

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

Sponsor: Representative Roberts

Floor Sponsor: Senator Cullimore

UASD Position: Track and amend

This Bill modifies transportation, infrastructure, and housing provisions.

Discussion: The sponsor explained that a substantial number of housing units are currently in development but are delayed due to insufficient infrastructure investment. 2nd substitute HB 492 enacts new programs and alters how certain state resources may be used to support housing development and related infrastructure. Under current law, sales and use tax revenues are allocated among various transportation and infrastructure funds. The Bill adjusts aspects of the sales and use tax structure for specified allocations, with the changes scheduled to take effect on July 1, 2026.

The Bill authorizes the state to sell surplus real property to qualifying entities for housing development at a pre-entitlement appraised value and allows the state to defer payment for those sales under terms designed to facilitate housing projects. While current law permits the sale of surplus state property, the Bill establishes a new pricing and payment framework tied specifically to housing development purposes. It increases the maximum bonding authority for certain transportation-related bond issuances that support housing-related infrastructure, raising the cap from \$70 million to \$140 million. This change expands the amount of bonded funding that may be used for transportation and infrastructure projects that enable affordable housing development.

The Bill creates a new State Housing Infrastructure Partnership Fund and a corresponding State Housing Infrastructure Partnership Board. The Bill defines terms related to housing projects and infrastructure facilities and authorizes the Fund to provide revolving loans to eligible entities for public infrastructure improvements that support housing development. The Bill also revises the administration of affordable housing infrastructure grants. Under current law, these grants are administered through existing transportation and housing programs. The Bill transfers administrative oversight to the Governor’s Office of Economic Opportunity and the newly created Partnership Board, aligning grant administration with the new housing infrastructure framework.

The Bill also modifies provisions governing the County of the First-Class Highway Projects Fund by increasing allowable bond amounts that may be issued for transportation projects related to affordable housing, thereby expanding county capacity to coordinate transportation infrastructure with housing development.

Senator Winterton questioned how the Fund would be administered. The sponsor clarified that funding would originate from the public float within the Transportation Investment Fund (“TIF”)

and would involve selections made by Senate and House leadership, in coordination with the Utah Department of Transportation (“UDOT”), with oversight provided by a newly created Board. Senator Winterton also asked about the matching requirement for participating cities. The sponsor explained that cities would be required to repay the loans. A payback component is built into the structure of the program.

Senator Kwan questioned the transfer of \$70 million from the TIF to the State Housing Infrastructure Partnership Fund. The sponsor described the various allocation mechanisms included in the Bill to direct funds into the program. Senator Kwan also raised questions regarding an \$18 million loan to the Point of the Mountain project. The sponsor responded that the state had previously committed to subsidizing development in that area and that the goal includes selling approximately 50 acres for detached, single-family housing.

Senator Harper questioned the authorization of the \$70 million allocation and the overall demand for the funds. The sponsor stated that demand exceeds available funding. Senator Harper further asked whether the state was assuming the role of private developers in constructing infrastructure. The sponsor explained that large-scale industrial infrastructure projects are often not financially feasible for private developers alone. Senator Harper also expressed concern regarding the use of sales tax revenue to fund the program and whether the benefits would be concentrated in limited areas rather than distributed statewide.

The Executive Director of the Utah League of Cities and Towns and Steve Waldrip, the Governors Senior Advisor for Housing Policy, spoke in support of the Bill.

Yeas: 4
Nays: 0
N/V: 4

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