

Keven J. Stratton proposes the following substitute bill:

Utah Homes Investment Program Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Keven J. Stratton

House Sponsor: Val L. Peterson

LONG TITLE

General Description:

This bill modifies provisions related to the Utah Homes Investment Program.

Highlighted Provisions:

This bill:

- ▶ expands the projects for which a qualified depository may offer loan financing to a developer or city under the Utah Homes Investment Program (program) to include:
 - multi-family housing development projects that meet specified criteria;
 - affordable rental projects;
 - acquisition of housing development projects that meet specified criteria; and
 - city-operated programs that provide low-interest loans to income-eligible homeowners to make improvements;
- ▶ allows a municipality with an eligible shelter to obtain financing through the program;
- ▶ following the end of the program, directs the state treasurer to complete a study that analyzes the economic effect of the program;
- ▶ allows the state treasurer to contract with a third party to complete the study;
- ▶ removes the limitation on the rate at which a qualified depository may offer loan financing to a developer or city; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

51-12-101 (Effective 05/06/26) (Repealed 07/01/27), as last amended by Laws of Utah

- 29 2025, Chapter 391
- 30 **51-12-102 (Effective 05/06/26) (Repealed 07/01/27)**, as enacted by Laws of Utah 2024,
- 31 Chapter 510
- 32 **51-12-202 (Effective 05/06/26) (Repealed 07/01/27)**, as last amended by Laws of Utah
- 33 2025, Chapter 391
- 34 **51-12-203 (Effective 05/06/26) (Repealed 07/01/27)**, as last amended by Laws of Utah
- 35 2025, Chapter 391
- 36 **51-12-204 (Effective 05/06/26) (Repealed 07/01/27)**, as last amended by Laws of Utah
- 37 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43 **51-12-101 (Effective 05/06/26) (Repealed 07/01/27). Definitions.**

44 As used in this chapter:

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

49 [(1)] (2) "Attainable home" means a residence that costs the purchaser no more than the
50 amount a qualifying residential unit may be purchased in accordance with Section
51 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
54 10-2-301.

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

57 [(5)] (6) "Political subdivision" means:

- 58 (a) the municipality in which the attainable home is located; or
- 59 (b) the county, if the attainable home is located in an unincorporated portion of the
- 60 county.

61 [(6)] (7) "Qualified depository" means:

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

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

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

67 ~~[(i) commits to:]~~

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

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

73 ~~[(C) having a plan to provide information to potential buyers of attainable homes~~
74 ~~about the First-Time Homebuyer Assistance Program created in Section~~
75 ~~63H-8-502; and]~~

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

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

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

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

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

86 ~~(ii) using the deposit to acquire and rehabilitate [~~single-family homes~~] residential units~~
87 ~~within the [~~city limits of the city of the first or second class~~] qualifying city's~~
88 ~~boundaries;~~

89 ~~(iii) offering for sale [~~the rehabilitated single-family home~~] each rehabilitated~~
90 ~~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 [~~
92 ~~city of the first or second class] qualifying city, that the attainable home be~~
93 ~~owner-occupied for no fewer than five years;[and]~~

94 ~~[(iv)] (b) expanding an existing effort to acquire and rehabilitate [~~single-family homes as~~~~
95 ~~described in Subsections (7)(e)(ii) and (iii).] residential units as attainable homes as~~
96 ~~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
 - 100 more of the following on the homeowner's residential unit located within the
 - 101 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
 - 104 violations; or
 - 105 (C) improvements designed to enable an individual to safely reside in the
 - 106 residential unit as the individual ages by reducing barriers to accessibility,
 - 107 improving safety, or supporting independent living; and
 - 108 (ii) requires the homeowner to execute a deed restriction requiring that if the
 - 109 homeowner sells the residential unit within five years after the day on which the
 - 110 homeowner first receives funds under the program, the homeowner must sell the
 - 111 residential unit to an owner-occupant buyer.

112 (9) "Qualified project" means:

- 113 (a) acquisition of or new construction, including infrastructure, of a housing
- 114 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
 - 117 attainable homes;
 - 118 (B) including in the deed of sale for an attainable home a restriction, in favor of
 - 119 the political subdivision, that the attainable home be owner-occupied for no
 - 120 fewer than five years; and
 - 121 (C) having a plan to provide information to potential buyers of attainable homes
 - 122 about the First-Time Homebuyer Assistance Program created in Section
 - 123 63H-8-502; and
 - 124 (ii) executes a valid agreement with the political subdivision or the Utah Housing
 - 125 Corporation to develop housing meeting the requirements of Subsections
 - 126 (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

131 (b).

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

133 **51-12-102 (Effective 05/06/26) (Repealed 07/01/27). Reporting.**

134 (1) The state treasurer shall share the information reported in accordance with Subsection [
135 ~~51-12-202(2)(d)~~] 51-12-202(2)(c) with the governor's office.

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

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

140 (b) the information reported in accordance with Subsection [~~51-12-202(2)(d)~~]
141 51-12-202(2)(c); and

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

144 (3)(a) Beginning after June 30, 2028, the state treasurer shall conduct a study that

145 analyzes whether the lending activity under the Utah Homes Investment Program
146 resulted in measurable local economic benefits.

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

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

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

152 **51-12-202 (Effective 05/06/26) (Repealed 07/01/27). Terms of deposit.**

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

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

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

159 [~~(b)~~] (a) shall return the amount of deposit:

160 (i) with interest at a rate equal to the greater of:

161 (A) the federal funds effective rate at the time of the deposit minus 200 basis
162 points; or

163 (B) 0.5%; and

164 (ii) at the earlier of:

- 165 (A) 24 months from the day on which the deposit is made;
 166 (B) repayment of the loan financing;
 167 (C) the sale of the last home in the qualified project; or
 168 (D) June 30, 2028;

169 ~~[(e)]~~ (b) is responsible for return of the amount of the deposit with accrued interest
 170 regardless of the completion of the qualified project or the repayment of the qualified
 171 depository's loan to the developer or ~~[city of the first or second class]~~ qualifying city
 172 of the qualified project; and

173 ~~[(d)]~~ (c) shall report to the state treasurer the total number of ~~[housing]~~ residential units
 174 and the number of attainable homes each qualified project created.

175 (3)(a) Notwithstanding the provisions of Subsections ~~[(2)(b)(ii) and (2)(e)]~~ (2)(a)(ii) and
 176 (2)(b), for a deposit made to the Utah Housing Corporation, the Utah Housing
 177 Corporation shall return the amount of the deposit with accrued interest when the
 178 Utah Housing Corporation has received:

- 179 (i) repayment of the loan financing; or
 180 (ii) proceeds from the sale or other disposition of the homes in the qualified project.
 181 (b) The Utah Housing Corporation may return the deposit later than the time period
 182 described in Subsection ~~[(2)(b)(ii)(A) or (D)]~~ (2)(a)(ii)(A) or (D) without penalty.

183 (4) A qualified depository may return the deposit earlier than the time period described in
 184 Subsection ~~[(2)(b)(ii)]~~ (2)(a)(ii) without penalty.

185 (5) The state treasurer shall deposit the return of the amount of the deposit, including
 186 interest, into the fund.

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

188 **51-12-203 (Effective 05/06/26) (Repealed 07/01/27). Penalty.**

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

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

193 **51-12-204 (Effective 05/06/26) (Repealed 07/01/27). Exception to credit union**
 194 **lending requirements.**

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

199 Sections 51-12-201 and 51-12-202.

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

201 **63I-1-251 (Effective 05/06/26). Repeal dates: Title 51.**

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

204 (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 (Effective 05/06/26). Repeal dates: Title 72.**

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

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

211 (3) Title 72, Chapter 4, Part 3, Utah State Scenic Byway Program, is repealed January 2,
212 2030.

213 (4) Title 72, Chapter 10, Part 13, Spaceport Exploration Committee, is repealed July 1,
214 2027.

215 Section 8. **Effective Date.**

216 This bill takes effect on May 6, 2026.