

1 **STATE TREASURER INVESTMENT AMENDMENTS**
2 2024 GENERAL SESSION
3 STATE OF UTAH
4 **Chief Sponsor: Robert M. Spendlove**
5 Senate Sponsor: Don L. Ipson

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7
8 **LONG TITLE**

9 **General Description:**

10 This bill directs the state treasurer to deposit into the Utah Homes Investment Program.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ creates the Utah Homes Investment Program (the program);
- 14 ▶ directs the state treasurer to deposit certain funds into the program;
- 15 ▶ provides for the terms of deposit in the program; and
- 16 ▶ exempts deposits into the program from the Money Management Act.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 AMENDS:

- 23 **51-7-2**, as last amended by Laws of Utah 2023, Chapters 139, 242 and 328
- 24 **63I-1-251**, as last amended by Laws of Utah 2021, Chapter 64
- 25 **63I-1-272**, as last amended by Laws of Utah 2022, Chapter 259

26 ENACTS:

- 27 **51-12-101**, Utah Code Annotated 1953
- 51-12-102**, Utah Code Annotated 1953
- 51-12-201**, Utah Code Annotated 1953
- 51-12-202**, Utah Code Annotated 1953
- 51-12-203**, Utah Code Annotated 1953
- 51-12-204**, Utah Code Annotated 1953

28 **72-2-134**, Utah Code Annotated 1953

29

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

31 Section 1. Section **51-7-2** is amended to read:

32 **51-7-2 . Exemptions from chapter.**

33 (1) Except as provided in Subsection (2), the following funds are exempt from this chapter:

34 (a) funds invested in accordance with the participating employees' designation or
35 direction pursuant to a public employees' deferred compensation plan established and
36 operated in compliance with Section 457 of the Internal Revenue Code of 1986, as
37 amended;

38 (b) funds of the Utah State Retirement Board;

39 (c) funds of the Utah Housing Corporation;

40 (d) endowment funds of higher education institutions, including funds of the Higher
41 Education Student Success Endowment, created in Section 53B-7-802;

42 (e) permanent and other land grant trust funds established pursuant to the Utah Enabling
43 Act and the Utah Constitution;

44 (f) the State Post-Retirement Benefits Trust Fund;

45 (g) the funds of the Utah Educational Savings Plan;

46 (h) funds of the permanent state trust fund created by and operated under Utah
47 Constitution, Article XXII, Section 4;

48 (i) the funds in the Navajo Trust Fund;

49 (j) the funds in the Radioactive Waste Perpetual Care and Maintenance Account;

50 (k) the funds in the Employers' Reinsurance Fund;

51 (l) the funds in the Uninsured Employers' Fund;

52 (m) the Utah State Developmental Center Long-Term Sustainability Fund, created in
53 Section 26B-1-331;

54 (n) the funds in the Risk Management Fund created in Section 63A-4-201;~~and~~

55 (o) the Utah fund of funds created in Section 63N-6-401[-] ; and

56 (p) the funds deposited into the Utah Homes Investment Program from the
57 Transportation Infrastructure General Fund Support Subfund created in Section
58 72-2-134.

59 (2) Except for the funds of the Utah State Retirement Board and the Utah Educational
60 Savings Plan, the funds described in Subsection (1) are not exempt from Subsections
61 51-7-14(2) and (3).

62 Section 2. Section **51-12-101** is enacted to read:

63 **CHAPTER 12. Utah Homes Investment Program**

64 **Part 1. General Provisions**

65 **51-12-101 . Definitions.**

66 As used in this chapter:

67 (1) "Attainable home" means a residence that costs the purchaser no more than the amount
 68 a qualifying residential unit may be purchased in accordance with Subsection 63H-8-501
 69 (6)(e) at the time the state treasurer deposits with a qualified depository.

70 (2) "Fund" means the Transportation Infrastructure General Fund Support Subfund created
 71 in Section 72-2-134.

72 (3) "Political subdivision" means:

73 (a) the municipality in which the attainable home is located; or

74 (b) the county, if the attainable home is located in an unincorporated portion of the
 75 county.

76 (4) "Qualified depository" means the same as that term is defined in Section 51-7-3.

77 (5) (a) "Qualified project" means a new construction housing development project in the
 78 state for which the developer:

79 (i) commits to:

80 (A) offering for sale no fewer than 60% of the total units within the project as
 81 attainable homes;

82 (B) including in the deed of sale for an attainable home a restriction, in favor of
 83 the political subdivision, that the attainable home be owner occupied for no
 84 fewer than five years; and

85 (C) having a plan to provide information to potential buyers of attainable homes
 86 about the First-Time Homebuyer Assistance Program created in Section
 87 63H-8-502; and

88 (ii) executes a valid agreement with the political subdivision to develop housing
 89 meeting the requirements of Subsections (5)(a)(i)(A) and (B).

90 (b) "Qualified project" includes infrastructure within the housing development project.

91 Section 3. Section **51-12-102** is enacted to read:

92 **51-12-102 . Reporting.**

93 (1) The state treasurer shall share the information reported in accordance with Subsection
 94 51-12-202(2)(d) with the governor's office.

- 95 (2) Before December 31 of each year, the state treasurer and the governor's office or the
 96 governor's office's designee shall report to the Legislative Management Committee:
 97 (a) the dollar amount of deposits and the number of qualified depositories in which a
 98 deposit is made in accordance with Part 2, Investment Program;
 99 (b) the information reported in accordance with Subsection 51-12-202(2)(d); and
 100 (c) the impact of the Utah Homes Investment Program on the availability of housing in
 101 the state.

102 Section 4. Section **51-12-201** is enacted to read:

103 **Part 2. Investment Program**

104 **51-12-201 . Investment opportunities.**

- 105 (1) A qualified depository may request the state treasurer to make a deposit in the qualified
 106 depository if the qualified depository:
 107 (a) has identified and approved for financing a qualified project; and
 108 (b) requests no more than 100% of the financing for a qualified project.
 109 (2) Subject to Subsection (3), the state treasurer shall approve the qualified depository's
 110 request for deposit:
 111 (a) unless the state treasurer determines the qualified depository does not merit deposit
 112 under fiduciary duties and prudent investment practices within the parameters of this
 113 chapter;
 114 (b) in an amount that is equal to the lesser of:
 115 (i) the deposit amount requested;
 116 (ii) \$60,000,000; or
 117 (iii) 50% of the qualified depository's maximum amount of public deposits
 118 determined in accordance with Section 51-7-18.1; and
 119 (c) as sufficient money becomes available in the fund and in accordance with Subsection
 120 72-2-134(4)(a).
 121 (3) The state treasurer may not approve a request for deposit after December 31, 2025.
 122 (4) The state treasurer shall notify Utah Housing Corporation of any qualified projects for
 123 which the state treasurer makes a deposit in a qualified depository.

124 Section 5. Section **51-12-202** is enacted to read:

125 **51-12-202 . Terms of deposit.**

- 126 (1) The state treasurer shall enter into a deposit agreement with an approved qualified
 127 depository in accordance with Section 51-12-201.

- 128 (2) The deposit agreement shall provide that the qualified depository:
129 (a) shall offer loan financing to a developer of a qualified project at a rate no higher than
130 150 basis points above the federal funds effective rate at the time of the deposit;
131 (b) shall return the amount of deposit:
132 (i) with interest at a rate equal to the greater of:
133 (A) the federal funds effective rate at the time of the deposit minus 200 basis
134 points; or
135 (B) 0.5%; and
136 (ii) at the earlier of:
137 (A) 24 months from the day on which the deposit is made;
138 (B) repayment of the loan financing;
139 (C) the sale of the last home in the qualified project; or
140 (D) June 30, 2027;
141 (c) is responsible for return of the amount of the deposit with accrued interest regardless
142 of the completion of the qualified project or the repayment of the qualified
143 depository's loan to the developer of the qualified project; and
144 (d) shall report to the state treasurer the total number of housing units and the number of
145 attainable homes each qualified project created.
- 146 (3) A qualified depository may return the deposit earlier than the time period described in
147 Subsection (2)(b)(ii) without penalty.
- 148 (4) The state treasurer shall deposit the return of the amount of the deposit, including
149 interest, into the fund.

150 Section 6. Section **51-12-203** is enacted to read:

151 **51-12-203 . Penalty.**

152 A developer or a qualified depository that fails to comply with the terms of
153 deposit is disqualified from subsequent participation in the Utah Homes Investment
154 Program.

155 Section 7. Section **51-12-204** is enacted to read:

156 **51-12-204 . Exception to credit union lending requirements.**

157 Notwithstanding any provision of Title 7, Chapter 9, Utah Credit Union Act, or
158 any other applicable statute requiring membership in the credit union by a borrower, a
159 state or federally chartered credit union may make a loan to a developer of a qualified
160 project and may request a deposit in accordance with Sections 51-12-201 and 51-12-202.

161 Section 8. Section **631-1-251** is amended to read:

162 **63I-1-251 . Repeal dates: Title 51.**

163 (1) Subsection 51-7-2(1)(p), relating to the Transportation Infrastructure General Fund
164 Support Subfund created in Section 72-2-134, is repealed July 1, 2027.

165 (2) Title 51, Chapter 12, Utah Homes Investment Program, is repealed July 1, 2027.

166 Section 9. Section **63I-1-272** is amended to read:

167 **63I-1-272 . Repeal dates: Title 72.**

168 (1) Subsection 72-2-121(9), which creates transportation advisory committees, is repealed
169 July 1, 2022.

170 (2) Section 72-2-134 is repealed July 1, 2027.

171 ~~(2)~~ (3) Title 72, Chapter 4, Part 3, Utah State Scenic Byway Program, is repealed January
172 2, 2025.

173 Section 10. Section **72-2-134** is enacted to read:

174 **72-2-134 . Transportation Infrastructure General Fund Support Subfund.**

175 (1) There is created within the Transportation Investment Fund of 2005 a subfund known as
176 the "Transportation Infrastructure General Fund Support Subfund."

177 (2) The subfund consists of:

178 (a) appropriations by the Legislature;

179 (b) interest earned on the subfund; and

180 (c) returns of the amounts of deposit with accrued interest made in accordance with
181 Section 51-12-202.

182 (3) (a) The subfund shall earn interest.

183 (b) Interest earned on money in the subfund shall be deposited into the subfund.

184 (4) (a) The state treasurer shall deposit up to \$300,000,000 from the subfund in
185 accordance with Title 51, Chapter 12, Utah Homes Investment Program.

186 (b) Notwithstanding Subsection (4)(a), the state treasurer may otherwise invest funds
187 described in Subsection (4)(a) if funds are available after qualified projects are
188 approved under Section 51-12-201.

189 (5) On June 30, 2027, the Division of Finance shall transfer any balance in the subfund into
190 the Transportation Investment Fund of 2005.

191 Section 11. **Effective date.**

192 This bill takes effect on May 1, 2024.