

SB0277 compared with SB0277S01

- 11 ▶ removes the limitation on the rate at which a qualified depository may offer loan financing to a
developer or city {of the first or second class} ; and
- 13 ▶ makes technical and conforming changes.

22 **Money Appropriated in this Bill:**

23 None

24 **Other Special Clauses:**

25 None

26 **Utah Code Sections Affected:**

27 AMENDS:

28 **51-12-101 (Effective 05/06/26) (Repealed 07/01/27), as last amended by Laws of Utah 2025,
Chapter 391**

30 **51-12-102 (Effective 05/06/26) (Repealed 07/01/27), as enacted by Laws of Utah 2024, Chapter
510**

32 **51-12-202 (Effective 05/06/26) (Repealed 07/01/27), as last amended by Laws of Utah 2025,
Chapter 391**

34 **51-12-203 (Effective 05/06/26) (Repealed 07/01/27), as last amended by Laws of Utah 2025,
Chapter 391**

36 **51-12-204 (Effective 05/06/26) (Repealed 07/01/27), as last amended by Laws of Utah 2025,
Chapter 391**

38 **63I-1-251 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 391**

39 **63I-1-272 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 391**

40

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

42 Section 1. Section 51-12-101 is amended to read:

43 **51-12-101. Definitions.**

As used in this chapter:

- 45 (1) "Affordable rental project" means a rental project that includes at least one rental unit that is offered
for rent at a rental price affordable to a household with a gross income of no more than 80% of the
area median income for the county in which the residential unit is offered for rent.

49

SB0277 compared with SB0277S01

51 [(1)] (2) "Attainable home" means a residence that costs the purchaser no more than the amount a
qualifying residential unit may be purchased in accordance with Section 63H-8-501 at the time the
state treasurer deposits with a qualified depository.

52 [(2)] (3) "City of the first class" means the same as that term is defined in Section 10-2-301.

53 [(3)] (4) "City of the second class" means the same as that term is defined in Section 10-2-301.

54 [(4)] (5) "Fund" means the Transportation Infrastructure General Fund Support Subfund created in
55 Section 72-2-134.

56 [(5)] (6) "Political subdivision" means:

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

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

59 [(6)] (7) "Qualified depository" means:

60 (a) the same as that term is defined in Section 51-7-3; or

61 (b) the Utah Housing Corporation as described in Title 63H, Chapter 8, Utah Housing Corporation Act.

62 [(7)

(a) "~~Qualified project~~" means ~~a new construction housing development project in the state for which the
developer:]~~

63 [(i) commits to:]

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

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

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

67 [(ii) executes a valid agreement with the political subdivision or the Utah Housing Corporation to
develop housing meeting the requirements of Subsections (7)(a)(i)(A) and (B).]

68 [(b) "Qualified project" includes infrastructure within the housing development project.]

69 [(e)] (8) "Qualified municipal project" [~~includes~~] means:

70 (a) a project by a [~~city of the first or second class~~] qualifying city that commits to:

71 (i) receiving no more than \$10,000,000 in deposits within one year from the day on which the city
of the first or second class enters into a loan agreement with the qualified depository described in
Subsection [(6)(b)] (7)(b) for a project as an attainable home;

86

SB0277 compared with SB0277S01

- (ii) using the deposit to acquire and rehabilitate [~~single-family homes~~] residential units within the [~~city limits of the city of the first or second-class~~] qualifying city's boundaries;
- 89 (iii) offering for sale [~~the rehabilitated single-family home~~] each rehabilitated residential unit as an attainable home[~~;~~] ; and
- 91 (iv) including in the deed of sale for an attainable home a restriction, in favor of the [~~city of the first or second-class~~] qualifying city, that the attainable home be owner-occupied for no fewer than five years;~~and]~~
- 94 [(iv)] (b) expanding an existing effort to acquire and rehabilitate [~~single-family homes as described in Subsections (7)(e)(ii) and (iii);~~] residential units as attainable homes as described in Subsections (8)(a)(ii) through (iv);
- 97 (c) an affordable rental project that includes revenue sharing with tenants; or
- 98 (d) a program operated by a qualifying city that:
- 99 (i) provides low interest loans to income-eligible homeowners to complete one or more of the following on the homeowner's residential unit located within the qualifying city's boundaries:
- 102 (A) exterior improvements to stabilize the residential unit's structure;
- 103 (B) interior improvements that address health or safety concerns or code violations; or
- 105 (C) improvements designed to enable an individual to safely reside in the residential unit as the individual ages by reducing barriers to accessibility, improving safety, or supporting independent living; and
- 108 (ii) requires the homeowner to execute a deed restriction requiring that if the homeowner sells the residential unit within five years after the day on which the homeowner first receives funds under the program, the homeowner must sell the residential unit to an owner-occupant buyer.
- 112 (9) "Qualified project" means:
- 113 (a) acquisition of or new construction, including infrastructure, of a housing development project in the state for which the developer:
- 115 (i) commits to:
- 116 (A) offering for sale no fewer than 60% of the total units within the project as attainable homes;
- 118 (B) including in the deed of sale for an attainable home a restriction, in favor of the political subdivision, that the attainable home be owner-occupied for no fewer than five years; and
- 121 (C) having a plan to provide information to potential buyers of attainable homes about the First-Time Homebuyer Assistance Program created in Section 63H-8-502; and

SB0277 compared with SB0277S01

124 (ii) executes a valid agreement with the political subdivision or the Utah Housing Corporation to
develop housing meeting the requirements of Subsections (9)(a)(i)(A) and (B); or

127 (b) a qualified municipal project.

128 (10) "Qualifying city" means:

129 (a) a city of the first class or a city of the second class; or

130 (b) a municipality with an eligible shelter described in Subsection 35A-16-401(5)(a) or (b).

132 Section 2. Section **51-12-102** is amended to read:

133 **51-12-102. Reporting.**

30 (1) The state treasurer shall share the information reported in accordance with Subsection [~~51-12-202(2)~~
(~~d~~)] 51-12-202(2)(c) with the governor's office.

32 (2) Before December 31 of each year, the state treasurer and the governor's office or the governor's
office's designee shall report to the Legislative Management Committee:

34 (a) the dollar amount of deposits and the number of qualified depositories in which a deposit is made in
accordance with Part 2, Investment Program;

36 (b) the information reported in accordance with Subsection [~~51-12-202(2)(d)~~] 51-12-202(2)(c); and

38 (c) the impact of the Utah Homes Investment Program on the availability of housing in the state.

40 (3)

(a) Beginning after June 30, 2028, the state treasurer shall conduct a study that analyzes whether the
lending activity under the Utah Homes Investment Program resulted in measurable local economic
benefits.

43 (b) On or before October 1, 2028, the state treasurer shall submit a report summarizing the results of the
study to the Legislative Management Committee and the governor.

45 (c) The state treasurer may contract with a third party to complete the study and report described in this
Subsection (3).

151 Section 3. Section **51-12-202** is amended to read:

152 **51-12-202. Terms of deposit.**

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

51 (2) The deposit agreement shall provide that the qualified depository:

52 [(a) shall offer loan financing to a developer or city of the first or second class of a qualified project at a
rate no higher than 150 basis points above the federal funds effective rate at the time of the deposit;]

SB0277 compared with SB0277S01

- 55 ~~[(b)]~~ (a) shall return the amount of deposit:
- 56 (i) with interest at a rate equal to the greater of:
- 57 (A) the federal funds effective rate at the time of the deposit minus 200 basis points; or
- 58 (B) 0.5%; and
- 59 (ii) at the earlier of:
- 60 (A) 24 months from the day on which the deposit is made;
- 61 (B) repayment of the loan financing;
- 62 (C) the sale of the last home in the qualified project; or
- 63 (D) June 30, 2028;
- 64 ~~[(e)]~~ (b) is responsible for return of the amount of the deposit with accrued interest regardless of
- 65 the completion of the qualified project or the repayment of the qualified depository's loan to the
- 66 developer or ~~[city of the first or second class]~~ qualifying city of the qualified project; and
- 67 ~~[(d)]~~ (c) shall report to the state treasurer the total number of ~~[housing]~~ residential units and the number
- 68 of attainable homes each qualified project created.
- 71 (3)
- (a) Notwithstanding the provisions of Subsections ~~[(2)(b)(ii) and (2)(e)]~~ (2)(a)(ii) and (2)(b), for a
- 72 deposit made to the Utah Housing Corporation, the Utah Housing Corporation shall return the
- 73 amount of the deposit with accrued interest when the Utah Housing Corporation has received:
- 74 (i) repayment of the loan financing; or
- 75 (ii) proceeds from the sale or other disposition of the homes in the qualified project.
- 76 (b) The Utah Housing Corporation may return the deposit later than the time period described in
- 77 Subsection ~~[(2)(b)(ii)(A) or (D)]~~ (2)(a)(ii)(A) or (D) without penalty.
- 78 (4) A qualified depository may return the deposit earlier than the time period described in Subsection
- 79 ~~[(2)(b)(ii)]~~ (2)(a)(ii) without penalty.
- 80 (5) The state treasurer shall deposit the return of the amount of the deposit, including interest, into the
- 81 fund.

187 Section 4. Section 51-12-203 is amended to read:

188 **51-12-203. Penalty.**

A developer, ~~[city of the first or second class]~~ a qualifying city, or a qualified depository that fails to comply with the terms of deposit is disqualified from subsequent participation in the Utah Homes Investment Program.

SB0277 compared with SB0277S01

192 Section 5. Section 51-12-204 is amended to read:

193 **51-12-204. Exception to credit union lending requirements.**

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

200 Section 6. Section **63I-1-251** is amended to read:

201 **63I-1-251. Repeal dates: Title 51.**

85 (1) Subsection 51-7-2(1)(p), regarding the Transportation Infrastructure General Fund Support Subfund, is repealed July 1, [2028] 2029.

87 (2) Title 51, Chapter 12, Utah Homes Investment Program, is repealed July 1, [2028] 2029.

205 Section 7. Section **63I-1-272** is amended to read:

206 **63I-1-272. Repeal dates: Title 72.**

90 (1) Subsection 72-1-217(4), regarding highway reduction strategies within Salt Lake City, is repealed July 1, 2029.

92 (2) Section 72-2-134, Transportation Infrastructure General Fund Support Subfund, is repealed July 1, [2028] 2029.

94 (3) Title 72, Chapter 4, Part 3, Utah State Scenic Byway Program, is repealed January 2, 2030.

96 (4) Title 72, Chapter 10, Part 13, Spaceport Exploration Committee, is repealed July 1, 2027.

215 Section 8. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

2-27-26 3:47 PM