

Representative Robert M. Spendlove proposes the following substitute bill:

STATE TREASURER INVESTMENT AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Robert M. Spendlove

Senate Sponsor: Don L. Ipson

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

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

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

51-7-2, as last amended by Laws of Utah 2023, Chapters 139, 242 and 328

63I-1-251, as last amended by Laws of Utah 2021, Chapter 64

63I-1-272, as last amended by Laws of Utah 2022, Chapter 259

ENACTS:



- 26 [51-12-101](#), Utah Code Annotated 1953
 - 27 [51-12-102](#), Utah Code Annotated 1953
 - 28 [51-12-201](#), Utah Code Annotated 1953
 - 29 [51-12-202](#), Utah Code Annotated 1953
 - 30 [51-12-203](#), Utah Code Annotated 1953
 - 31 [51-12-204](#), Utah Code Annotated 1953
 - 32 [72-2-134](#), Utah Code Annotated 1953
-
-

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

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

36 **51-7-2. Exemptions from chapter.**

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

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

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

43 (c) funds of the Utah Housing Corporation;

44 (d) endowment funds of higher education institutions, including funds of the Higher
45 Education Student Success Endowment, created in Section [53B-7-802](#);

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

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

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

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

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

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

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

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

56 (m) the Utah State Developmental Center Long-Term Sustainability Fund, created in

57 Section [26B-1-331](#);

58 (n) the funds in the Risk Management Fund created in Section [63A-4-201](#); [and]

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

60 (p) the funds deposited into the Utah Homes Investment Program from the
61 Transportation Infrastructure General Fund Support Subfund created in Section [72-2-134](#).

62 (2) Except for the funds of the Utah State Retirement Board and the Utah Educational
63 Savings Plan, the funds described in Subsection (1) are not exempt from Subsections
64 [51-7-14](#)(2) and (3).

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

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

67 **Part 1. General Provisions**

68 **51-12-101. Definitions.**

69 As used in this chapter:

70 (1) "Attainable home" means a residence that costs the purchaser no more than the
71 amount a qualifying residential unit may be purchased in accordance with Subsection
72 [63H-8-501](#)(6)(e) at the time the state treasurer deposits with a qualified depository.

73 (2) "Fund" means the Transportation Infrastructure General Fund Support Subfund
74 created in Section [72-2-134](#).

75 (3) "Political subdivision" means:

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

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

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

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

82 (i) commits to:

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

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

87 and

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

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

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

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

94 **51-12-102. Reporting.**

95 (1) The state treasurer shall share the information reported in accordance with
 96 Subsection 51-12-202(3)(d) with the governor's office.

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

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

101 (b) the information reported in accordance with Subsection 51-12-202(3)(d); and

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

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

105 **Part 2. Investment Program**

106 **51-12-201. Investment opportunities.**

107 (1) A qualified depository may request the state treasurer to make a deposit in the
 108 qualified depository if the qualified depository:

109 (a) has identified and approved for financing a qualified project; and

110 (b) requests no more than $\hat{S} \rightarrow [80\%] 100\% \leftarrow \hat{S}$ of the financing for a qualified project.

111 (2) Subject to Subsection (3), the state treasurer shall approve the qualified depository's
 112 request for deposit:

113 (a) unless the state treasurer determines the qualified depository does not merit deposit
 114 under fiduciary duties and prudent investment practices within the parameters of this chapter;

115 (b) in an amount that is equal to the lesser of:

116 (i) the deposit amount requested;

117 (ii) \$60,000,000; or

118 (iii) 50% of the qualified depository's maximum amount of public deposits determined

119 in accordance with Section 51-7-18.1; and

120 (c) as sufficient money becomes available in the subfund and in accordance with

121 Subsection 72-2-134(4)(a).

122 (3) The state treasurer may not approve a request for deposit after December 31, 2025.

123 (4) The state treasurer shall notify Utah Housing Corporation of any qualified projects
124 for which the state treasurer makes a deposit in a qualified depository.

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

126 **51-12-202. Terms of deposit.**

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

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

130 (a) shall offer loan financing to a developer of a qualified project at a rate no higher
131 than 150 basis points above the federal funds effective rate at the time of the deposit;

132 (b) shall return the amount of deposit:

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

134 (A) the federal funds effective rate at the time of the deposit minus 200 basis 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

142 regardless 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

145 of attainable homes each qualified project created.

146 (3) A qualified depository may return the deposit earlier than the time period described
147 in 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 deposit is
153 disqualified from subsequent participation in the Utah Homes Investment Program.

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

155 **51-12-204. Exception to credit union lending requirements.**

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

160 Section 8. Section **63I-1-251** is amended to read:

161 **63I-1-251. Repeal dates: Title 51.**

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

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

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

166 **63I-1-272. Repeal dates: Title 72.**

167 (1) Subsection [72-2-121\(9\)](#), which creates transportation advisory committees, is
168 repealed July 1, 2022.

169 (2) Section [72-2-134](#) is repealed July 1, 2027.

170 [~~2~~] (3) Title 72, Chapter 4, Part 3, Utah State Scenic Byway Program, is repealed
171 January 2, 2025.

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

173 **72-2-134. Transportation Infrastructure General Fund Support Subfund.**

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

176 (2) The subfund consists of:

177 (a) appropriations by the Legislature;

178 (b) interest earned on the fund; and

179 (c) returns of the amounts of deposit with accrued interest made in accordance with

180 Section [51-2-202](#).

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

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

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

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

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

190 Section 11. **Effective date.**

191 This bill takes effect on May 1, 2024.