

House Economic Development and Workforce Services Committee
02/18/2026

Bill: 2nd substitute HB 492 - Transportation, Infrastructure, and Housing Amendments

Sponsor: Representative Roberts

Floor Sponsor: Senator Cullimore

UASD Position: Track

This Bill modifies transportation, infrastructure, and housing provisions.

Discussion: Representative Roberts stated that part of the reason more housing has not been built is the lack of regional infrastructure needed to support planned units. The Bill's aim is to have the state and local governments partner on strategic investments in regional infrastructure to support housing that has already been planned by local governments. The sponsor presented the 2nd substitute, which the Committee adopted. Representative Roberts stated that the substitute narrows the Bill's focus to housing-related infrastructure and governance restructuring, while removing unrelated or politically sensitive provisions from the original Bill.

The Bill creates a \$100 million allocation from an existing infrastructure fund by repurposing a portion of a previously authorized \$300 million "developer loan bank". The funds would be used to support regionally significant infrastructure projects with a clear nexus to housing development. The Bill establishes a process through which local governments may apply to a state committee for infrastructure financing tied to planned housing projects. The committee would evaluate applications using multiple criteria, with primary priority given to single-family detached, owner-occupied housing. The Bill also promotes geographic diversity to ensure communities throughout the state benefit. Loan repayment would primarily occur through impact fees, while allowing flexibility for municipalities to structure financing solutions that meet local needs.

In response to questions from Representative Cutler regarding an \$18 million loan for Point of the Mountain and its relationship to starter homes, the sponsor explained that the state owns the property and is obligated to install backbone infrastructure to comply with contractual commitments. The sponsor stated that the proposed fund provides a mechanism to meet that obligation, with repayment anticipated through future land sales. Portions of the property would be zoned for smaller, more affordable homes.

When asked about the interest rate structure, the sponsor explained that loans would be set within 1.5 percent above or below the federal funds rate. The sponsor stated that this approach provides a modest return to the state while supporting housing-related infrastructure. The sponsor emphasized that projects producing the greatest housing impact, particularly those advancing single-family starter homes, would receive priority consideration, while allowing the board discretion to evaluate market demand and project viability.

The sponsor explained that the funding source originates from a prior legislative authorization that utilized a cash float from the Transportation Investment Fund. The sponsor stated that the Bill reallocates a portion of those existing funds. In response to questions about private

investment participation, the sponsor stated that private investors are not intended participants in the program and expressed a willingness to clarify that point in statute if necessary.

Representative Shelley asked whether the Bill affects the Military Installation Development Authority (“MIDA”), and the sponsor confirmed that it does not. Representative Fiebia asked whether reallocating \$100 million would negatively impact other projects. The sponsor responded that the amount was selected to operate within the existing program without displacing projects that are already programmed. The sponsor stated that a larger allocation could have caused disruptions.

When asked about safeguards if housing projects fail to meet timelines, the sponsor acknowledged the inherent risk and explained that municipalities would act as gatekeepers. The sponsor stated that multiple checkpoints are built into the application and approval process. Regarding underperformance of repayment sources, the sponsor stated that the state would have two primary options. The sponsor stated that the state could forgive a portion of the loan or work with the city to restructure or extend repayment through an alternative mechanism. The sponsor expressed confidence that projected revenue streams are stable and reliable.

Addressing concerns about potential favoritism in project selection and whether high-growth cities should receive preference, the sponsor explained that the Bill provides general statutory guidance while leaving detailed evaluation criteria to administrative rulemaking. The sponsor expressed openness to clarifying language in the Bill.

Representative Owens questioned the emphasis on single-family detached housing. The sponsor responded that the Bill does not exclude infill or higher-density projects but prioritizes single-family starter homes in recognition of affordability concerns and community preferences. In response to questions regarding the breadth of the infrastructure facility definition and whether it should be narrowed, the sponsor explained that large-scale infrastructure often serves multiple subdivisions and can stall due to coordination challenges among private actors. The sponsor stated that the Bill is intended to allow the state to facilitate such projects and relieve infrastructure bottlenecks that constrain housing supply and affordability.

The Governor’s Office expressed support for the Bill and noted strong interest in advancing the legislation. Representatives from Herriman City, the Utah League of Cities and Towns, the Utah Association of Realtors, and the Property Rights Coalition spoke in support of the Bill.

Yeas: 7
Nays: 1
N/V: 3

Outcome: 2nd substitute HB 492 passed out of the Committee with a favorable recommendation.

Bill: 1st substitute HB 507 - State Coordination of Regional and Local Economic Development Projects Amendments

Sponsor: Representative Roberts

Floor Sponsor:

UASD Position: Track

This Bill addresses local and regional economic development projects.

Discussion: This legislation creates new tools designed to improve coordination between the state and local governments on regionally significant economic development and housing projects. It authorizes cities and counties to establish designated development zones to promote homeownership, increase housing density and affordability, and support major economic or infrastructure projects. Within these zones, participating entities may capture and reinvest tax increment revenues to fund infrastructure and related improvements. The Bill establishes procedures for creating, approving, and governing these zones, including requirements for state oversight, public participation, financial analysis, and ongoing reporting. The legislation is intended to better align state resources with local planning efforts to accelerate housing development and coordinated economic growth.

The sponsor presented the 1st substitute, which the Committee adopted. The sponsor explained that the substitute prohibits a political subdivision from providing incentives to a large load customer. The sponsor stated that the Bill consolidates multiple state-created tax increment financing tools into a single, unified mechanism. The Bill would replace the Housing and Transit Reinvestment Zone ("HTRZ"), Food and Industrial Zone ("FIZ"), Housing and Public Property Program ("HPPP"), and Convention Center Reinvestment Zones ("CCRZ"), with one consolidated tool. The consolidated tool would be capped at 60 percent of the real property tax increment and limited to a maximum duration of 25 years. The sponsor stated that the goal is to simplify the system, increase transparency, and establish clearer guardrails for the use of state-created tax increment financing programs.

The Bill also reforms public infrastructure districts ("PIDs"). The sponsor explained that the legislation eliminates noncontiguous PID districts and establishes a clear dissolution process. Once a PID's indebtedness is fully satisfied, the district would automatically dissolve within 30 days. The sponsor stated that the Bill reinforces statutory protections for cities and enhances transparency by requiring disclosure, in residential real property conveyances, of the estimated annual cost associated with a PID's final tax rate, as reflected in the most recent equalized assessment rolls, when applicable.

Representative Cutler asked whether the Bill sunsets existing zones and whether it applies only to state tax increment financing tools. The sponsor clarified that the Bill addresses state-created TIF tools and allows cities to continue using the Community Reinvestment Agency Development Authority, while eliminating access to the other specified state programs.

In response to questions about the flow of funds, the sponsor explained that the administering committee may allocate a portion of the tax increment to a tax reduction account for statewide benefit, over which the Legislature retains control. The sponsor also noted that the Bill includes a mechanism to redirect a portion of differential revenue from the Inland Port back to the state.

When asked about the term “large load customer”, the sponsor stated that it primarily refers to data centers and acknowledged that further refinement of the definition may be appropriate. Representative Shelley asked whether the Bill affects the Military Installation Development Authority. The sponsor confirmed that it does not. Representative Fiebia asked how long projects may capture property tax growth. The sponsor responded that, under the consolidated tool, the duration would be capped at 25 years.

In response to concerns about the meaning of “regionally significant”, the sponsor stated that projects would be reviewed by a board and that municipalities must opt to use the tool. The sponsor acknowledged that the Bill does not currently define the term in detail and expressed openness to further refinement.

The Utah League of Cities and Towns indicated that its position is pending but leaning toward support. The Utah Taxpayers Association and the Inland Port Authority expressed support for the Bill.

Yeas: 7
Nays: 1
N/V: 3

Outcome: 1st substitute HB 507 passed out of the Committee with a favorable recommendation.

Bill: 3rd substitute HB 184 - Small Lots and Starter Homes Amendments

Sponsor: Representative Ward
Floor Sponsor: Senator Fillmore
UASD Position: Oppose

This Bill deals with regulation of certain land uses in residential zones.

Discussion: The sponsor presented the 3rd substitute, explaining that it excludes 4th, 5th, and 6th class counties from the Bill’s application, expands and clarifies the materials that must be submitted to cities, and doubles the timeframe for a city to acknowledge and respond to a request. The substitute removes the term “vested” to clarify that the Bill addresses permitted uses rather than vested rights and clarifies that all standard land use procedures must still be followed after completion of the streamlined process. The substitute also establishes a timeline for an applicant to execute a proposed project and prohibits repeated or serial applications for the same project. The Committee adopted the substitute.

The sponsor stated that the Bill is intended to simplify the land use process in two specific areas. The sponsor explained that the Bill creates a more streamlined pathway for single-family homes on small lots and facilitates the development of starter homes. The sponsor framed the Bill as a targeted effort to address housing affordability by making limited, focused improvements to existing zoning and land use processes.

Representative Shallenberger expressed concern that the Bill would be imposed on municipalities without meaningful choice. The sponsor responded that municipalities would retain discretion, explaining that the Bill shifts from an opt-in model to an opt-out model while keeping the opt-out process straightforward for local governments.

The Utah League of Cities and Towns spoke in opposition. The League stated that the Bill interferes with city council authority, disrupts longstanding land use policy, undermines infrastructure planning, and treats pending land use applications unfairly. The League emphasized its preference for partnership rather than preemption and expressed concern about continued state involvement in local land use decisions. Washington City also spoke in opposition, stating that municipalities are actively addressing housing needs, and that additional state intervention is unnecessary when cities are fulfilling their responsibilities. The city representative urged the Legislature to respect local authority over land use decisions.

The Utah Association of Realtors spoke in support, stating that the statewide housing shortage imposes significant economic and social costs and requires a statewide response. The Association stated that constituents expect state leaders to advance solutions. The Property Rights Coalition also supported the Bill, citing broad agreement that a housing crisis exists and stating that the Bill preserves local discretion while improving process efficiency. Wasatch Advocates for Livable Communities expressed support, noting that incremental steps to reduce bureaucratic delays are appropriate even without a comprehensive overhaul.

Yeas: 3

Nays: 6

N/V: 2

Outcome: 3rd substitute HB 184 failed to passed out of Committee with a favorable recommendation.