

**Senator Jacob L. Anderegg** proposes the following substitute bill:

**AFFORDABLE HOUSING AMENDMENTS**

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jacob L. Anderegg**

House Sponsor: Val K. Potter

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to affordable housing.

**Highlighted Provisions:**

This bill:

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



26 **Money Appropriated in this Bill:**

27 This bill appropriates in fiscal year 2021:

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

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

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

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

34 **Other Special Clauses:**

35 None

36 **Utah Code Sections Affected:**

37 AMENDS:

38 **17C-1-102**, as last amended by Laws of Utah 2019, Chapters 376 and 480

39 **17C-1-412**, as last amended by Laws of Utah 2019, Chapters 296 and 376

40 **35A-8-504**, as last amended by Laws of Utah 2016, Chapters 131 and 350

41 **35A-8-505**, as last amended by Laws of Utah 2019, Chapter 327

42 **59-7-607**, as last amended by Laws of Utah 2017, Chapter 279

43 **59-10-1010**, as last amended by Laws of Utah 2017, Chapter 279

44 **67-4a-801**, as repealed and reenacted by Laws of Utah 2017, Chapter 371

45 **67-4a-803**, as enacted by Laws of Utah 2017, Chapter 371

46 ENACTS:

47 **35A-8-507.1**, Utah Code Annotated 1953

48 **35A-8-507.2**, Utah Code Annotated 1953



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

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

52 **17C-1-102. Definitions.**

53 As used in this title:

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

56 (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%,

57 that an agency is authorized to receive:

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

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

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

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

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

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

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

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

73 (c) whose geographic boundaries are coterminous with:

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

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

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

78 (a) project area funds;

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

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

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

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

87 (8) "Base taxable value" means, unless otherwise adjusted in accordance with

88 provisions of this title, a property's taxable value as shown upon the assessment roll last  
89 equalized during the base year.

90 (9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year  
91 during which the assessment roll is last equalized:

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

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

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

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

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

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

103 or

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

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

109 (10) "Basic levy" means the portion of a school district's tax levy constituting the  
110 minimum basic levy under Section 59-2-902.

111 (11) "Board" means the governing body of an agency, as described in Section  
112 17C-1-203.

113 (12) "Budget hearing" means the public hearing on a proposed project area budget  
114 required under Subsection 17C-2-201(2)(d) for an urban renewal project area budget,  
115 Subsection 17C-3-201(2)(d) for an economic development project area budget, or Subsection  
116 17C-5-302(2)(e) for a community reinvestment project area budget.

117 (13) "Closed military base" means land within a former military base that the Defense  
118 Base Closure and Realignment Commission has voted to close or realign when that action has

119 been sustained by the president of the United States and Congress.

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

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

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

127 (17) "Community legislative body" means the legislative body of the community that  
128 created the agency.

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

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

133 (20) "Development impediment" means a condition of an area that meets the  
134 requirements described in Section 17C-2-303 for an urban renewal project area or Section  
135 17C-5-405 for a community reinvestment project area.

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

138 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section  
139 17C-2-302; or

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

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

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

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

147 (a) for a municipality, comparing the percentage of all housing units within the  
148 municipality that are publicly subsidized income targeted housing units to the percentage of all  
149 housing units within the county in which the municipality is located that are publicly

150 subsidized income targeted housing units; or

151 (b) for the unincorporated part of a county, comparing the percentage of all housing  
152 units within the unincorporated county that are publicly subsidized income targeted housing  
153 units to the percentage of all housing units within the whole county that are publicly subsidized  
154 income targeted housing units.

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

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

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

163 (28) "Housing allocation" means project area funds allocated for housing under Section  
164 [17C-2-203](#), [17C-3-202](#), or [17C-5-307](#) for the purposes described in Section [17C-1-412](#).

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

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

168 (b) an agency's housing allocation.

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

170 (i) consists of at least 100 acres;

171 (ii) is occupied by an airport:

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

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

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

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

176 (iii) requires remediation because:

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

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

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

181 described in Subsection (30)(a).

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

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

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

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

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

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

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

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

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

200 (i) a fire station;

201 (ii) a police station;

202 (iii) a city hall; or

203 (iv) a court or other judicial building.

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

206 (36) "Major transit investment corridor" means the same as that term is defined in  
207 Section 10-9a-103.

208 [~~(36)~~] (37) "Marginal value" means the difference between actual taxable value and  
209 base taxable value.

210 [~~(37)~~] (38) "Military installation project area" means a project area or a portion of a  
211 project area located within a federal military installation ordered closed by the federal Defense

212 Base Realignment and Closure Commission.

213 ~~[(38)]~~ (39) "Municipality" means a city, town, or metro township as defined in Section  
214 10-2a-403.

215 ~~[(39)]~~ (40) "Participant" means one or more persons that enter into a participation  
216 agreement with an agency.

217 ~~[(40)]~~ (41) "Participation agreement" means a written agreement between a person and  
218 an agency that:

219 (a) includes a description of:

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

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

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

223 and

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

225 ~~[(41)]~~ (42) "Plan hearing" means the public hearing on a proposed project area plan  
226 required under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan,  
227 Subsection 17C-3-102(1)(d) for an economic development project area plan, Subsection  
228 17C-4-102(1)(d) for a community development project area plan, or Subsection  
229 17C-5-104(3)(e) for a community reinvestment project area plan.

230 ~~[(42)]~~ (43) "Post-June 30, 1993, project area plan" means a project area plan adopted  
231 on or after July 1, 1993, and before May 10, 2016, whether or not amended subsequent to the  
232 project area plan's adoption.

233 ~~[(43)]~~ (44) "Pre-July 1, 1993, project area plan" means a project area plan adopted  
234 before July 1, 1993, whether or not amended subsequent to the project area plan's adoption.

235 ~~[(44)]~~ (45) "Private," with respect to real property, means property not owned by a  
236 public entity or any other governmental entity.

237 ~~[(45)]~~ (46) "Project area" means the geographic area described in a project area plan  
238 within which the project area development described in the project area plan takes place or is  
239 proposed to take place.

240 ~~[(46)]~~ (47) "Project area budget" means a multiyear projection of annual or cumulative  
241 revenues and expenses and other fiscal matters pertaining to a project area prepared in  
242 accordance with:



- 243 (a) for an urban renewal project area, Section 17C-2-201;
  - 244 (b) for an economic development project area, Section 17C-3-201;
  - 245 (c) for a community development project area, Section 17C-4-204; or
  - 246 (d) for a community reinvestment project area, Section 17C-5-302.
- 247 [~~(47)~~] (48) "Project area development" means activity within a project area that, as  
248 determined by the board, encourages, promotes, or provides development or redevelopment for  
249 the purpose of implementing a project area plan, including:
- 250 (a) promoting, creating, or retaining public or private jobs within the state or a  
251 community;
  - 252 (b) providing office, manufacturing, warehousing, distribution, parking, or other  
253 facilities or improvements;
  - 254 (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or  
255 remediating environmental issues;
  - 256 (d) providing residential, commercial, industrial, public, or other structures or spaces,  
257 including recreational and other facilities incidental or appurtenant to the structures or spaces;
  - 258 (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating  
259 existing structures;
  - 260 (f) providing open space, including streets or other public grounds or space around  
261 buildings;
  - 262 (g) providing public or private buildings, infrastructure, structures, or improvements;
  - 263 (h) relocating a business;
  - 264 (i) improving public or private recreation areas or other public grounds;
  - 265 (j) eliminating a development impediment or the causes of a development impediment;
  - 266 (k) redevelopment as defined under the law in effect before May 1, 2006; or
  - 267 (l) any activity described in this Subsection [~~(47)~~] (48) outside of a project area that the  
268 board determines to be a benefit to the project area.
- 269 [~~(48)~~] (49) "Project area funds" means tax increment or sales and use tax revenue that  
270 an agency receives under a project area budget adopted by a taxing entity committee or an  
271 interlocal agreement.
- 272 [~~(49)~~] (50) "Project area funds collection period" means the period of time that:  
273 (a) begins the day on which the first payment of project area funds is distributed to an

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

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

279 [~~(50)~~] (51) "Project area plan" means an urban renewal project area plan, an economic  
280 development project area plan, a community development project area plan, or a community  
281 reinvestment project area plan that, after the project area plan's effective date, guides and  
282 controls the project area development.

283 [~~(51)~~] (52) (a) "Property tax" means each levy on an ad valorem basis on tangible or  
284 intangible personal or real property.

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

287 [~~(52)~~] (53) "Public entity" means:

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

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

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

293 [~~(53)~~] (54) "Publicly owned infrastructure and improvements" means water, sewer,  
294 storm drainage, electrical, natural gas, telecommunication, or other similar systems and lines,  
295 streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation  
296 facilities, or other facilities, infrastructure, and improvements benefitting the public and to be  
297 publicly owned or publicly maintained or operated.

298 [~~(54)~~] (55) "Record property owner" or "record owner of property" means the owner of  
299 real property, as shown on the records of the county in which the property is located, to whom  
300 the property's tax notice is sent.

301 [~~(55)~~] (56) "Sales and use tax revenue" means revenue that is:

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

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

305 [~~56~~] (57) "Superfund site":

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

308 (b) includes an area formerly included in the National Priorities List, as described in  
309 Subsection [~~56~~] (57)(a), but removed from the list following remediation that leaves on site  
310 the waste that caused the area to be included in the National Priorities List.

311 [~~57~~] (58) "Survey area" means a geographic area designated for study by a survey  
312 area resolution to determine whether:

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

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

315 [~~58~~] (59) "Survey area resolution" means a resolution adopted by a board that  
316 designates a survey area.

317 [~~59~~] (60) "Taxable value" means:

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

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

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

325 [~~60~~] (61) (a) "Tax increment" means the difference between:

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

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

333 (b) "Tax increment" does not include taxes levied and collected under Section  
334 59-2-1602 on or after January 1, 1994, upon the taxable property in the project area unless:

335 (i) the project area plan was adopted before May 4, 1993, whether or not the project

336 area plan was subsequently amended; and

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

339 [~~(61)~~] (62) "Taxing entity" means a public entity that:

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

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

342 [~~(62)~~] (63) "Taxing entity committee" means a committee representing the interests of  
343 taxing entities, created in accordance with Section 17C-1-402.

344 [~~(63)~~] (64) "Unincorporated" means not within a municipality.

345 [~~(64)~~] (65) "Urban renewal project area plan" means a project area plan adopted under  
346 Chapter 2, Part 1, Urban Renewal Project Area Plan.

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

348 **17C-1-412. Use of housing allocation -- Separate accounting required -- Issuance**  
349 **of bonds for housing -- Action to compel agency to provide housing allocation.**

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

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

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

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

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

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

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

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

366 (A) issued by the agency, the community, or the housing authority that provides

367 income targeted housing within the community; and

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

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

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

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

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

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

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

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

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

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

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

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

389 (ii) a housing authority that provides income targeted housing within the community  
390 for use in providing income targeted housing within the community;

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

393 (A) income targeted housing within the county;

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

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

397 (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,

398 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within  
399 the community[-]; or

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

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

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

411 ~~(2)~~ (3) The agency shall create a housing fund and separately account for the agency's  
412 housing allocation, together with all interest earned by the housing allocation and all payments  
413 or repayments for loans, advances, or grants from the housing allocation.

414 ~~(3)~~ (4) An agency may:

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

418 (b) issue refunding bonds for the payment or retirement of bonds under Subsection  
419 ~~(3)~~ (4)(a) previously issued by the agency.

420 ~~(4)~~ (5) (a) Except as provided in Subsection ~~(4)~~ (5)(b), an agency shall allocate  
421 money to the housing fund each year in which the agency receives sufficient tax increment to  
422 make a housing allocation required by the project area budget.

423 (b) Subsection ~~(4)~~ (5)(a) does not apply in a year in which tax increment is  
424 insufficient.

425 ~~(5)~~ (6) (a) Except as provided in Subsection ~~(4)~~ (5)(b), if an agency fails to provide  
426 a housing allocation in accordance with the project area budget and the housing plan adopted  
427 under Subsection 17C-2-204(2), the loan fund board may bring legal action to compel the  
428 agency to provide the housing allocation.

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

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

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

434 [~~(6)~~] (7) For the purpose of offsetting the community's annual local contribution to the  
435 Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in  
436 a calendar year to a community under Subsections (1)(a)(x), 17C-1-409(1)(a)(v), and  
437 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined in  
438 Section 35A-8-606.

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

440 **35A-8-504. Distribution of fund money.**

441 (1) The executive director shall:

442 (a) make grants and loans from the fund for any of the activities authorized by Section  
443 35A-8-505, as directed by the board;

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

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

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

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

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

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

456 (ii) "Income targeted housing" means the same as that term is defined in Section  
457 17C-1-102.

458 (4) Except for federal money [~~and~~], money received under Section 17C-1-412, money  
459 appropriated for rental assistance under Section 35A-8-507.1, money appropriated for use in

460 accordance with Section 35A-8-2105, and money transferred to the fund from the Unclaimed  
461 Property Trust Fund under Section 67A-4a-801, the executive director shall distribute, as  
462 directed by the board, money in the fund according to the following requirements:

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

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

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

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

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

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

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

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

482 Section 4. Section **35A-8-505** is amended to read:

483 **35A-8-505. Activities authorized to receive fund money -- Powers of the executive**  
484 **director.**

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

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

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

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

490 (c) the development and construction of accessible housing designed for low-income



491 persons;

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

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

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

499 (g) the preservation of existing affordable housing units for low-income persons;

500 [~~(g)~~] (h) other activities that will assist in minimizing homelessness or improving the  
501 availability or quality of housing in the state for low-income persons; and

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

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

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

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

511 (c) entering into agreements with a department, agency, or instrumentality of the  
512 United States or this state and with mortgagors and mortgage lenders for the purpose of  
513 planning and regulating and providing for the financing and refinancing, purchase,  
514 construction, reconstruction, rehabilitation, leasing, management, maintenance, operation, sale,  
515 or other disposition of residential housing undertaken with the assistance of the department  
516 under this part;

517 (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate,  
518 repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real or  
519 personal property obtained by the fund due to the default on a mortgage loan held by the fund  
520 in preparation for disposition of the property, taking assignments of leases and rentals,  
521 proceeding with foreclosure actions, and taking other actions necessary or incidental to the

522 performance of its duties; ~~and~~

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

525 (3) provide fund money, which has been transferred to the fund from the Unclaimed  
526 Property Trust Fund as described in Section 67A-4a-801, for rental assistance for families with  
527 children that are homeless or who are at risk of being homeless as described in Section  
528 35A-8-507.2.

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

530 **35A-8-507.1. Rental assistance.**

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

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

537 (i) subsidizing rent payments for housing;

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

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

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

543 (a) the housing authorities, associations of governments, or other nonprofit entities the  
544 division has partnered with under the provisions of this section;

545 (b) the amount of money provided to each housing authority, association of  
546 government, or other nonprofit entity under this section;

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

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

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

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

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

556 **35A-8-507.2. Rental assistance for homeless families.**

557 (1) (a) At the direction of the board, and using money transferred to the Olene Walker  
558 Housing Loan Fund from the Unclaimed Property Trust Fund as described in Section  
559 67A-4a-801, the division may partner with the State Board of Education and one or more  
560 housing authorities, associations of governments, or nonprofit entities to provide rental  
561 assistance for housing to families with children that are homeless or who are at risk of being  
562 homeless.

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

564 (i) subsidizing rent payments for housing;

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

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

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

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

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

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

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

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

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

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

581 **59-7-607. Utah low-income housing tax credit.**

582 (1) As used in this section:

583 (a) "Allocation certificate" means a certificate in a form prescribed by the commission

584 and issued by the Utah Housing Corporation to a housing sponsor that specifies the aggregate  
585 amount of the tax credit awarded under this section to a qualified development and includes:

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

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

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

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

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

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

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

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

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

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

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

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

612 (ii) that is located in the state.

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

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

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

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

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

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

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

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

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

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

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

638 (c) (i) For a calendar year beginning on or before December 31, 2016, the aggregate  
639 annual tax credit that the Utah Housing Corporation may allocate for the credit period  
640 described in Section 42(f), Internal Revenue Code, pursuant to this section and Section  
641 [59-10-1010](#) is an amount equal to the product of:

642 (A) 12.5 cents; and

643 (B) the population of Utah.

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

646 Section 42(f), Internal Revenue Code, pursuant to this section and Section 59-10-1010 is an  
647 amount equal to the product of:

648 (A) 34.5 cents; and

649 (B) the population of Utah.

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

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

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

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

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

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

661 and

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

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

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

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

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

673 (c) The amount of the tax credit specified in an allocation certificate may not exceed  
674 100% of the federal low-income housing tax credit awarded to a qualified development.

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

677 prescribed by the Utah Housing Corporation:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

712 (11) (a) A qualified taxpayer may assign a special low-income housing tax credit  
713 certificate received under Subsection (7) to another person if the qualified taxpayer provides  
714 written notice to the Utah Housing Corporation, in a form established by the Utah Housing  
715 Corporation, that includes:

716 (i) the qualified taxpayer's written certification or other proof that the qualified  
717 taxpayer irrevocably elects not to claim the tax credit authorized by the special low-income  
718 housing tax credit certificate; and

719 (ii) contact information for the person to whom the special low-income housing tax  
720 credit certificate is to be assigned.

721 (b) If the qualified taxpayer meets the requirements of Subsection (11)(a), the Utah  
722 Housing Corporation shall issue an assigned special low-income housing tax credit certificate  
723 to the person identified by the qualified taxpayer for an amount equal to the qualified taxpayer's  
724 special low-income housing tax credit minus any state recapture amount under Subsection  
725 (8)(b).

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

728 (i) the person had met the requirements of this section to claim the tax credit, if the  
729 person files a return under this chapter, Chapter 8, Gross Receipts Tax on Certain Corporations  
730 Not Required to Pay Corporate Franchise or Income Tax Act, or Chapter 9, Taxation of  
731 Admitted Insurers; or

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

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

737 ~~[(H2)]~~ (13) The Utah Housing Corporation shall annually provide an electronic report  
738 to the Revenue and Taxation Interim Committee which shall include at least:



- 739 (a) the purpose and effectiveness of the tax credits; and
- 740 (b) the benefits of the tax credits to the state.

741 ~~[(13)]~~ (14) The commission may, in consultation with the Utah Housing Corporation,  
742 make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to  
743 implement this section.

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

745 **59-10-1010. Utah low-income housing tax credit.**

746 (1) As used in this section:

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

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

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

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

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

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

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

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

769 (e) "Federal low-income housing credit" means the federal low-income housing credit

770 described in Section 42, Internal Revenue Code.

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

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

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

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

776 (ii) that is located in the state.

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

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

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

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

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

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

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

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

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

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

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

801 (c) (i) For a calendar year beginning on or before December 31, 2016, the aggregate  
802 annual tax credit that the Utah Housing Corporation may allocate for the credit period  
803 described in Section 42(f), Internal Revenue Code, pursuant to this section and Section  
804 59-7-607 is an amount equal to the product of:

- 805 (A) 12.5 cents; and
- 806 (B) the population of Utah.

807 (ii) For a calendar year beginning on or after January 1, 2017, the aggregate annual tax  
808 credit that the Utah Housing Corporation may allocate for the credit period described in  
809 Section 42(f), Internal Revenue Code, pursuant to this section and Section 59-7-607 is an  
810 amount equal to the product of:

- 811 (A) 34.5 cents; and
- 812 (B) the population of Utah.

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

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

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

- 820 (i) the number of affordable housing units to be created in Utah for low and moderate  
821 income persons in a qualified development;
- 822 (ii) the level of area median income being served by a qualified development;
- 823 (iii) the need for the tax credit for the economic feasibility of a qualified development;
- 824 and
- 825 (iv) the extended period for which a qualified development commits to remain as  
826 affordable housing.

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

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

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

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

836 (c) The amount of the tax credit specified in an allocation certificate may not exceed  
837 100% of the federal low-income housing credit awarded to a qualified development.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

875 (11) (a) A qualified taxpayer may assign a special low-income housing tax credit  
876 certificate received under Subsection (7) to another person if the qualified taxpayer provides  
877 written notice to the Utah Housing Corporation, in a form established by the Utah Housing  
878 Corporation, that includes:

879 (i) the qualified taxpayer's written certification or other proof that the qualified  
880 taxpayer irrevocably elects not to claim the tax credit authorized by the special low-income  
881 housing tax credit certificate; and

882 (ii) contact information for the person to whom the special low-income housing tax  
883 credit certificate is to be assigned.

884 (b) If the qualified taxpayer meets the requirements of Subsection (11)(a), the Utah  
885 Housing Corporation shall issue an assigned special low-income housing tax credit certificate  
886 to the person identified by the qualified taxpayer for an amount equal to the qualified taxpayer's  
887 special low-income housing tax credit minus any state recapture amount under Subsection  
888 (8)(b).

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

891 (i) the person had met the requirements of this section to claim the tax credit, if the  
892 person files a return under this chapter; or

893 (ii) the person had met the requirements of Section [59-7-607](#) to claim the tax credit

894 under Section 59-7-607, if the person files a return under Chapter 7, Corporate Franchise and  
895 Income Taxes, Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay  
896 Corporate Franchise or Income Tax Act, or Chapter 9, Taxation of Admitted Insurers.

897 ~~[(11)]~~ (12) Any tax credit taken in this section may be subject to an annual audit by the  
898 commission.

899 ~~[(12)]~~ (13) The Utah Housing Corporation shall annually provide an electronic report  
900 to the Revenue and Taxation Interim Committee which shall include at least:

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

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

903 ~~[(13)]~~ (14) The commission may, in consultation with the Utah Housing Corporation,  
904 promulgate rules to implement this section.

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

906 **67-4a-801. Deposit of funds by administrator.**

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

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

912 (c) The fund shall earn interest.

913 (2) The administrator shall:

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

915 (b) before the end of the fiscal year, estimate the amount of money from the fund that  
916 will ultimately be needed to be paid to claimants; ~~[and]~~

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

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

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

924 (d) transfer excess unclaimed restitution money for crime victims to the Crime Victim

925 Reparations Fund.

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

- 928 (a) amounts appropriated by the Legislature for administration of this chapter;
- 929 (b) any costs incurred in connection with the sale of abandoned property;
- 930 (c) costs of mailing and publication in connection with any abandoned property;
- 931 (d) reasonable service charges; and
- 932 (e) costs incurred in examining records of holders of property and in collecting the  
933 property from those holders.

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

935 **67-4a-803. Expenses and service charges of administrator.**

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

- 939 (1) expenses of disposition of property delivered to the administrator under this  
940 chapter;
- 941 (2) costs of mailing and publication in connection with property delivered to the  
942 administrator under this chapter;
- 943 (3) reasonable service charges; and
- 944 (4) expenses incurred in examining records of or collecting property from a putative  
945 holder or holder.

946 Section 11. **Appropriation.**

947 The following sums of money are appropriated for the fiscal year beginning July 1,  
948 2020, and ending June 30, 2021. These are additions to amounts previously appropriated for  
949 fiscal year 2021. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures  
950 Act, the Legislature appropriates the following sums of money from the funds or accounts  
951 indicated for the use and support of the government of the state of Utah.

952 ITEM 1

953	<u>To Department of Workforce Services -- Olene Walker Housing Loan Fund</u>	
954	<u>From General Fund, One-time</u>	<u>\$20,300,000</u>
955	<u>Schedule of Programs:</u>	

956                    Olene Walker Housing Loan Fund                    \$20,300,000

957 ITEM 2

958                    To Department of Workforce Services -- Olene Walker Housing Loan Fund

959                    From General Fund                    \$10,000,000

960                    Schedule of Programs:

961                    Olene Walker Housing Loan Fund                    \$10,000,000

962                    The Legislature intends that:

963                    (1) up to \$15,000,000 of the appropriation in the first item be used for gap financing of

964 private activity bond financed rental housing;

965                    (2) up to \$5,000,000 of the appropriation in the first item be used for matching private

966 dollars for the preservation of existing affordable housing units for low-income persons;

967                    (3) up to \$300,000 of the appropriation in the first item be used to assist with

968 pre-development costs for affordable housing projects in rural Utah; and

969                    (4) \$10,000,000 in the second item be used by the Housing and Community

970 Development Division to partner with one or more housing authorities, associations of

971 governments, or nonprofit entities to provide rental assistance.