

House Economic Development and Workforce Services Committee

2/27/2025

Bill: 1st Substitute SB 250 – Community Development Modifications

Sponsor: Senator Kirk A. Cullimore

Floor Sponsor: Representative Bridger Bolinder

UASD Position: Tracking

This Bill deals with the use of certain funding to promote home ownership and provisions related to community reinvestment agencies.

Discussion: Senator Cullimore introduced the 2nd substitute, which was adopted by the Committee. The Bill aims to clarify the Code regarding Community Reinvestment Agencies (“CRAs”). It specifies that if an inland port allocates a portion of its tax differential for housing, guidelines dictate how those funds may be used. Additionally, the Bill clarifies that CRAs can invest in nonprofit housing entities within rural communities.

The legislation also addresses delinquent participation agreements within CRA areas, allowing a portion of the funds to be redirected to developers to resolve delinquencies. The Utah Association of Counties (“UAC”) contributed to the presentation, providing insight into the resolution process of participation agreements. The Bill requires CRAs to consult with the county treasurer to ensure all delinquencies are resolved. Furthermore, it clarifies that the approved tax rate is the one reflected on tax notices.

Representative Shallenberger inquired whether the Bill is connected to similar legislation or the Olene Walker Fund. The sponsor explained that the Olene Walker Fund is already explicitly stated in statute, meaning funds may be directed to it. While there are multiple ways these funds can be used, this Bill primarily focuses on rural communities. Representative Shelley asked whether the nonprofit housing fund is a new addition to the CRA program and how eligibility would be determined. The sponsor clarified that any nonprofit housing fund can qualify and emphasized that CRAs are designed to foster economic growth by financially supporting community developers. The Bill expands opportunities for how CRA funds may be utilized.

Representative Cutler asked whether counties are the only entities using CRAs. The sponsor responded that CRAs are primarily used in rural areas, making it unlikely that municipalities would utilize them. UAC noted a growing need for housing projects in rural communities. The Utah Redevelopment Association expressed support for the legislation.

Representative Shelley suggested including a sunset date to address concerns about potential mismanagement of low-income housing. Representative Cutler then asked whether there was any intent for a nonprofit housing fund to be administered elsewhere. The sponsor stated that it would operate like any other nonprofit. He further clarified that the Bill does not create new legislation but simply clarifies existing provisions in the Code.

Yeas: 7

Nays: 0

N/V: 3

Outcome: 2nd Substitute SB 250 passed out of the Committee with a favorable recommendation.

UNASSD