

1 **INDIVIDUAL INCOME TAX CONTRIBUTION**
2 **FOR METHAMPHETAMINE HOUSING**
3 **RECONSTRUCTION AND REHABILITATION**
4 **FUND**

5 2010 GENERAL SESSION

6 STATE OF UTAH

7
8 **LONG TITLE**

9 **General Description:**

10 This bill amends the Housing and Community Development part and the Individual
11 Income Tax Contribution Act to enact the Methamphetamine Housing Reconstruction
12 and Rehabilitation Fund Act and to enact an income tax contribution.

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ defines terms;
- 16 ▶ enacts the Methamphetamine Housing Reconstruction and Rehabilitation Fund Act;
- 17 ▶ creates a restricted account known as the Methamphetamine Housing
18 Reconstruction and Rehabilitation Fund;
- 19 ▶ enacts an individual income tax contribution for the Methamphetamine Housing
20 Reconstruction and Rehabilitation Fund for a taxable year beginning on or after
21 January 1, 2010, but beginning on or before December 31, 2011;
- 22 ▶ provides that monies received from the income tax contribution shall be deposited
23 into the Methamphetamine Housing Reconstruction and Rehabilitation Fund and
24 expended by a qualified housing organization to:
- 25 • reconstruct or rehabilitate residences contaminated by methamphetamine; or
 - 26 • purchase property upon which a residence contaminated by methamphetamine is
27 reconstructed or rehabilitated;
- 28 ▶ grants rulemaking authority to the Division of Housing and Community
29 Development; and
- 30 ▶ makes technical changes.

31 **Monies Appropriated in this Bill:**

32 None

33 **Other Special Clauses:**

34 This bill has retrospective operation for a taxable year beginning on or after January 1,
35 2010.

36 **Utah Code Sections Affected:**

37 ENACTS:

38 **9-4-1501**, Utah Code Annotated 1953

39 **9-4-1502**, Utah Code Annotated 1953

40 **9-4-1503**, Utah Code Annotated 1953

41 **59-10-1314**, Utah Code Annotated 1953



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

44 Section 1. Section **9-4-1501** is enacted to read:

45 **Part 15. Methamphetamine Housing Reconstruction and**
46 **Rehabilitation Fund Act**

47 **9-4-1501. Title.**

48 This part is known as the "Methamphetamine Housing Reconstruction and
49 Rehabilitation Fund Act."

50 Section 2. Section **9-4-1502** is enacted to read:

51 **9-4-1502. Definitions.**

52 As used in this part:

53 (1) "Contaminated by methamphetamine" means that a residence is:

54 (a) polluted by hazardous materials as a result of the use, production, or presence of
55 methamphetamine in excess of decontamination standards adopted by the Department of
56 Health under Section 26-51-201; and

57 (b) placed on a contamination list by a local health department in accordance with
58 Section 19-6-903.

59 (2) "Fund" means the Methamphetamine Housing Reconstruction and Rehabilitation
60 Fund created in Section 9-4-1503.

61 (3) "Qualified housing organization" means an affiliate located in this state of an
62 organization if that organization:

- 63 (a) is exempt from federal income taxation under Section 501(c)(3), Internal Revenue
64 Code;
- 65 (b) operates on a worldwide basis;
- 66 (c) has the primary purposes of:
- 67 (i) constructing, reconstructing, and rehabilitating residences that are:
- 68 (A) sold to low-income persons selected by the organization in accordance with any
69 rules the division makes as authorized by Section 9-4-1503; and
- 70 (B) financed with loans that are not subject to interest as determined by the
71 organization in accordance with any rules the division makes as authorized by Section
72 9-4-1503; and
- 73 (ii) purchasing property upon which residences described in Subsection (3)(c)(i) are
74 constructed, reconstructed, or rehabilitated;
- 75 (d) expends a portion of the repayment on the loans described in Subsection
76 (3)(c)(i)(B) to finance:
- 77 (i) the construction, reconstruction, and rehabilitation of residences described in
78 Subsection (3)(c)(i); and
- 79 (ii) the purchase of property upon which residences described in Subsection (3)(c)(i)
80 are constructed, reconstructed, or rehabilitated; and
- 81 (e) has built more than 250,000 residences in total.
- 82 (4) (a) "Residence" means a single-family residence.
- 83 (b) "Residence" includes:
- 84 (i) a condominium;
- 85 (ii) a garage;
- 86 (iii) real property appurtenant to a residence:
- 87 (A) as determined by the division in accordance with any rules the division makes as
88 authorized by Section 9-4-1503; and
- 89 (B) if that real property is contaminated by methamphetamine;
- 90 (iv) a shed; or
- 91 (v) a town home.
- 92 (c) "Residence" does not include:
- 93 (i) an apartment or other rental unit as determined by the division in accordance with

94 any rules the division makes as authorized by Section 9-4-1503; or

95 (ii) an outbuilding except for a garage or shed.

96 Section 3. Section **9-4-1503** is enacted to read:

97 **9-4-1503. Methamphetamine Housing Reconstruction and Rehabilitation Fund --**

98 **Creation -- Interest -- Use of contributions and interest.**

99 (1) There is created within the General Fund a restricted account known as the
100 Methamphetamine Housing Reconstruction and Rehabilitation Fund.

101 (2) The fund shall be funded by:

102 (a) contributions deposited into the fund in accordance with Section 59-10-1314; and

103 (b) interest described in Subsection (3).

104 (3) (a) The fund shall earn interest.

105 (b) Interest earned on the fund shall be deposited into the fund.

106 (4) (a) The division shall distribute contributions and interest deposited into the fund to
107 one or more qualified housing organizations.

108 (b) (i) Subject to Subsection (4)(b)(ii), a qualified housing organization that receives a
109 distribution from the division in accordance with Subsection (4)(a) shall expend the
110 distribution to:

111 (A) reconstruct or rehabilitate one or more residences that are:

112 (I) sold to low-income persons selected by the qualified housing organization in
113 accordance with any rules the division makes as authorized by this section; and

114 (II) financed with loans that are not subject to interest as determined by the qualified
115 housing organization in accordance with any rules the division makes as authorized by this
116 section; or

117 (B) purchase property upon which a residence described in Subsection (4)(b)(i)(A) is
118 reconstructed or rehabilitated.

119 (ii) A qualified housing organization may not expend a distribution the qualified
120 housing organization receives in accordance with this Subsection (4) for any administrative
121 cost relating to an expenditure authorized by Subsection (4)(b)(i).

122 (5) (a) In accordance with any rules the division makes as authorized under Subsection
123 (6)(c), a qualified housing organization may apply to the division to receive a distribution
124 under Subsection (4).

125 (b) A qualified housing organization may apply to the division to receive a distribution
126 under Subsection (4) by filing an application with the division:

127 (i) on or before November 1; and

128 (ii) on a form provided by the division.

129 (c) The application:

130 (i) shall include information required by the division establishing that the qualified
131 housing organization owns each residence with respect to which the qualified housing
132 organization plans to expend a distribution under Subsection (4);

133 (ii) shall include information required by the division establishing the qualified housing
134 organization's plan to expend the distribution for a purpose described in Subsection (4)(b)(i);

135 (iii) shall include information required by the division establishing that the qualified
136 housing organization's plan to expend the distribution meets conditions established in
137 accordance with Title 19, Chapter 6, Part 9, Illegal Drug Operations Site Reporting and
138 Decontamination Act, for a local health department to remove the residence from the local
139 health department's decontamination list; and

140 (iv) may include other information the division requires by rule.

141 (d) The division shall determine on or before the November 30 immediately following
142 the November 1 described in Subsection (5)(b) whether a qualified housing organization's
143 application to the division meets the requirements of Subsection (5)(c).

144 (e) (i) The division shall distribute monies credited to the fund to each qualified
145 housing organization that meets the requirements of Subsection (5)(c) as determined by the
146 division:

147 (A) on or before the December 31 immediately following the November 1 described in
148 Subsection (5)(b); and

149 (B) in accordance with this Subsection (5)(e).

150 (ii) The division shall determine:

151 (A) the population of the county in which a qualified housing organization that meets
152 the requirements of Subsection (5)(c) is headquartered; and

153 (B) the total population of all of the counties in which the qualified housing
154 organizations that meet the requirements of Subsection (5)(c) are headquartered.

155 (iii) Except as provided in Subsection (5)(e)(iv), the division shall determine a

156 qualified housing organization's distribution by making the following calculation:

157 (A) calculating a percentage determined by dividing the population of the county in
158 which the qualified housing organization that meets the requirements of Subsection (5)(c) is
159 headquartered by the population calculated under Subsection (5)(e)(ii)(B); and

160 (B) multiplying the percentage determined under Subsection (5)(e)(iii)(A) by the fund
161 balance.

162 (iv) If two or more qualified housing organizations that meet the requirements of
163 Subsection (5)(c) as determined by the division are headquartered within one county, the
164 division shall determine each qualified housing organization's distribution by:

165 (A) making the calculation required by Subsection (5)(e)(iii); and

166 (B) dividing the amount calculated under Subsection (5)(e)(iii) by the number of
167 qualified housing organizations that meet the requirements of Subsection (5)(c) as determined
168 by the division that are headquartered within the county.

169 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
170 division may make rules:

171 (a) to define what constitutes:

172 (i) a low-income person;

173 (ii) a loan that is not subject to interest; or

174 (iii) an apartment or other rental unit;

175 (b) for determining the circumstances under which real property is appurtenant to a
176 residence;

177 (c) prescribing information a qualified housing organization is required to include with
178 an application under Subsection (5);

179 (d) for purposes of Subsection (5)(e), for determining the population of a county; or

180 (e) for determining the county in which a qualified housing organization is
181 headquartered.

182 Section 4. Section **59-10-1314** is enacted to read:

183 **59-10-1314. Contribution to Methamphetamine Housing Reconstruction and**
184 **Rehabilitation Fund.**

185 (1) For a taxable year beginning on or after January 1, 2010, but beginning on or before
186 December 31, 2011 only, a resident or nonresident individual that files an individual income

187 tax return under this chapter may designate on the resident or nonresident individual's
188 individual income tax return a contribution as provided in this section to be:

189 (a) deposited into the Methamphetamine Housing Reconstruction and Rehabilitation
190 Fund created in Section 9-4-1503; and

191 (b) expended for the purposes described in Section 9-4-1503.

192 (2) The commission shall:

193 (a) determine the total amount of contributions designated in accordance with this
194 section for the taxable year described in Subsection (1); and

195 (b) credit the amount described in Subsection (2)(a) to the Methamphetamine Housing
196 Reconstruction and Rehabilitation Fund created in Section 9-4-1503.

197 Section 5. **Retrospective operation.**

198 This bill has retrospective operation for a taxable year beginning on or after January 1,
199 2010.