 2022, was
1237 noncompliant under Section 17-27a-408 for failure to demonstrate in the county's moderate
1238 income housing report that the county complied with Subsection (8)(b)(i), may cure the
1239 deficiency in the county's moderate income housing report by submitting satisfactory proof to
1240 the Housing and Community Development Division that, notwithstanding the deadline in
1241 Subsection (8)(b)(i), the county has submitted to the Governor's Office of Economic
1242 Opportunity a proposal to create a housing and transit reinvestment zone.

1243 (c) (i) A county described in Subsection (8)(a) may not propose a housing and transit
1244 reinvestment zone if more than 15% of the acreage within the housing and transit reinvestment
1245 zone boundary is owned by the county.

1246 (ii) For purposes of determining the percentage of acreage owned by the county as
1247 described in Subsection (8)(c)(i), a county may exclude any acreage owned that is used for
1248 highways, bus rapid transit, light rail, or commuter rail within the boundary of the housing and
1249 transit reinvestment zone.

1250 (d) To accomplish the objectives described in Subsection (1), if a county described in
1251 Subsection (8)(a) has failed to comply with Subsection (8)(b)(i) by failing to submit an
1252 application before December 31, 2022, an owner of undeveloped property who has submitted a
1253 land use application to the county on or before December 31, 2022, and is within a 1/3 mile
1254 radius of a public transit hub in a county described in Subsection (8)(a), including parcels that
1255 are bisected by the 1/3 mile radius, shall have the right to develop and build a mixed-use
1256 development including the following:

1257 (i) excluding the parcels devoted to commercial uses as described in Subsection
1258 (8)(d)(ii), at least 39 dwelling units per acre on average over the developable area, with at least
1259 10% of the dwelling units as affordable housing units;

1260 (ii) commercial uses including office, retail, educational, and healthcare in support of
1261 the mixed-use development constituting up to 1/3 of the total planned gross building square
1262 footage of the subject parcels; and

1263 (iii) any other infrastructure element necessary or reasonable to support the mixed-use
1264 development, including parking infrastructure, streets, sidewalks, parks, and trails.

1265 Section 21. Section 63N-3-604 is amended to read:

1266 **63N-3-604. Process for a proposal of a housing and transit reinvestment zone --**
1267 **Analysis.**

1268 (1) Subject to approval of the [~~housing and transit reinvestment zone~~] committee as
1269 described in Section 63N-3-605, in order to create a housing and transit reinvestment zone, a
1270 municipality or public transit county that has general land use authority over the housing and
1271 transit reinvestment zone area, shall:

1272 (a) prepare a proposal for the housing and transit reinvestment zone that:

1273 (i) demonstrates that the proposed housing and transit reinvestment zone will meet the
1274 objectives described in Subsection 63N-3-603(1);

1275 (ii) explains how the municipality or public transit county will achieve the
1276 requirements of Subsection 63N-3-603(2)(a);

1277 (iii) defines the specific transportation infrastructure needs, if any, and proposed
1278 improvements;

1279 (iv) defines the boundaries of:

1280 (A) the housing and transit reinvestment zone; and

1281 (B) the sales and use tax boundary corresponding to the housing and transit
1282 reinvestment zone boundary, as described in Section 63N-3-610;

1283 (v) includes maps of the proposed housing and transit reinvestment zone to illustrate:

1284 (A) the proposed boundary and radius from a public transit hub;

1285 (B) proposed housing density within the housing and transit reinvestment zone; and

1286 (C) existing zoning and proposed zoning changes related to the housing and transit
1287 reinvestment zone;

1288 (vi) identifies any development impediments that prevent the development from being
1289 a market-rate investment and proposed strategies for addressing each one;

1290 (vii) describes the proposed development plan, including the requirements described in
1291 Subsections 63N-3-603(2) and (4);

1292 (viii) establishes a base year and collection period to calculate the tax increment within
1293 the housing and transit reinvestment zone;

1294 (ix) establishes a sales and use tax base year to calculate the sales and use tax
1295 increment within the housing and transit reinvestment zone;

1296 (x) describes projected maximum revenues generated and the amount of tax increment

1297 capture from each taxing entity and proposed expenditures of revenue derived from the housing
1298 and transit reinvestment zone;

1299 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources of
1300 revenue that can be used to reduce the finance gap;

1301 (xii) evaluates possible benefits to active and public transportation availability and
1302 impacts on air quality;

1303 (xiii) proposes a finance schedule to align expected revenue with required financing
1304 costs and payments;

1305 (xiv) provides a pro-forma for the planned development including the cost differential
1306 between surface parked multi-family development and enhanced development that satisfies the
1307 requirements described in Subsections 63N-3-603(2), (3), and (4); and

1308 (xv) for a housing and transit reinvestment zone at a commuter rail station, light rail
1309 station, or bus rapid transit station that is proposed and not in public transit service operation as
1310 of the date of submission of the proposal, demonstrates that the proposed station is:

1311 (A) included in a metropolitan planning organization's adopted long-range
1312 transportation plan and the relevant public transit district's five-year plan; and

1313 (B) reasonably anticipated to be constructed in the near future; and

1314 (b) submit the housing and transit reinvestment zone proposal to the Governor's Office
1315 of Economic Opportunity.

1316 (2) As part of the proposal described in Subsection (1), a municipality or public transit
1317 county shall study and evaluate possible impacts of a proposed housing and transit
1318 reinvestment zone on parking within the city and housing and transit reinvestment zone.

1319 (3) (a) After receiving the proposal as described in Subsection (1)(b), the Governor's
1320 Office of Economic Opportunity shall:

1321 (i) within 14 days after the date on which the Governor's Office of Economic
1322 Opportunity receives the proposal described in Subsection (1)(b), provide notice of the
1323 proposal to all affected taxing entities, including the Tax Commission, cities, counties, school
1324 districts, and metropolitan planning organizations; and

1325 (ii) at the expense of the proposing municipality or public transit county as described in
1326 Subsection (5), contract with an independent entity to perform the gap analysis described in
1327 Subsection (3)(b).

1328 (b) The gap analysis required in Subsection (3)(a)(ii) shall include:
1329 (i) a description of the planned development;
1330 (ii) a market analysis relative to other comparable project developments included in or
1331 adjacent to the municipality or public transit county absent the proposed housing and transit
1332 reinvestment zone;
1333 (iii) an evaluation of the proposal to and a determination of the adequacy and efficiency
1334 of the proposal;
1335 (iv) an evaluation of the proposed increment capture needed to cover the enhanced
1336 development costs associated with the housing and transit reinvestment zone proposal and
1337 enable the proposed development to occur; and
1338 (v) based on the market analysis and other findings, an opinion relative to the
1339 appropriate amount of potential public financing reasonably determined to be necessary to
1340 achieve the objectives described in Subsection 63N-3-603(1).
1341 (c) After receiving notice from the Governor's Office of Economic Opportunity of a
1342 proposed housing and transit reinvestment zone as described in Subsection (3)(a)(i), the Tax
1343 Commission shall:
1344 (i) evaluate the feasibility of administering the tax implications of the proposal; and
1345 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any
1346 challenges in the administration of the proposal, or indicating that the Tax Commission can
1347 feasibly administer the proposal.
1348 (4) After receiving the results from the analysis described in Subsection (3)(b), the
1349 municipality or public transit county proposing the housing and transit reinvestment zone may:
1350 (a) amend the housing and transit reinvestment zone proposal based on the findings of
1351 the analysis described in Subsection (3)(b) and request that the Governor's Office of Economic
1352 Opportunity submit the amended housing and transit reinvestment zone proposal to the
1353 [~~housing and transit reinvestment zone~~] committee; or
1354 (b) request that the Governor's Office of Economic Opportunity submit the original
1355 housing and transit reinvestment zone proposal to the [~~housing and transit reinvestment zone~~]
1356 committee.
1357 (5) (a) The Governor's Office of Economic Opportunity may accept, as a dedicated
1358 credit, up to \$20,000 from a municipality or public transit county for the costs of the gap

1359 analysis described in Subsection (3)(b).

1360 (b) The Governor's Office of Economic Opportunity may expend funds received from a
1361 municipality or public transit county as dedicated credits to pay for the costs associated with
1362 the gap analysis described in Subsection (3)(b).

1363 Section 22. Section **63N-3-605** is amended to read:

1364 **63N-3-605. Housing, home ownership, and transit reinvestment zone committee --**
1365 **Creation.**

1366 (1) For any housing and transit reinvestment zone proposed under this part, or for a
1367 home ownership promotion zone proposed in accordance with Part 13, Home Ownership
1368 Promotion Zone Act, there is created a housing, home ownership, and transit reinvestment zone
1369 committee with membership described in Subsection (2).

1370 (2) Each [~~housing and transit reinvestment zone~~] committee shall consist of the
1371 following members:

1372 (a) one representative from the Governor's Office of Economic Opportunity, designated
1373 by the executive director of the Governor's Office of Economic Opportunity;

1374 (b) one representative from each municipality, designated by the chief executive officer
1375 of each respective municipality, that is a party to:

1376 (i) the proposed housing and transit reinvestment zone[~~, designated by the chief~~
1377 ~~executive officer of each respective municipality;~~], if applicable; or

1378 (ii) the proposed home ownership promotion zone, if applicable;

1379 (c) a member of the Transportation Commission created in Section [72-1-301](#);

1380 (d) a member of the board of trustees of a large public transit district;

1381 (e) one individual from the Office of the State Treasurer, designated by the state
1382 treasurer;

1383 (f) one member designated by the president of the Senate;

1384 (g) one member designated by the speaker of the House of Representatives;

1385 (h) one member designated by the chief executive officer of each county affected by:

1386 (i) the housing and transit reinvestment zone, if applicable; or

1387 (ii) the home ownership promotion zone, if applicable;

1388 (i) one representative designated by the school superintendent from the school district
1389 affected by;

1390 (i) the housing and transit reinvestment zone, if applicable; or
1391 (ii) the home ownership promotion zone, if applicable; and
1392 (j) one representative, representing the largest participating local taxing entity, after the
1393 municipality, county, and school district.

1394 (3) The individual designated by the Governor's Office of Economic Opportunity as
1395 described in Subsection (2)(a) shall serve as chair of the housing and transit reinvestment zone
1396 committee.

1397 (4) (a) A majority of the members of the [~~housing and transit reinvestment zone~~]
1398 committee constitutes a quorum of the housing and transit reinvestment zone committee.

1399 (b) An action by a majority of a quorum of the [~~housing and transit reinvestment zone~~]
1400 committee is an action of the [~~housing and transit reinvestment zone~~] committee.

1401 (5) After the Governor's Office of Economic Opportunity receives the results of the
1402 analysis described in Section [63N-3-604](#), and after the Governor's Office of Economic
1403 Opportunity has received a request from the submitting municipality or public transit county to
1404 submit the housing and transit reinvestment zone proposal to the housing and transit
1405 reinvestment zone committee, the Governor's Office of Economic Opportunity shall notify each
1406 of the entities described in Subsection (2) of the formation of the [~~housing and transit~~
1407 ~~reinvestment zone~~] committee.

1408 (6) (a) The chair of the [~~housing and transit reinvestment zone~~] committee shall
1409 convene a public meeting to consider the proposed housing and transit reinvestment zone as
1410 described in this section.

1411 (b) The committee shall follow the procedures described in Section [63N-3-1304](#) to
1412 consider a proposal for a home ownership promotion zone.

1413 [~~(b)~~] (7) A meeting of the [~~housing and transit reinvestment zone~~] committee is subject
1414 to Title 52, Chapter 4, Open and Public Meetings Act.

1415 [~~(7)~~] (8) (a) The proposing municipality or public transit county shall present the
1416 housing and transit reinvestment zone proposal to the [~~housing and transit reinvestment zone~~]
1417 committee in a public meeting.

1418 (b) The [~~housing and transit reinvestment zone~~] committee shall:

1419 (i) evaluate and verify whether the elements of a housing and transit reinvestment zone
1420 described in Subsections [63N-3-603](#)(2) and (4) have been met; and

1421 (ii) evaluate the proposed housing and transit reinvestment zone relative to the analysis
1422 described in Subsection 63N-3-604(2).

1423 ~~[(8)]~~ (9) (a) Subject to Subsection ~~[(8)(b)]~~ (9)(b), the ~~[housing and transit reinvestment~~
1424 ~~zone]~~ committee may:

1425 (i) request changes to the housing and transit reinvestment zone proposal based on the
1426 analysis, characteristics, and criteria described in Section 63N-3-604; or

1427 (ii) vote to approve or deny the proposal.

1428 (b) Before the ~~[housing and transit reinvestment zone]~~ committee may approve the
1429 housing and transit reinvestment zone proposal, the municipality or public transit county
1430 proposing the housing and transit reinvestment zone shall ensure that the area of the proposed
1431 housing and transit reinvestment zone is zoned in such a manner to accommodate the
1432 requirements of a housing and transit reinvestment zone described in this section and the
1433 proposed development.

1434 ~~[(9)]~~ (10) If a housing and transit reinvestment zone is approved by the committee:

1435 (a) the proposed housing and transit reinvestment zone is established according to the
1436 terms of the housing and transit reinvestment zone proposal;

1437 (b) affected local taxing entities are required to participate according to the terms of the
1438 housing and transit reinvestment zone proposal; and

1439 (c) each affected taxing municipality is required to participate at the same rate as a
1440 participating county.

1441 ~~[(10)]~~ (11) A housing and transit reinvestment zone proposal may be amended by
1442 following the same procedure as approving a housing and transit reinvestment zone proposal.

1443 Section 23. Section 63N-3-606 is amended to read:

1444 **63N-3-606. Notice requirements.**

1445 (1) In approving a housing and transit reinvestment zone proposal the ~~[housing and~~
1446 ~~transit reinvestment zone]~~ committee shall follow the hearing and notice requirements for
1447 creating a housing and transit reinvestment zone area proposal.

1448 (2) Within 30 days after the ~~[housing and transit reinvestment zone]~~ committee
1449 approves a proposed housing and transit reinvestment zone, the municipality or public transit
1450 county shall:

1451 (a) record with the recorder of the county in which the housing and transit reinvestment

1452 zone is located a document containing:

1453 (i) a description of the land within the housing and transit reinvestment zone;

1454 (ii) a statement that the proposed housing and transit reinvestment zone has been
1455 approved; and

1456 (iii) the date of adoption;

1457 (b) transmit a copy of the description of the land within the housing and transit
1458 reinvestment zone and an accurate map or plat indicating the boundaries of the housing and
1459 transit reinvestment zone to the Utah Geospatial Resource Center created under Section
1460 [63A-16-505](#); and

1461 (c) transmit a copy of the approved housing and transit reinvestment zone proposal,
1462 map, and description of the land within the housing and transit reinvestment zone, to:

1463 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any
1464 part of the housing and transit reinvestment zone is located;

1465 (ii) the officer or officers performing the function of auditor or assessor for each taxing
1466 entity that does not use the county assessment roll or collect the taxing entity's taxes through
1467 the county;

1468 (iii) the legislative body or governing board of each taxing entity;

1469 (iv) the tax commission; and

1470 (v) the State Board of Education.

1471 Section 24. Section [63N-3-607](#) is amended to read:

1472 **[63N-3-607](#). Payment, use, and administration of revenue from a housing and**
1473 **transit reinvestment zone.**

1474 (1) A municipality or public transit county may receive and use tax increment and
1475 housing and transit reinvestment zone funds in accordance with this part.

1476 (2) (a) A county that collects property tax on property located within a housing and
1477 transit reinvestment zone shall, in accordance with Section [59-2-1365](#), distribute to the
1478 municipality or public transit county any tax increment the municipality or public transit county
1479 is authorized to receive up to the maximum approved by the [~~housing and transit reinvestment~~
1480 ~~zone~~] committee.

1481 (b) Tax increment distributed to a municipality or public transit county in accordance
1482 with Subsection (2)(a) is not revenue of the taxing entity or municipality or public transit

1483 county.

1484 (c) (i) Tax increment paid to the municipality or public transit county are housing and
1485 transit reinvestment zone funds and shall be administered by an agency created by the
1486 municipality or public transit county within which the housing and transit reinvestment zone is
1487 located.

1488 (ii) Before an agency may receive housing and transit reinvestment zone funds from
1489 the municipality or public transit county, the municipality or public transit county and the
1490 agency shall enter into an interlocal agreement with terms that:

1491 (A) are consistent with the approval of the [~~housing and transit reinvestment zone~~]
1492 committee; and

1493 (B) meet the requirements of Section 63N-3-603.

1494 (3) (a) A municipality or public transit county and agency shall use housing and transit
1495 reinvestment zone funds within, or for the direct benefit of, the housing and transit
1496 reinvestment zone.

1497 (b) If any housing and transit reinvestment zone funds will be used outside of the
1498 housing and transit reinvestment zone there must be a finding in the approved proposal for a
1499 housing and transit reinvestment zone that the use of the housing and transit reinvestment zone
1500 funds outside of the housing and transit reinvestment zone will directly benefit the housing and
1501 transit reinvestment zone.

1502 (4) A municipality or public transit county shall use housing and transit reinvestment
1503 zone funds to achieve the purposes described in Subsections 63N-3-603(1) and (2), by paying
1504 all or part of the costs of any of the following:

1505 (a) income targeted housing costs;

1506 (b) structured parking within the housing and transit reinvestment zone;

1507 (c) enhanced development costs;

1508 (d) horizontal construction costs;

1509 (e) vertical construction costs;

1510 (f) property acquisition costs within the housing and transit reinvestment zone; or

1511 (g) the costs of the municipality or public transit county to create and administer the
1512 housing and transit reinvestment zone, which may not exceed 1% of the total housing and
1513 transit reinvestment zone funds, plus the costs to complete the gap analysis described in

1514 Subsection 63N-3-604(2).

1515 (5) Housing and transit reinvestment zone funds may be paid to a participant, if the
1516 agency and participant enter into a participation agreement which requires the participant to
1517 utilize the housing and transit reinvestment zone funds as allowed in this section.

1518 (6) Housing and transit reinvestment zone funds may be used to pay all of the costs of
1519 bonds issued by the municipality or public transit county in accordance with Title 17C, Chapter
1520 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.

1521 (7) A municipality or public transit county may create one or more public infrastructure
1522 districts within the housing and transit reinvestment zone under Title 17D, Chapter 4, Public
1523 Infrastructure District Act, and pledge and utilize the housing and transit reinvestment zone
1524 funds to guarantee the payment of public infrastructure bonds issued by a public infrastructure
1525 district.

1526 Section 25. Section 63N-3-609 is amended to read:

1527 **63N-3-609. Tax increment protections.**

1528 (1) Upon petition by a participating taxing entity or on the initiative of the [~~housing~~
1529 ~~and transit reinvestment zone~~] committee creating a housing and transit reinvestment zone, a
1530 housing and transit reinvestment zone may suspend or terminate the collection of tax increment
1531 in a housing and transit reinvestment zone if the [~~housing and transit reinvestment zone~~]
1532 committee determines, by clear and convincing evidence, presented in a public meeting of the
1533 [~~housing and transit reinvestment zone~~] committee, that:

1534 (a) a substantial portion of the tax increment collected in the housing and transit
1535 reinvestment zone has not or will not be used for the purposes provided in Section 63N-3-607;
1536 and

1537 (b) (i) the housing and transit reinvestment zone has no indebtedness; or
1538 (ii) the housing and transit reinvestment zone has no binding financial obligations.

1539 (2) A housing and transit reinvestment zone may not collect tax increment in excess of
1540 the tax increment projections or limitations set forth in the housing and transit reinvestment
1541 proposal.

1542 (3) The agency administering the tax increment collected in a housing and transit
1543 reinvestment zone under Subsection 63N-3-607(2)(c), shall have standing in a court with
1544 proper jurisdiction to enforce provisions of the housing and transit reinvestment zone proposal,

1545 participation agreements, and other agreements for the use of the tax increment collected.

1546 (4) The agency administering tax increment from a housing and transit reinvestment
1547 zone under Subsection [63N-3-607\(2\)\(c\)](#) which is collecting tax increment shall follow the
1548 reporting requirements described in Section [17C-1-603](#) and the audit requirements described in
1549 Sections [17C-1-604](#) and [17C-1-605](#).

1550 (5) For each housing and transit reinvestment zone collecting tax increment within a
1551 county, the county auditor shall follow the reporting requirement found in Section [17C-1-606](#).
1552 Section 26. Section [63N-3-1301](#) is enacted to read:

1553 **Part 13. Home Ownership Promotion Zone Act**

1554 **63N-3-1301. Definitions.**

1555 As used in this part:

1556 (1) "Affordable housing" means housing offered for sale at 75% or less of the median
1557 county home price for housing of that type.

1558 (2) "Agency" means the same as that term is defined in Section [17C-1-102](#).

1559 (3) "Base taxable value" means a property's taxable value as shown upon the
1560 assessment roll last equalized during the base year.

1561 (4) "Base year" means, for a proposed home ownership promotion zone area, a year
1562 beginning the first day of the calendar quarter determined by the last equalized tax roll before
1563 the adoption of the home ownership promotion zone.

1564 (5) "Committee" means a housing, home ownership, and transit reinvestment zone
1565 committee created in Section [63N-3-605](#).

1566 (6) "Eligible county" means a county, as defined in Section [17-50-101](#), that has general
1567 land use authority over a proposed home ownership promotion zone.

1568 (7) "Home ownership promotion zone" means a home ownership promotion zone
1569 created pursuant to this part, Section [10-9a-538](#), or Section [17-27a-534](#).

1570 (8) "Municipality" means the same as that term is defined in Section [10-1-104](#).

1571 (9) "Participant" means the same as that term is defined in Section [17C-1-102](#).

1572 (10) "Participation agreement" means the same as that term is defined in Section
1573 [17C-1-102](#).

1574 (11) "Project improvements" means the same as that term is defined in Section
1575 [11-36a-102](#).

1576 (12) "System improvements" means the same as that term is defined in Section
1577 11-36a-102.

1578 (13) "Tax Commission" means the State Tax Commission created in Section 59-1-201.

1579 (14) "Tax increment" means the difference between:

1580 (a) the amount of property tax revenue generated each tax year by a taxing entity from
1581 the area within a home ownership promotion zone, using the current assessed value and each
1582 taxing entity's current certified tax rate as defined in Section 59-2-924; and

1583 (b) the amount of property tax revenue that would be generated from that same area
1584 using the base taxable value and each taxing entity's current certified tax rate as defined in
1585 Section 59-2-924.

1586 (15) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

1587 Section 27. Section **63N-3-1302** is enacted to read:

1588 **63N-3-1302. Applicability, requirements, and limitations on a home ownership**
1589 **promotion zone.**

1590 (1) (a) A municipality or eligible county may propose of a home ownership promotion
1591 zone of more than ten acres to a committee as described in Section 63N-3-1303.

1592 (b) In order to be considered for a home ownership promotion zone under this part, the
1593 proposed home ownership promotion zone:

1594 (i) shall be an area of more than 10 contiguous acres entirely within the boundaries of
1595 the municipality, or more than 10 contiguous unincorporated acres entirely within the
1596 boundaries of the eligible county:

1597 (A) designated for residential zoning; and

1598 (B) zoned for fewer than six housing units per acre before the creation of the home
1599 ownership promotion zone;

1600 (ii) shall be re-zoned for at least six housing units per acre;

1601 (iii) may not be encumbered by any residential building permits as of the day on which
1602 the home ownership promotion zone is created.

1603 (2) A home ownership promotion zone shall promote the following objectives:

1604 (a) increasing availability of housing, including affordable housing;

1605 (b) promotion home ownership;

1606 (c) overcoming development impediments and market conditions that render an

1607 affordable housing development cost prohibitive absent the incentives resulting from a home
1608 ownership promotion zone; and

1609 (d) conservation of water resources through efficient land use.

1610 (3) In order to accomplish the objectives described in Subsection (2), a municipality or
1611 eligible county shall ensure that:

1612 (a) land inside the proposed home ownership promotion zone is zoned residential, with
1613 at least six planned housing units per acre;

1614 (b) at least 50% of the proposed housing units within the home ownership promotion
1615 zone are affordable housing units; and

1616 (c) all of the proposed housing units within the home ownership promotion zone are
1617 deed restricted to require owner occupation for at least five years.

1618 (4) A municipality or eligible county may, by ordinance, restrict short term rentals in a
1619 home ownership promotion zone.

1620 (5) A municipality or eligible county may not propose a home ownership promotion
1621 zone that includes an area that:

1622 (a) is part of a project area, as that term is defined in Section [17C-1-102](#), and created
1623 under Title 17C, Chapter 1, Agency Operations, until the project area is dissolved pursuant to
1624 Section [17C-1-702](#); or

1625 (b) is part of a housing and transit reinvestment zone.

1626 Section 28. Section **63N-3-1303** is enacted to read:

1627 **63N-3-1303. Process for proposing a home ownership promotion zone -- Analysis.**

1628 (1) A municipality or eligible county may propose of a home ownership promotion
1629 zone of more than 10 acres to a committee as described in this section.

1630 (2) Subject to approval of a committee as described in Section [63N-3-605](#), in order to
1631 create a home ownership promotion zone, a municipality or eligible county shall:

1632 (a) prepare a proposal for the home ownership promotion zone that:

1633 (i) demonstrates that the proposed home ownership promotion zone will meet the
1634 objectives described in Subsection [63N-3-1302\(2\)](#);

1635 (ii) explains how the municipality or eligible county will achieve the requirements of
1636 Subsection [63N-3-1302\(3\)](#);

1637 (iii) defines the specific transportation infrastructure needs, if any, and proposed

1638 improvements for the area to be included in the home ownership promotion zone;
1639 (iv) defines the boundaries of the home ownership promotion zone; and
1640 (v) includes maps of the proposed home ownership promotion zone to illustrate;
1641 (A) proposed housing density within the home ownership promotion zone; and
1642 (B) existing zoning and proposed zoning changes related to the home ownership
1643 promotion zone;
1644 (vi) identifies any development impediments that prevent the development from being
1645 a market-rate investment and proposed strategies for addressing each one;
1646 (vii) describes the proposed development plan, including the requirements described in
1647 Subsection 63N-3-1302(3);
1648 (viii) establishes a base year and collection period to calculate the tax increment within
1649 the home ownership promotion zone;
1650 (ix) describes projected maximum revenues generated and the amount of tax increment
1651 capture from each taxing entity and proposed expenditures of revenue derived from the home
1652 ownership promotion zone;
1653 (x) includes an analysis of other applicable or eligible incentives, grants, or sources of
1654 revenue that can be used to reduce the finance gap; and
1655 (xi) proposes a finance schedule to align expected revenue with required financing
1656 costs and payments; and
1657 (b) submit the home ownership promotion zone proposal to the Governor's Office of
1658 Economic Opportunity.
1659 (3) As part of the proposal described in Subsection (2), a municipality or eligible
1660 county shall study and evaluate possible impacts of a proposed home ownership promotion
1661 zone on parking within the home ownership promotion zone.
1662 (4) (a) After receiving the proposal as described in Subsection (2)(b), the Governor's
1663 Office of Economic Opportunity shall:
1664 (i) within 14 days after the date on which the Governor's Office of Economic
1665 Opportunity receives the proposal described in Subsection (2)(b), provide notice of the
1666 proposal to all affected taxing entities, including the Tax Commission, cities, counties, school
1667 districts, and metropolitan planning organizations; and
1668 (ii) at the expense of the proposing municipality or eligible county as described in

1669 Subsection (6), contract with an independent entity to perform the gap analysis described in
1670 Subsection (4)(b).

1671 (b) The gap analysis required in Subsection (4)(a)(ii) shall include:

1672 (i) a description of the planned development;

1673 (ii) a market analysis relative to other comparable project developments included in or
1674 adjacent to the municipality or public transit county absent the proposed housing and transit
1675 reinvestment zone;

1676 (iii) an evaluation of the proposal to and a determination of the adequacy and efficiency
1677 of the proposal;

1678 (iv) an evaluation of the proposed increment capture needed to cover the enhanced
1679 development costs associated with the housing and transit reinvestment zone proposal and
1680 enable the proposed development to occur; and

1681 (v) based on the market analysis and other findings, an opinion relative to the
1682 appropriate amount of potential public financing reasonably determined to be necessary to
1683 achieve the objectives described in Subsection [63N-3-1302](#).

1684 (c) After receiving notice from the Governor's Office of Economic Opportunity of a
1685 proposed home ownership promotion zone as described in Subsection (4)(a)(i), the Tax
1686 Commission shall:

1687 (i) evaluate the feasibility of administering the tax implications of the proposal; and

1688 (ii) provide a letter to the Governor's Office of Economic Opportunity:

1689 (A) describing any challenges in the administration of the proposal; or

1690 (B) indicating that the Tax Commission can feasibly administer the proposal.

1691 (5) After receiving the results from the gap analysis described in Subsection (4)(b), the
1692 municipality or eligible county proposing the home ownership promotion zone may:

1693 (a) amend the home ownership promotion zone proposal based on the findings of the
1694 analysis described in Subsection (4)(b) and request that the Governor's Office of Economic
1695 Opportunity submit the amended home ownership promotion zone proposal to the housing and
1696 transit reinvestment zone committee; or

1697 (b) request that the Governor's Office of Economic Opportunity submit the original
1698 home ownership promotion zone proposal to the committee.

1699 (6) (a) The Governor's Office of Economic Opportunity may accept, as a dedicated

1700 credit, up to \$20,000 from a municipality or eligible county for the costs of the gap analysis
1701 described in Subsection (4)(b).

1702 (b) The Governor's Office of Economic Opportunity may expend funds received from a
1703 municipality or county as dedicated credits to pay for the costs associated with the gap analysis
1704 described in Subsection (4)(b).

1705 Section 29. Section **63N-3-1304** is enacted to read:

1706 **63N-3-1304. Consideration of home ownership promotion zone proposals by**
1707 **housing, home ownership, and transit reinvestment zone committee.**

1708 (1) (a) A home ownership promotion zone proposed under this part is subject to
1709 approval by a committee described in Section [63N-3-605](#).

1710 (b) A home ownership promotion zone created under Section [10-9a-538](#) or Section
1711 [17-27a-534](#) is not subject to approval by the housing and transit reinvestment zone committee.

1712 (2) (a) The chair of the committee shall convene a public meeting to consider the
1713 proposed first home investment zone in the same manner as described in Section [63N-3-605](#).

1714 (b) A meeting of the committee is subject to Title 52, Chapter 4, Open and Public
1715 Meetings Act.

1716 (3) (a) The proposing municipality or eligible county shall present the home ownership
1717 promotion zone proposal to the committee in a public meeting.

1718 (b) The committee shall evaluate and verify whether a proposal meets the objectives
1719 and elements of a home ownership promotion zone described in Section [63N-3-1302](#).

1720 (4) (a) Subject to Subsection (4)(b), the committee may:

1721 (i) request changes to the first home investment zone proposal based on the analysis,
1722 characteristics, and criteria described in Section [63N-3-1303](#); or

1723 (ii) vote to approve or deny the proposal.

1724 (b) Before the committee may approve the home ownership promotion zone proposal,
1725 the municipality or eligible county proposing the home ownership promotion zone shall ensure
1726 that the area of the proposed home ownership promotion zone is zoned in such a manner to
1727 accommodate the requirements of a home ownership promotion zone described in [63N-3-1302](#).

1728 (5) If a home ownership promotion zone is approved by the committee:

1729 (a) the proposed home ownership promotion zone is established according to the terms
1730 of the home ownership promotion zone proposal;

1731 (b) affected local taxing entities are required to participate according to the terms of the
1732 home ownership promotion zone proposal; and

1733 (c) each affected taxing entity is required to participate at the same rate.

1734 (6) A home ownership promotion zone proposal may be amended by following the
1735 same procedure as approving a home ownership promotion zone proposal.

1736 Section 30. Section **63N-3-1305** is enacted to read:

1737 **63N-3-1305. Notice.**

1738 (1) In approving a home ownership promotion zone proposal the committee shall
1739 follow the hearing and notice requirements for creating a home ownership promotion zone area
1740 proposal.

1741 (2) Within 30 days after the committee approves a proposed home ownership
1742 promotion zone, the municipality or eligible county shall:

1743 (a) record with the recorder of the county in which the home ownership promotion
1744 zone is located a document containing:

1745 (i) a description of the land within the home ownership promotion zone;

1746 (ii) a statement that the proposed home ownership promotion zone has been approved;

1747 and

1748 (iii) the date of adoption;

1749 (b) transmit a copy of the description of the land within the home ownership promotion
1750 zone and an accurate map or plat indicating the boundaries of the home ownership promotion

1751 zone to the Utah Geospatial Resource Center created under Section [63A-16-505](#); and

1752 (c) transmit a copy of the approved home ownership promotion zone proposal, map,
1753 and description of the land within the home ownership promotion zone, to:

1754 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any
1755 part of the home ownership promotion zone is located;

1756 (ii) the officer or officers performing the function of auditor or assessor for each taxing
1757 entity that does not use the county assessment roll or collect the taxing entity's taxes through
1758 the county;

1759 (iii) the legislative body or governing board of each taxing entity;

1760 (iv) the tax commission; and

1761 (v) the State Board of Education.

1762 Section 31. Section **63N-3-1306** is enacted to read:

1763 **63N-3-1306. Payment, use, and administration of revenue from a home ownership**
1764 **promotion zone.**

1765 (1) (a) A municipality or eligible county may receive tax increment and use home
1766 ownership promotion zone funds in accordance with this section.

1767 (b) The maximum amount of time that a municipality or eligible county may receive
1768 and use tax increment pursuant to a home ownership promotion zone is 15 consecutive years.

1769 (2) A county that collects property tax on property located within a home ownership
1770 promotion zone shall, in accordance with Section [59-2-1365](#):

1771 (a) distribute 60% of the tax increment collected from property within the home
1772 ownership promotion zone to the municipality over the home ownership promotion zone to be
1773 used as described in this section; or

1774 (b) retain 60% of the tax increment collected from property within the home ownership
1775 promotion zone, if the county is an eligible county with the home ownership promotion zone,
1776 to be used as described in this section.

1777 (3) (a) Tax increment distributed to a municipality or retained by eligible county in
1778 accordance with Subsection (2) is not revenue of the taxing entity, municipality, or eligible
1779 county, but home ownership promotion zone funds.

1780 (b) Home ownership promotion zone funds may be administered by an agency created
1781 by the municipality or eligible county within which the housing and transit reinvestment zone
1782 is located.

1783 (c) Before an agency may receive home ownership promotion zone funds from a
1784 municipality or eligible county, the agency shall enter into an interlocal agreement with the
1785 municipality or eligible county.

1786 (4) (a) A municipality, county, or agency shall use home ownership promotion zone
1787 funds within, or for the direct benefit of, the home ownership promotion zone.

1788 (b) If any home ownership promotion zone funds will be used outside of the home
1789 ownership promotion zone, the legislative body of the municipality or eligible county shall
1790 make a finding that the use of the home ownership promotion zone funds outside of the home
1791 ownership promotion zone will directly benefit the home ownership promotion zone.

1792 (5) A municipality, eligible county, or agency shall use home ownership promotion

1793 zone funds to achieve the purposes described in Section [63N-3-1302](#) by paying all or part of
1794 the costs of any of the following:

1795 (a) project improvement costs;

1796 (b) systems improvement costs;

1797 (c) property acquisition costs within the home ownership promotion zone; or

1798 (d) the costs of the municipality or county to create and administer the home ownership
1799 promotion zone, which may not exceed 3% of the total home ownership promotion zone funds.

1800 (6) Home ownership promotion zone funds may be paid to a participant, if the
1801 municipality or eligible county and participant enter into a participation agreement which
1802 requires the participant to utilize the home ownership promotion zone funds as allowed in this
1803 section.

1804 (7) Home ownership promotion zone funds may be used to pay all of the costs of bonds
1805 issued by the municipality or eligible county in accordance with Title 17C, Chapter 1, Part 5,
1806 Agency Bonds, including the cost to issue and repay the bonds including interest.

1807 (8) A municipality or county may:

1808 (a) create one or more public infrastructure districts within home ownership promotion
1809 zone under Title 17D, Chapter 4, Public Infrastructure District Act; and

1810 (b) pledge and utilize the home ownership promotion zone funds to guarantee the
1811 payment of public infrastructure bonds issued by a public infrastructure district.

1812 **Section 32. Effective date.**

1813 This bill takes effect on May 1, 2024.

1814 **Section 33. Retrospective operation.**

1815 (1) The following sections have retrospective operation to July 1, 2023:

1816 (a) Section [63H-8-501](#); and

1817 (b) Section [63H-8-502](#).