



Utah League of Cities and Towns 2026 Legislative Recap

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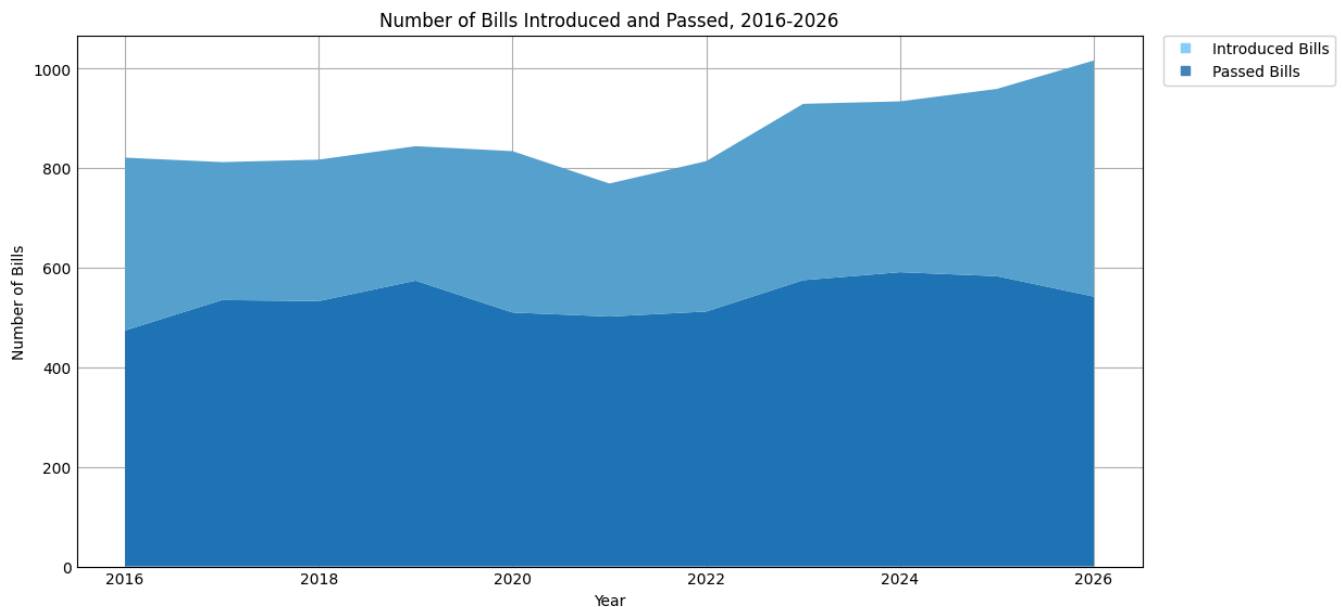
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Introduction

This year was yet another record-breaking year for the Utah Legislature. Every week finished with more bills numbered than the corresponding week for the prior year. When all was said and done a total of 1,016 bills were introduced. This exceeded the prior year count by 106, or an 11.6% increase. Despite the increase in bills introduced, fewer bills passed (542) than either of the two prior years. This numeric decrease does not necessarily mean that fewer policy changes were made. Bills drafted late in the session or without priority designation faced procedural hurdles getting through the process and it was not uncommon for provisions in these bills to be relocated into others addressing similar code sections. Many of the recurring subjects ULCT engages on continued this session. There was significant legislation introduced relating to property taxes, land use, economic development, housing, homelessness, water, and public safety (employment and policy).

ULCT legislative advocacy is guided by three key policy pillars: respect, collaboration, and outcomes. These informed our key message to legislators this year: “partnership, not preemption.” Many legislators were receptive to this message but there were certainly points of conflict. Local government leaders excelled at reaching out to legislators both to push back on policies that would undermine their ability to serve their residents and encouraging policies that resemble partnership.



Just because the 2026 General Session adjourned Sine Die does not mean policy discussions on these subjects (or even bills) are over. ULCT staff have already met multiple times with state lawmakers and other stakeholders since March 6th. The policy work and dialogue that happen over the coming months set the stage for the 2027 session. Legislative interim committees meet almost monthly beginning in May. Formal state workgroups like the Legislative Water Development Commission or the Economic Development Council and informal groups like the Land Use Task Force will meet regularly to discuss specific topic areas. ULCT will be directly involved in these various forums. You can stay up to date and provide input throughout the process by participating in ULCT’s Legislative Policy Committee (LPC), reading the weekly Friday Facts newsletter, and joining LPC workgroups (TBA).

Disclaimer: This document highlights key bills that ULCT tracked during the 2026 General Session and the general impacts these bills will have on municipalities. We do not and cannot capture every nuance or exception written into each law in the summaries provided here. These summaries can provide you with some guidance, but you should consult with your attorney if you are considering taking policy action based on new or updated sections of state code.

Quick Overview

How bills fared with ULCT Engagement. ULCT priority bills are ***bold and italicized***.

ULCT Supported Bills that Passed

Bill Number	Bill Title	Bill Sponsor
HB 65	Construction Code Amendments	Thomas W. Peterson
HB 68	Housing and Community Development Amendments	Calvin Roberts
<i>HB 79</i>	<i>Governmental Immunity Amendments</i>	<i>Matthew H. Gwynn</i>
HB 126	Micro-Education Entity Facility Amendments	Ariel Defay
HB 205	Substance Use Intervention Amendments	Tyler Clancy
HB 242	Initiative and Referendum Signature Gathering and Removal Amendments	Karen M. Peterson
HB 337	Nicotine Product Tax Amendments	Tyler Clancy
HB 366	Judicial Modifications	Jordan D. Teuscher
HB 378	Fugitive Dust Mitigation Amendments	Stephanie Gricius
HB 381	Electric Mobility Device Amendments	Paul A. Cutler
HB 420	Municipal Office Vacancy Modifications	Andrew Stoddard
<i>HB 425</i>	<i>Local Government Fees Amendments</i>	<i>Karen M. Peterson</i>
HB 436	Moderate Income Housing Infrastructure Amendments	Stephanie Gricius
HB 457	County Governance Modifications	James A. Dunnigan
HB 475	Development Planning and Coordination Amendments	Calvin Roberts

HB 492	<i>Transportation, Infrastructure, & Housing Amendments</i>	<i>Calvin Roberts</i>
HB 507	<i>State Coordination of Regional & Local Economic Development Projects Amendments</i>	<i>Calvin Roberts</i>
HB 520	Higher Education Student Housing Study	Jason E. Thompson
HB 565	City Library Property Tax Amendments	Andrew Stoddard
HB 597	Alcohol Amendments	Jefferson S. Burton
HCR 6	Concurrent Resolution Regarding the Utah Housing Strategic Plan	Stephen L. Whyte
SB 39	Investment Zones Amendments	Wayne A. Harper
SB 68	Disability Litigation Amendments	Brady Brammer
SB 71	Evidence Retention Amendments	Wayne A. Harper
SB 165	Economic Mobility Initiative	Lincoln Fillmore
SB 197	Transportation Funding and Governance Amendments	Wayne A. Harper
SB 238	<i>Property Tax Adjustments</i>	<i>Chris H. Wilson</i>
SB 284	<i>Local Land and Water Modifications</i>	<i>Lincoln Fillmore</i>

ULCT Opposed Bills that Failed

Bill Number	Bill Title	Bill Sponsor
HB 88	<i>Public Assistance Amendments</i>	<i>Trevor Lee</i>
HB 184	<i>Local Land Use Revisions</i>	<i>Raymond P. Ward</i>
HB 191	Airport Land Use Amendments	David Shallenberger
HB 196	Highway Designation Amendments	Trevor Lee
HB 231	Restaurant Tax Repeal Amendments	Norman K Thurston
HB 244	Employment Amendments	Lisa Shepherd
HB 355	Nuisance Modifications	Tyler Clancy

HB 415	Building Code Amendments	Jordan D. Teuscher
HB 449	<i>Utah Taxpayer Oversight of Government Spending</i>	<i>Tiara Auxier</i>
HB 470	<i>Building Inspection Amendments</i>	<i>Raymond P. Ward</i>
HB 479	<i>Election Code Modifications</i>	<i>Jefferson S. Burton</i>
HB 484	<i>Property Tax Changes</i>	<i>Kay J. Christofferson</i>
HB 485	Property Tax Revenue Increase Amendments	Tiara Auxier
HB 558	Election Amendments	Ryan D. Wilcox
HB 568	<i>Impact Fee Limit Amendments</i>	<i>Thomas W. Peterson</i>
HB 570	<i>New Home Impact Fee Amendments</i>	<i>Raymond P. Ward</i>
HB 589	Decommissioned Asset Disposition Amendments	R. Neil Walter
HJR 20	<i>Proposal to Amend Utah Constitution - Utah Taxpayer Oversight of Government Spending</i>	<i>Tiara Auxier</i>
SB 64	Government Records Amendments	Wayne A. Harper
SB 211	<i>Tort Reform</i>	<i>Kirk A. Cullimore</i>
SB 245	<i>Impact Fee Amendments</i>	<i>Calvin R. Musselman</i>
SB 249	Public Employee Negotiation Amendments	David P. Hinkins
SB 259	Evidence Declaration Amendments	Todd Weiler
SB 262	Law Enforcement Usage of Unmarked Vehicles	Daniel McCay
SB 289	Local Sales Tax Distribution Amendments	Nate Blouin
SB 330	Land Use Regulation Amendments	Kirk A. Cullimore

ULCT Opposed Bills that Passed

Bill Number	Bill Title	Bill Sponsor
<i>HB 33</i>	<i>Political Signs Amendments</i>	<i>Jordan D. Teuscher</i>
<i>HB 450</i>	<i>Data Privacy Amendments</i>	<i>David Shallenberger</i>
SB 201	Shelter Animal Euthanasia Amendments	Keith Grover

Key Themes of the 2026 General Session

Partnership, not preemption

“Partnership, not preemption” has joined “one size misfits all” as an unofficial ULCT motto, but what does it mean? There is always some tension between different levels of government. The tension between states and the federal government is even exemplified in the 10th Amendment to the United States Constitution. The relationship between states and local governments is a little more complicated and varies by state. Most states have either adopted a “Home Rule” or a “Dillon’s Rule” framework for municipal authority. In a “Home Rule” state, municipalities have inherent constitutional authority and legislatures are limited in their ability to preempt or intervene in policy areas reserved for local governments. “Dillon’s Rule” states are quite the opposite: local governments *only* have authority to craft policy where state statutes have expressly allowed it. Utah has a unique legal framework, stemming from a combination of constitutional provisions, case law, and statute. In Utah, local governments have broad ability to craft policy that provides for health/safety/welfare, where state law has not specifically limited it. In other words Utah falls somewhere between a “Dillon’s Rule” and a “Home Rule” state.

“Partnership” is an important term as well, because it indicates that respecting the roles of different levels of government is a two-way street. It also acknowledges the need to collaborate to solve difficult problems. “Partnership, not preemption” does not mean “leave local governments alone.” Rather, it means “working together to address a problem that results in better outcomes than simply restricting local government decision-making authority.” While there were certainly bills this session that more closely resembled preemption, the *outcome* of most legislation took more of a partnership approach. Key bills, like HB 492 (C. Roberts) repurposed \$100 million for a revolving infrastructure loan, accessible to local governments to support housing growth with an emphasis on creating home ownership opportunities. This legislation encourages partnership because state funding can help local governments overcome underlying impediments to growth (infrastructure deficiency) and create more opportunities for owner-occupied housing. Another example is HB 575 (C. Roberts), which reduced the state gas tax, appropriated \$11.9 million to hold local government B&C road fund distributions (also funded by the gas tax) harmless. This helped the state accomplish the priority of mitigating fuel price increases and ensured local governments can continue to maintain roads. Multiple bills that contemplated capping local government property tax increases were proposed, but never passed. Instead, HB 236 (K. Peterson) created additional process and transparency to enhance public trust in the Truth in Taxation process. This accomplished another state objective while ensuring local governments still have the financial flexibility to provide essential services to their residents.

Cost of Living

Both the house and senate majority caucuses identified reducing the cost of living as high priorities even before the session began. Around the country voters are concerned about the rising costs of housing, transportation, and groceries and Utah is no exception. Many of the bills previously mentioned, like HB 575 and HB 492, were intended to create more affordable home ownership opportunities and soften gas price increases. There were a number of bills aimed at reducing household energy prices too. While state lawmakers have limited policy levers to address these issues in the face of major macroeconomic headwinds, we expect efforts to mitigate rising costs of living to spur future conversations.

Key Bills Passed by Topic

We have included highlights from the most crucial legislation from the 2026 session below. These bills are noteworthy changes in policy and may require potential action. Be aware that there are bills not included below that passed and may impact your municipality. We encourage you to review [the complete list of passed bills here](#). The bills included below are organized topically. If a bill applies to multiple subject areas, it will be sorted into its most prominent subject area.

Economic Development

HB 475 Development Planning and Coordination Amendments (C. Roberts)

ULCT Position: *Support*

Legislative Intent: Increase coordination around economic development projects with regional or statewide significance.

Local Impact: This bill creates the Economic Development Council (EDC) consisting of appointments from the Governor, Senate President, House Speaker, UIPA, POMSLA, U-FAIR, MIDA, SITLA, ULCT, and UAC. It requires the EDC to establish strategic economic development objectives for the state, unify and coordinate economic development projects with regional or statewide significance, make recommendations to the GOED Director and the Legislature, and convene work groups. The bill also renames the Governor's Office of Economic Opportunity (GOEO) back to the Governor's Office of Economic Development (GOED).

Effective Date: May 6, 2026 (certain provisions July 1, 2026)

HB 507 State Coordination of Regional & Local Economic Development Projects Amendments (C. Roberts)

ULCT Position: *Support*

Legislative Intent: The bill originally intended to consolidate the Housing and Transit Reinvestment Zone (HTRZ), First Home Investment Zone (FHIZ), Homeownership Promotion Zone (HOPZ), and Convention Center Reinvestment Zone (CCRZ) into one multi-purpose city- or county-initiated tax increment financing tool: the Regionally Significant Development Zone (RSDZ). The number of policy changes in the bill increased throughout the session and the final version contained additional provisions around HTRZs, PIDS, data centers, and more.

Local Impact: This is a major economic development bill that does several things.

- a) Tax increment tool sunset: The bill sunsets the HTRZ, FHIZ, HOPZ, and CCRZ tax increment tools in 2028 while allowing existing programs to continue under their original framework.
- b) RSDZ creation: The bill creates the Regionally Significant Development Zone (RSDZ) tax increment tool. An RSDZ can be initiated by a city or county. The project zone must meet criteria for being considered "significant capital investment" or "regionally significant." The increment collected in the zone must pay for infrastructure. There are several varieties of RSDZs with specific purposes and specific parameters for approval, including a regionally significant transit-oriented development, first home village, regionally significant development zone with energy implications and an economic

development opportunity. The bill requires a GOED committee to approve the RSDZ before it is created, requires all taxing entities to participate, and allows for collection of up to 60% of increment for 25 years within a 40-year window. The bill also allows counties to challenge whether an RSDZ project is regionally significant, but it does not give counties the authority to challenge existing projects.

- c) **State Reinvestment Restricted Account:** The bill creates the State Reinvestment Restricted Account made up of a portion of RSDZ increment as well as other funding sources. Money in the State Reinvestment Restricted Account must be used for income tax relief, development of generational water infrastructure, preserving the GSL watershed, regionally significant transit development and infrastructure, or development of energy resources.
- d) **Tax increment for data centers:** Beginning May 6, 2027, the bill requires that an RSDZ be established in order to provide incentives funded by tax increment or personal property tax diversion for a large load data center. A data center qualifies as a large load user if it contracts with a utility to purchase $\geq$ 100MW of power. The RSDZ limits the total amount of incentives that can be provided to large load data centers at 60% of real property tax diversion, 80% of real property tax increment, and 80% of the MET/CET.
- e) **HTRZ changes:** The bill allows an HTRZ to span three light rail or BRT stations in cities of the 3rd-4th class if the total area is less than 250 noncontiguous acres and the HTRZ does not exceed a $\frac{1}{4}$ mile radius from the stations or any point on the light rail or BRT line. A 3-station HTRZ counts as two HTRZs towards the Salt Lake County cap. Once an HTRZ is approved, the proposing entity must enter into an agreement with the relevant property owners identifying the density needed to implement the approved zone, and enter into an entitlement, development, or participation agreement with property owners within the zone as soon as reasonably possible to implement approval. If the agreements have not been entered into within two years, the proposing entity must submit reports to the HTRZ committee explaining the status of agreements and any related land use regulations needed to implement the proposal. The provision around an agreement with relevant property owners is retroactive to May 4, 2022. The bill also says that HTRZs can use HTRZ money for extraterritorial housing if units are affordable, located in the same city, at least 6 units/acre, owner-occupied for 25 years, and have not had a building permit issued yet.
- f) **County energy excise tax:** The bill allows counties to charge a county energy excise tax in county RSDZ energy zones (unincorporated area).
- g) **GRAMA classification:** The bill allows confidential economic development information to be classified as protected and allows it to be shared with other government entities if an agreement is signed.
- h) **PID provisions:** The bill clarifies provisions around PID dissolution and governance, as well as the relationship between a PID and a city or county for infrastructure transfer.

Effective Date: May 6, 2026

HB 514 Utah Energy Council Amendments (N. Walter)

ULCT Position: *Monitor*

Legislative Intent: Expand the Utah Energy Council membership and authorize the council to issue bonds to finance electrical energy infrastructure projects.

Local Impact: The bill expands the Utah Energy Council from five to seven members. It allows the Energy Council to create the Utah Energy Infrastructure Service District, with members of the Energy Council serving as its board of trustees. It authorizes the district to issue revenue bonds and acquire, own, and operate energy infrastructure facilities within its service area. The district must obtain municipal consent before constructing or operating an energy infrastructure facility within a municipality. The bill also exempts district property from taxation, prohibits the district from providing service to the service territory of an existing provider, prohibits the district from selling electricity directly to retail customers, and prohibits the district from establishing a new service area or annexing additional service area.

Effective Date: May 6, 2026

SB 206 Tax Amendments (W. Harper)

ULCT Position: *Neutral*

Legislative Intent: Increase transparency and reporting for use of tax increment.

Local Impact: This bill addresses several things around tax increment, property taxes, and reporting requirements.

- a) **STATS program:** The bill transfers responsibility over the statewide property tax system from the Multicounty Appraisal Trust (MCAT) to the new Statewide Tax Administration and Technology Solutions (STATS) program.
- b) **Tax increment disclosure:** Beginning July 1, 2026, the bill requires political subdivisions that intend to trigger tax increment to conduct a TIF authorization meeting (may be part of another public meeting) and submit a disclosure to the program manager within 30 days of the authorization meeting. The disclosure must include a copy of the notice and minutes for the authorization meeting, the public good to be addressed through use of tax increment, the type of tax increment sought for use, the maximum total tax increment (by each type if multiple types) authorized, project administration costs, a but-for analysis, and a proportionate benefit analysis. If disclosure documentation is missing, the program manager must notify the subdivision and the subdivision must respond and provide the additional information. The bill also requires the subdivision to notify all affected taxing entities of subdivision's use of tax increment within 30 calendar days of the authorization meeting, and notify the county assessor by Dec 31 the year prior to collecting property tax increment. The subdivision must hold a new authorization meeting and submit a new disclosure if the subdivision doesn't trigger increment within five years.
- c) **Tax increment reporting:** The bill requires entities to submit their project area plan, budget, map, and interlocal agreements to the STATS program manager before Jan 1 of the year after the project area is created; entities also must submit a progress report by Jan 1 of each year thereafter. The bill requires the program manager to annually collect from each project area the change in taxable value from the base year, estimated current assessed value, percentage change in value from the base year, a comparison of actual increment collected compared to forecasted amount, historical receipts and expenditures of increment, a list of all taxing entities in the area and benefits provided to each entity, any outstanding bonds and loans, the area's current and anticipated development, a summary of the project area plan and budget, and a description of how increment has been used to further project area goals.

- d) Use of excess tax increment: The bill establishes that tax increment use is limited to purposes outlined in the initial disclosure. Entities that receive more tax increment than projected must use additional increment to defease issued bonds or repay debt. Tax increment collected in excess of the identified maximum must be returned to taxing entities. Entities can no longer receive tax increment after the maximum amount has been reached or the collection period has lapsed.
- e) Locally assessed new growth clarification: The bill clarifies that 1) physical improvements to an existing structure that do not add buildable area, and 2) any increase previously assessed as partially completed new growth are excluded from locally assessed new growth. The bill also excludes tangible personal property from project area new growth.

Effective Date: May 6, 2026; July 1, 2026; Jan 1, 2027; retrospective to Jan 1, 2026

SB 228 Community Reinvestment Agency Amendments (W. Harper)

ULCT Position: *Neutral*

Legislative Intent: Adjust the dormancy period for CRAs.

Local Impact: This bill changes the dormancy period after a CRA project from five years to six months beginning May 6, 2026. Projects that entered dormancy prior to May 6, 2026 still follow the five year dormancy period. It allows a CRA to extend the dormancy period once for up to two years if the CRA holds a public hearing and adopts a resolution and the community legislative body adopts an ordinance. It dissolves project areas on the day the dormancy period ends.

Effective Date: May 6, 2026

Elections

HB 420 Municipal Office Vacancy Modifications (A. Stoddard)

ULCT Position: *Support*

Legislative Intent: Clarify procedures for filling municipal vacancies and breaking ties.

Local Impact: Before filling a vacancy in a municipal office, the municipal legislative body must pass a resolution or ordinance identifying a fair and transparent method that the body will use in the event of a tie between three or more candidates, and in the event that one candidate receives a plurality of the votes and two or more candidates tie for receiving the second most votes. The method must eliminate one tied candidate, by lot, and each tied candidate must have an equal chance of elimination.

Effective Date: May 6, 2026

HB 479 Election Code Modifications (J. Burton) - Failed

ULCT Position: *Oppose*

Legislative Intent: Increase security at ballot drop boxes and availability of drop boxes.

Local Impact: This bill would have required one ballot drop box per 30,000 active registered voters in a municipality. It also would have set hours of operation for ballot drop boxes, required that all drop boxes be attended by two poll workers during the hours of operation, and required voters to show voter ID when dropping off their ballot at a drop box.

Effective Date: N/A - did not pass

SB 321 Municipal Election Amendments (D. McCay)

ULCT Position: *Neutral*

Legislative Intent: Require municipal candidates to file campaign finance reports that match state and legislative candidate requirements.

Local Impact: All municipal candidates must file a campaign finance report by January 10 of each year until they have no remaining balance in their account. Candidates who fail to file a timely report will be subject to a \$100 fine. Remaining campaign funds can be donated to a 501(c)(3) charitable organization, returned to donors, or donated to other lawful political causes.

Effective Date: May 6, 2026

General Government

HB 33 Political Signs Amendments (J. Teuscher)

ULCT Position: *Oppose*

Action Required

Legislative Intent: Create more consistent regulation of political signs.

Local Impact: Local governments cannot prohibit a person from posting a political sign in a park strip if the person is the owner or lawful occupant of the adjacent property, the person is required by local ordinance or agreement to maintain the park strip, or the owner or lawful occupant gives consent to the sign being posted. Local governments can still regulate the posting of political signs to prevent traffic, pedestrian, or line-of-sight hazards.

Political advertisements and signs larger than 24x18 inches must clearly identify who paid for the advertisement or sign, unless the sign is paid for and authorized by the candidate and the sign clearly and conspicuously identifies the candidate by name.

An individual is guilty of an infraction if they knowingly attach a political sign to a utility pole, light pole, electric utility box, traffic control device, or railroad sign or signal. Political signs must be removed from roadways no later than 14 calendar days after election day.

A person is guilty of a Class B misdemeanor if they knowingly remove a political sign, unless the person removes a sign that is larger than 24x18" and doesn't say who paid for the sign, the person is a public official or government employee, the person removes a sign attached to a prohibited location (see above), or the person removes a sign on a roadway longer than 14 calendar days after the election.

Each county and municipality must designate one or more locations where political signs can be deposited for safekeeping. Upon receiving a political sign, the county or municipality must make a reasonable attempt to contact the owner by telephone, and give the owner 5 business days to pick up the sign after speaking with the owner via telephone or leaving a voicemail. The county or municipality can dispose of a political sign if the owner doesn't pick up the sign by the deadline, the owner cannot be identified, or the municipality cannot obtain contact information (must contact election officer & LG's office if applicable). A municipality or county can seek reimbursement from a sign owner up to \$20 per deposit incident in certain limited circumstances.

Effective Date: May 6, 2026 (certain provisions Jan 1, 2027)

HB 88 Public Assistance Amendments (T. Lee) - Failed

ULCT Position: *Oppose*

Legislative Intent: Require verification of lawful presence before providing certain public benefits.

Local Impact: The bill originally would have prohibited an agency or political subdivision from providing state or local benefits to an individual who is unlawfully present in the US. A city employee that knowingly failed to verify lawful presence or failed to maintain records regarding the verification of lawful presence would have been guilty of a class B misdemeanor. It also would have created a private right of action for certain individuals against a government employee or executive director that knowingly violated this section. Certain provisions in this bill were moved to HB386, which also did not pass.

Effective Date: N/A - did not pass

HB 147 Government Form Submission Amendments (J. Teuscher)

ULCT Position: *Neutral*

Action Required

Legislative Intent: Require state and local governments to offer a means for most forms to be submitted electronically.

Local Impact: Local governments must provide an electronic option for submitting forms, records, and information. Options include electronically completing and signing the form, downloading and submitting the form electronically, uploading the form, entering the information online, or sending the record or information via email. The electronic submission requirement does not apply for election forms, forms requiring a fingerprint, incarcerated individuals, marriage licenses, or if prohibited or required by federal law, state law, or court rule. All municipalities with revenues or expenditures above \$1,000,000 must comply by July 1, 2027. All other municipalities must comply by July 1, 2030.

Effective Date: July 1, 2027 or July 1, 2030 (depending on municipality's budget size)

HB 366 Judicial Modifications (J. Teuscher)

ULCT Position: *Support*

Legislative Intent: Address the distribution of municipal cases in district court.

Local Impact: This bill responds in part to a current ongoing case challenging a three-judge panel. If the three-judge panel is invalidated or enjoined in the current case, this bill creates a constitutional court to hear challenges to the validity of legislation, laws, and other rulings. In addition, the presiding judge of each judicial district will assign at least one judge to hear a municipality's municipal cases, ensure that the case-to-judge ratio does not exceed 500 to 1 for a calendar year, and ensure that each municipal case is heard in the closest possible location to the municipality unless the presiding judge finds good cause for the case to be heard elsewhere. "Municipal case" is defined as a criminal case that is filed in district court by a city attorney on behalf of a municipality, appealed from a municipal justice court to a district court, or transferred to a district court by a municipal justice court. These requirements do not apply if the municipality and the presiding judge enter into a memorandum of understanding that specifies a different arrangement for managing the municipality's municipal cases.

Effective Date: Immediate

HB 450 Data Privacy Amendments (D. Shallenberger)

ULCT Position: *Oppose*

Action Required

Legislative Intent: Clarify data privacy requirements from prior years and modify the responsibilities of local governments.

Local Impact: This bill clarifies that a municipality may define Chief Administrative Officer as one designated by statute or as designated by the municipality, but does not need to be the same individual commonly referenced as the "Chief Administrative Officer" in municipalities. It requires the privacy program report to be submitted to the Office of Data Privacy by December 31st of each year and retained thereafter for five years. It establishes a "data privacy complaint" process that begins with the CAO and ends with the Data Privacy

Ombudsperson. It requires a study to be done during the interim about possible procedures for high risk processing activities by soliciting input from interested parties, including law enforcement agencies and governmental entities. It reschedules the requirement for municipalities to include specific language in municipal contracts that binds a contractor from abiding by the GDPR and other privacy laws from July 1, 2026 to July 1, 2027.

Effective Date: May 6, 2026

HB 535 Disposition of Public Property Modifications (N. Walter)

ULCT Position: *Neutral*

Legislative Intent: Increase local government transparency requirements when disposing of real property.

Local Impact: Before disposing of real property (permanent transfers or leases greater than 10 years), local governments must post a physical sign at the property stating it is available and that offers may be made to the local government. Before disposing of a significant parcel (default is >\$500k), the local government must follow the requirements for disposing of real property (see above), publish an announcement of intent to dispose of the property on the local government's website or a real estate offering website for at least 45 days, and announce the intent to dispose of the property during a public meeting. Disposal of property must be approved by majority vote unless an ordinance or resolution states a different approval process. "Disposal" exempts leases with an initial term of less than 10 years, easements, cemetery plots, vacation of public streets, and exchanges of property with similar value from these requirements.

Effective Date: May 6, 2026

SB 108 Online Marketplace Amendments (L. Fillmore)

ULCT Position: *Neutral*

Review Policies for Compliance

Legislative Intent: Address municipal regulation of online marketplaces.

Local Impact: Local governments cannot regulate online marketplace platforms or require that platforms share personal data without a court order or administrative subpoena. The bill exempts criminal code enforcement, intellectual property protection, and voluntary cooperation from this requirement.

Effective Date: May 6, 2026

SB 165 Economic Mobility Initiative (L. Fillmore)

ULCT Position: *Support*

Legislative Intent: Provide technical assistance to certain communities to improve youth and family outcomes.

Local Impact: This bill creates the Raising Expectations through Accountability, Community, and Hope (REACH) initiative program to support eligible communities in creating partnerships to improve youth and family outcomes by aligning community efforts from early childhood through postsecondary education and workforce entry. It requires GOED to designate a technical assistance provider to establish and administer the program. Eligible communities are those that meet one or more of these criteria: located in a county with a population density of less than 10 people per square mile and limited access to services, includes a high

school that serves a substantial portion of the secondary students residing in the community with a four-year cohort graduation rate of 85% or lower, demonstrates disparities in prioritized community indicators that exceed 10% below the state average, or demonstrates disparities in prioritized community indicators that exceed 20% between subgroups.

Effective Date: May 6, 2026

SB 211 Tort Reform (K. Cullimore) - Failed

ULCT Position: *Oppose*

Legislative Intent: Address the 2025 Utah Supreme Court case *Gardner v. Norman*, which established that in tort cases, plaintiffs can only recover the amount actually paid and owed for medical expenses, not the higher amount that was originally billed.

Local Impact: The bill would have established that the difference between a hospital billed amount and insurance billed amount cannot be admitted into evidence to determine liability, amount of damages, calculations, impeachment, credibility, or in settlement negotiations. It likely would have increased the prevalence of “phantom damages” in tort cases, potentially leading to higher legal costs for municipalities.

Effective Date: N/A - did not pass

SB 232 Regulatory Impacts on Families (L. Fillmore)

ULCT Position: *Neutral*

Action Required

Legislative Intent: Require political subdivisions and state agencies to consider the impact of certain governmental actions on families.

Local Impact: Local government legislative bodies must consider the impact a proposed ordinance may have on family health, stability, and formation. Failure to comply with this requirement doesn’t invalidate an ordinance or create a cause of action.

Effective Date: May 6, 2026

Land Use

HB 65 Construction Code Amendments (T. Peterson)

ULCT Position: *Neutral*

Legislative Intent: Adopt the 2024 versions (from 2021) of certain building codes, make changes to current daycare facility building regulations, make technical changes to the IBC, and clarify when a city can require updating current structures or components of structures to be updated.

Local Impact: A municipality will not be able to require compliance with any of the new 2024 International Building Code provisions if a building component has not been altered as part of an alteration, movement, replacement or repair of an existing structure. There is no definition of a “building component,” and therefore, there is some ambiguity as to whether a “building component” has or has not been altered in the process of a modification.

Effective Date: July 1, 2026 (certain provisions take effect upon governor’s approval)

HB 68 Housing and Community Development Amendments (C. Roberts)

ULCT Position: *Support*

Legislative Intent: Consolidate state-level housing programs into the new Division of Housing and Community Development (HCD) within the Governor's Office of Economic Development (GOED).

Local Impact: This bill moves the Division of Housing and Community Development (HCD) from the Department of Workforce Services (DWS) to the Governor's Office of Economic Opportunity (GOED), restructures state-level housing programs under HCD, and creates the state housing coordinator position within HCD. The bill also repeals the Commission on Housing Affordability (CHA), the low-income ADU loan guarantee pilot program, and the subordinate shared appreciation loan program.

Effective Date: July 1, 2026 (certain provisions take effect May 6, 2026)

HB 126 Micro-Education Entity Facility Amendments (A. Defay)

ULCT Position: *Support*

Legislative Intent: Clarify that a micro-education entity is subject to a political subdivision’s land use regulations.

Local Impact: The bill clarifies that a micro-education entity can only operate in a facility that complies with all local ordinances. It establishes that the allowed number of students within a micro-education facility is determined by the facility's occupancy classification and occupant capacity under state construction codes and subject to local zoning and land use regulations, with an absolute maximum of 100 students. The bill allows structures within any zone to be converted into a micro-education facility if the facility complies with state construction codes and local ordinances.

Effective Date: May 6, 2026

HB 184 Small Lots and Starter Homes Amendments (R. Ward)- Failed

ULCT Position: *Oppose*

Legislative Intent: Create a new land use regulation to facilitate the construction of starter homes in 1st-3rd class counties.

Local Impact: The bill would have created a preferred land use regulation (regulations that permit a person to build a starter home, or a minimum of 5,400 square feet for lot size requirements). Applicants would have been able to request that a municipality accept a preferred land use regulation on an eligible lot regardless of a conflicting municipal regulation. The municipality would not have been able to require the applicant to submit engineering plans, architectural drawing, plats, will-serve letters, or conform with other municipal regulations or standards that the municipality normally requires. After receiving a request, municipal staff would have 10 days to determine if the request complies with the preferred land use regulation. If the request complies, the planning commission or legislative body would have 45 days to deny the request for any reason, on the record. If the planning commission or legislative body doesn't deny the request within 45 days, the request becomes a permitted use. After a request becomes a permitted use, the applicant would have two years to submit a building permit or plat approval. An applicant whose request was denied by the planning commission or legislative body within the previous five years would have to disclose that on any subsequent request for the same property.

Effective Date: N/A - did not pass

HB 436 Moderate Income Housing Infrastructure Amendments (S. Gricius)

ULCT Position: *Support*

Action Required (for some)

Legislative Intent: Create a dual path for MIHP priority consideration for cities whose housing stock increases by at least 2.5%.

Local Impact: The bill freezes MIHP for 2026, so all entities eligible and prioritized in 2025 maintain that status through 2026. Instead, on or before July 1, 2026, MIHP cities are required to report on the number of residential certificates of occupancy issued during the previous year. The bill also creates a pathway for MIHP priority consideration for cities whose housing stock increases by at least 2.5% annually, and establishes that residential certificates of occupancy are the metric used to determine if a city qualifies for the new MIHP prioritization pathway.

Effective Date: May 6, 2026 (certain provisions take effect July 1, 2026)

HB 457 County Governance Modifications (J. Dunnigan)

ULCT Position: *Support*

Action Required (for some)

Legislative Intent: The purpose of this bill is to provide a better framework for providing municipal and county services to jurisdictional "islands" within 2nd class counties (Weber, Davis, and Utah).

Local Impact: This bill only affects municipalities located in 2nd class counties with areas that are completely surrounded by one city, are 55 acres or less in area, and the island meets at least one of the following conditions: 1) currently being serviced culinary water and sanitary sewer by the surrounding municipality; 2) the existing infrastructure (utilities and roads, etc.) are already up to municipal engineering standards and specifications; or 3) does not have any infrastructure located within the island. If your municipality has islands meeting the foregoing criteria, then that particular island or portion of an island will be automatically annexed into the municipality unless they are exempted. For municipalities located within Davis and Weber County, only the county has the authority to exempt islands or portions thereof by adopting a resolution prior to July 1, 2027. For municipalities located within Utah County, only the affected municipality has the authority to exempt islands or portions of islands by adopting a resolution by July 1, 2027. For those qualifying islands that have not been exempted, the applicable county will give notice to the property owner whose property will be automatically annexed in. If certain parcels have not been either voluntarily annexed or exempted (per above) by July 1, 2027. For those municipalities that have more than one qualifying island, a municipality may include all islands within one plat for recording.

Effective Date: May 6, 2026

HB 492 Transportation, Infrastructure, & Housing Amendments (C. Roberts)

ULCT Position: Support

Legislative Intent: Provide state resources to facilitate the construction of system infrastructure and starter homes.

Local Impact: This bill does several things to facilitate the construction of housing and infrastructure.

- a) State Housing Infrastructure Partnership (SHIP): The bill creates a \$100 million state revolving loan fund that local governments can access to help fund system infrastructure that supports the development of owner-occupied housing. Funds can only be used for system infrastructure. This includes drinking water or wastewater facilities, sewer lift stations, stormwater systems, water drainage systems, secondary water systems, power transmission and distribution lines, and regional transportation facilities. The bill creates a 5-member state board to issue the loans and requires the board to establish criteria for determining loan eligibility, repayment plans, and other project details. The statute provides the board with a great deal of flexibility to design prioritization and criteria for the loans. It requires the board to give preference to projects facilitating the construction of detached owner-occupied single-family homes. Loan terms cannot exceed 20 years and must charge interest at a rate within 1.5% of the federal funds rate target.
- b) Affordable Housing Infrastructure Grant Board: The bill allows UDOT to issue up to \$150 million (\$80 million increase) in general obligation bonds, funded by a portion of the County of the First Class Highways Project Fund, for affordable housing infrastructure grants in Salt Lake County.
- c) Convention Center funding: Beginning FY26, the bill allocates \$50 million annually from the Transportation Investment Fund of 2005 to the Convention Center Restricted Account for revitalization of a convention center and surrounding revitalization projects related to the convention center, and for issuing debt up to \$1.6 billion. Beginning FY31 and ending FY60, the bill allocates \$5 million annually from the County of the First Class Highway Projects Fund to Salt Lake County for convention center revitalization.

- d) State surplus land: The bill gives rulemaking authority to state agencies to sell surplus land at pre-entitlement appraisal value and defer payment.
- e) Point of the Mountain loan: The bill allows the SHIP to make one infrastructure loan to Point of the Mountain not exceeding \$18 million over a three-year term.

Effective Date: May 6, 2026

HB 520 Higher Education Student Housing Study (J. Thompson)

ULCT Position: Support

Legislative Intent: Study the impact of student housing on homeownership in communities adjacent to major higher education campuses.

Local Impact: The bill requires an employee of the governor's office, in consultation with the commissioner of higher education, to conduct a feasibility study on the impact of higher education student housing on homeownership in surrounding communities. The study must propose opportunities for state and institutional mitigation of the impacts described in the study, and the individual completing the study must ensure involvement of municipalities in which a higher education institution is located. The employee of the governor's office must report back to the Higher Education Appropriations Subcommittee before November 1, 2026.

Effective Date: May 6, 2026

HB 597 Alcohol Amendments (J. Burton)

ULCT Position: Support

Legislative Intent: Annual alcohol omnibus bill.

Local Impact: Currently, the law prohibits alcohol licenses within 300 feet of a community location (any K-12 school, church, library, playground, or park). The bill creates an option for local governments to provide consent for DABS to issue an alcohol license to a hotel or restaurant (full-service, limited-service, beer only) within 300 feet of a library, playground, or park. The local government must hold a public meeting with public comment at least 30 days before giving consent.

Effective Date: May 6, 2026 (certain provisions immediately)

HCR 6 Concurrent Resolution Regarding the Utah Housing Strategic Plan (S. Whyte)

ULCT Position: Support

Legislative Intent: Support the implementation of the Utah Housing Strategic Plan.

Local Impact: This resolution declares that the Legislature, the Governor concurring therein, supports implementation of the Utah Housing Strategic Plan, and finds that the Plan meets the state's goals of increasing government efficiency and reducing duplication of services and confusion for political subdivisions, the state government, and stakeholders. It also declares that the Legislature and the Governor commit to track the Utah Housing Strategic Plan implementation and results to ensure the Plan remains responsive to Utah's changing housing needs.

Effective Date: N/A - resolution

SB 245 Impact Fee Amendments (C. Musselman) - Failed

ULCT Position: *Oppose*

Legislative Intent: Modify the requirements for impact fee service areas and impact fee expenditures.

Local Impact: The bill would have required impact fee facilities plans to designate a service area for each proposed impact fee, demonstrate that the geographic area included in each service area is necessary, and limit impact fee expenditures to the area identified in the plan. It also would have prohibited the service area from being the entire municipality, required a separate interest bearing ledger account for each service area, and required adoption of the IFFP prior to impact fee collection.

This bill will be part of additional discussions over the interim and during the next session.

Effective Date: N/A - did not pass

SB 284 Local Land and Water Modifications (L. Fillmore)

ULCT Position: *Support*

Action Required

Legislative Intent: This bill is the annual Land Use Task Force bill negotiated between ULCT, UAC, Property Rights Coalition, Realtors Association, and other stakeholders.

Local Impact: This bill covers many different policy considerations, which are divided below:

- a) **Incorporation Process Changes:** This provision gives property owners who were included after the initial feasibility study to have the right to protest their property from being included within the proposed boundaries of the incorporation.
- b) **Model Homes:** This provision clarifies that model homes, like open house events, cannot be regulated any different than a single family home.
- c) **Planning Commission Changes:** This provision requires planning commissions to include ethics within their annual training, which may include new topics such as conflicts of interest and ex parte communications. Planning commissioners are now explicitly prohibited from acting with "impermissible bias," which is understood to mean that they stay within the bounds of their quasi-judicial role and make the decision based upon the law and facts instead of their own biases. A planning commissioner should never be out advocating for either party's position so that the applicant receives a fair decision. This bill authorizes the city council the ability to decide an application if the planning commission is taking longer than they feel is appropriate to submit a recommendation to the Council (it is no longer required for a city to have an ordinance to state that a no response from the planning commission is a negative recommendation). All cities must already have an ordinance establishing the planning commission and procedures for appointment and removal under Utah Code 10-20-301. This bill requires cities modify their current ordinances to add:
 - i) The person or body authorized to remove a planning commissioner (depending on your form of government).
 - ii) A list of reasons that a planning commissioner can be removed from the planning commission, which must include (a) using public funds for political purposes, (b) violating a provision of the Municipal Officers and Employees Ethics Act, and (c) acting with the intent to

influence a land use decision or an appeal of a pending land use application in a manner that creates actual or an unacceptable risk of impermissible bias.

- iii) A provision that states that a planning commissioner is able to deliberate about a specific land use application in a planning commission meeting with municipal staff, an elected official, or the land use applicant is not cause for removing a planning commission member;
 - iv) The requirements for when a planning commissioner must recuse oneself from deliberating or voting on certain land use applications.
- d) Detached ADUs: MIHP Municipalities must allow by ordinance a detached ADU on any lot zoned for single family homes on lots greater than 11,000 sq. feet. DADUs may still be subject to setbacks and other regulations that would apply to a single family home. This requirement must be done by October 1, 2026. More in-depth materials and training are forthcoming.
- e) Online Posting: By May 6, 2026, municipalities are required to post their land use laws and fees online if they have an actively maintained website. A link to a codifier satisfies the requirement for the posting of land use laws. The fee schedule must include all of the municipality's fees related to land use applications, land use permits, or land use regulations, including development review fees and impact fees. Additionally, by October 1, 2026, municipalities will need to create checklists for each land use application that detail the required plans and documents that make a complete application and post them all online if they have an actively maintained website. Those municipalities that do not have actively maintained websites must have the land use laws and fee schedules (by May 6, 2026) and checklists (by October 1, 2026) available at the place of business.
- f) Appeal Bodies: Legislative bodies will no longer be able to be used as appeal bodies for any land use related issue in MIHP cities (1st-4th class cities, plus 5th class cities with a population 5000+ within a 1st-3rd class county).
- g) Third Parties: The burden of proof has been heightened for third parties as well as the remedies available to third parties.
- h) Water Exaction: By 2028, municipalities will need to provide a report using the metrics and calculations put in place by the State Water Engineer.
- i) Conflicting Ordinances: This bill clarifies that when there is a conflicting ordinance between building height and building habitable floors, the most permissive will control.
- j) Other clarifications from HB368 (2025) land use task force bill regarding new conditional use process, bonding interest on cash bonds, and other technical changes.

Effective Date: May 6, 2026 (certain provisions are delayed until October 1, 2026)

Public Safety

HB 41 Construction and Fire Code Amendments (T. Peterson)

ULCT Position: *No Position*

Action Required (for some)

Legislative Intent: The intent of this bill was to limit municipalities from being over inclusive in the drawing of their WUI maps.

Local Impact: Effective January 1, 2027, the bill adopts the 2024 Wildland Urban Interface (WUI) Code and prohibits municipalities from imposing WUI building code and landscaping requirements in their WUI map unless the area also has a risk score of 5 (High Exposure) or above on the Forestry Fire and State Lands Smoothed Structure Exposure Score Map. This bill also extended the time that assessment fees would be collected by the County in accordance with the High Risk WUI map. Remember, the 2024 WUI code will only come into effect January 1, 2027. Municipalities will not be required to have an updated map reflecting the changes until January 1, 2027.

Effective Date: Jan 1, 2027 (certain provisions May 6, 2026)

HB 79 Governmental Immunity Amendments (M. Gwynn)

ULCT Position: *Support*

Legislative Intent: This bill clarifies the Governmental Immunity Act in response to the Supreme Court decision in Armenta v. UFA.

Local Impact: This bill clarifies that when an individual is providing emergency medical services, they (and their municipality) will be covered under the Governmental Immunity Act regardless of whether or not the emergency medical services were rendered during a natural disaster.

Effective Date: May 6, 2026 (retrospective to March 18, 1985)

HB 205 Substance Use Intervention Amendments (T. Clancy)

ULCT Position: *Support*

Legislative Intent: Provide tools for government entities and the courts to address drug offenses.

Local Impact: The bill authorizes courts to enter an off-limits order prohibiting an individual charged with or convicted of a drug offense in a public place from entering or remaining in that public place for up to one year, with some exceptions. Violation of the off-limits order is a Class A misdemeanor. It prohibits an entity operating a syringe exchange program from facilitating the exchange in a public park, requires the entity to obtain written authorization to facilitate an exchange on public property, and prohibits the entity from distributing drug paraphernalia other than syringes. It also authorizes justice courts in first and second class counties (Salt Lake, Weber, Davis, Utah) to create a Structured Treatment and Enforcement Pathway (STEP) Supervision Program and authorizes jails to establish voluntary recovery housing pods.

Effective Date: May 6, 2026

HB 215 Landscaping Restrictions Amendments (T. Peterson)

ULCT Position: *Neutral*

Action Required (for some)

Legislative Intent: Clarify what happens when WUI code requirements for creating defensible space by removing vegetation conflict with local ordinances restricting the removal of vegetation.

Local Impact: Municipalities that have ordinances that prohibit removal of vegetation from a property will need to ensure their ordinances allow for property owners to create defensible space in WUI areas. This bill does not apply to areas where 1) the removal of vegetation is not required to meet the defensible space requirements under the 2024 WUI code or 2) the area is outside of a designated WUI area according to the City WUI map (see HB41 recap).

Effective Date: May 6, 2026

HB 308 Homeless Services Amendments (C. Okerlund)

ULCT Position: *Neutral*

Legislative Intent: Originally addressed OHS and the Homeless Services Coordinator role, but several provisions were added from HB 596. Some of these provisions mirror additions to HB 572, which also passed.

Local Impact: The bill allows congregate shelters to flex up to 135% of capacity as long as the shelter obtains municipal consent and remains in compliance with state and local building and fire codes. It repeals this provision on April 30, 2027 and requires shelters to return to capacity determined on their conditional use permit on May 1, 2027. The bill increases the local Mitigation Fund contribution amount for non-shelter cities by 15% for the 2027 calendar year and recognizes cities with shelters that operate year-round as shelter cities, even if the shelters were originally designated as winter overflow shelters. It also amends administrative requirements for OHS and clarifies the role of the Homeless Services Coordinator.

Effective Date: May 6, 2026 (certain provisions Jan 1, 2027)

HB 378 Fugitive Dust Mitigation Amendments (S. Gricius)

ULCT Position: *Support*

Legislative Intent: Reduce air pollutants from gravel pits.

Local Impact: Between July 1, 2027 and June 30, 2028, the Division of Air Quality will be able to impose an annual aggregate compliance fee not exceeding \$4,500 on aggregate operations based on the operation's annual air pollutant emissions. Beginning July 1, 2028, the Air Quality Board will be able to impose an annual aggregate compliance fee determined by board rule. The bill also requires fugitive dust facilities to post signage at an entryway that includes the name of the facility or site, a permit identification number, a business identification number, and contact information for the owner and for DAQ.

Effective Date: May 6, 2026

HB 381 Electric Mobility Device Amendments (P. Cutler)

ULCT Position: *Support*

Legislative Intent: Increase safety requirements and create more regulatory consistency around personal electric vehicles (including e-bikes).

Local Impact: The bill prohibits consuming alcohol while operating an electric assisted bicycle. It defines “high power electric device” as electric assisted bicycles that have modified or tampered equipment enabling it to travel more than 20 miles per hour on the power of the electric motor alone, and allows local governments to regulate or restrict the use of a high power electric device on a sidewalk, path, or trail. It requires that individuals under 21 years old wear a helmet while operating a personal electric vehicle (electric assisted bicycle, motor assisted scooter, or high power electric device) on a highway, subject to a maximum fine of \$110. It requires the Department of Public Safety to create and administer a personal electric vehicle safety course, and prohibits an individual from renting a personal electric vehicle to an individual under 16 years old unless the individual shows their personal electric vehicle safety certificate or is under direct adult supervision. It allows individuals 16 years and older to operate an electric assisted bicycle with the motor engaged or a motor assisted scooter with the motor engaged on a highway without supervision, without a driver’s license, and without a personal electric vehicle safety certificate; it does not allow them to operate a high power electric device on a highway unless they have a driver’s license. It allows individuals 8-15 years old to operate an electric assisted bicycle with the motor engaged or a motor assisted scooter with the motor engaged on a highway with supervision or after obtaining a personal electric vehicle safety certificate. Lastly, it allows a peace officer to hold an individual's personal electric vehicle and release it to a parent or guardian if the peace officer observes a violation and the individual is under 18 years old.

Effective Date: May 6, 2026 (certain provisions May 5, 2027)

HB 470 Building Inspection Amendments (R. Ward) - Failed

ULCT Position: *Oppose*

Legislative Intent: Expedite timelines for review of building plans for alterations, and permit builders to use inspectors on a third-party inspection list (created and maintained by the city).

Local Impact: This bill would have required municipalities to automatically approve an application for a plan review if the application is for an alteration to an owner-occupied, single-family dwelling and contains a signed statement from a certified combination inspector. The bill also would have allowed building permit applicants for an owner-occupied, single-family dwelling to bypass the city inspection process and engage a third-party inspection firm to complete the inspection.

Effective Date: N/A - did not pass

HB 572 Behavioral Health, Mental Health, and Social Services Amendments (S. Eliason)

ULCT Position: *Neutral*

Legislative Intent: Originally addressed Utah’s behavioral health diversion and crisis response system, but provisions were added from HB 596. Those added provisions mirror some additions to HB 308, which also passed.

Local Impact: The bill allows congregate shelters to flex up to 135% of capacity as long as the shelter obtains municipal consent and remains in compliance with state and local building and fire codes. It repeals this provision on April 30, 2027 and requires shelters to return to capacity determined on their conditional use permit on May 1, 2027. The bill increases the local Mitigation Fund contribution amount for non-shelter cities by 15% for the 2027 calendar year and recognizes cities with shelters that operate year-round as shelter

cities, even if the shelters were originally designated as winter overflow shelters. It also creates a sequential intercept model to strengthen Utah's behavioral health diversion and crisis response system that enhances coordination between law enforcement, courts, and behavioral health receiving centers; expands crisis intervention and de-escalation training requirements for peace officers; and amends administrative requirements.

Effective Date: May 6, 2026 (certain provisions Jan 1, 2027)

SB 68 Disability Litigation Amendments (B. Brammer)

ULCT Position: *Support*

Legislative Intent: Stop abusive lawsuits related to ADA website access requirements.

Local Impact: This bill adds a private right of action against a plaintiff for filing an "abusive" website access lawsuit against a municipality. An abusive lawsuit is one in which the primary purpose is to obtain monetary payment from the defending party rather than to remedy a website access violation. A lawsuit is presumptively abusive if the municipality attempted to cure the violation within 30 days after the day on which the municipality received notice of the violation OR if the municipality cures the violation within 90 days of the notice. If a trier of fact finds that the lawsuit is abusive, a court may award a municipality reasonable attorneys fees and costs and punitive damages, and impose sanctions on the plaintiff.

Effective Date: May 6, 2026

SB 71 Evidence Retention Amendments (W. Harper)

ULCT Position: *Support*

Legislative Intent: Address evidence retention for misdemeanor and felony cases.

Local Impact: The bill amends the process for law enforcement agencies seeking to return or dispose of evidence in misdemeanor cases and amends timelines that a law enforcement agency is required to retain evidence of felony offenses.

Effective Date: May 6, 2026

SB 120 Towing Modifications (R. Winterton)

ULCT Position: *Neutral*

Legislative Intent: Ensure that non-consent police generated tows get sent to the closest available impound yard.

Local Impact: The bill prohibits non-consent police generated tows from towing a vehicle outside the county where the tow is initiated. The bill provides an exception to this policy if law enforcement chooses a different impound yard due to the vehicle being held as evidence, a tow yard outside the county is closer, a tow yard within the county is unavailable, or a tow truck within the county cannot respond within a reasonable time due to weather, road conditions, or volume of requested tows.

Effective Date: May 6, 2026

SB 201 Shelter Animal Euthanasia Amendments (K. Grover)

ULCT Position: *Oppose*

Review Policies for Compliance

Legislative Intent: Prevent euthanization of animals in shelters unless no reasonable alternatives to euthanasia are available.

Local Impact: Animal shelters can euthanize an animal only after the five-business-day minimum holding period has expired, notifying animal shelter and animal rescue groups that have expressed interest in receiving animals at risk of euthanasia, and waiting two business days after notifying the animal shelter and animal rescue groups for them to collect or request transfer of the animal. The two-business-day collection period can run concurrently with the five-business-day holding period and any holding period required by local ordinance. The bill also allows shelters to euthanize animals to prevent unnecessary suffering due to injury or disease, or if the animal is a dog that has been determined to be dangerous or vicious under state or local law.

Effective Date: May 6, 2026

SB 262 Law Enforcement Usage of Unmarked Vehicles (D. McCay) - Failed

ULCT Position: *Oppose*

Legislative Intent: Prevent law enforcement from using unmarked vehicles to address traffic infractions.

Local Impact: The bill would have prohibited a law enforcement agency from using an unmarked vehicle for a patrol assignment in which a primary purpose is the enforcement of traffic infraction law. It provided exceptions to this policy for assignments meant to address a documented specific traffic issue within a community, and public safety operations regarding crosswalk enforcement, construction zones, DUI enforcement, stopped school buses, or school zone speed enforcement.

Effective Date: N/A – did not pass

Revenue and Taxes

HB 77 Tax Modifications (S. Eliason)

ULCT Position: *Neutral*

Legislative Intent: Annual omnibus tax cleanup bill.

Local Impact: Municipalities and counties reauthorizing a City or Town Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities (commonly referred to as ZAP or RAP). City tax must provide notice of the reauthorization to the Tax Commission 90 days before the reauthorization takes effect. The bill prohibits the Tax Commission from collecting a ZAP or RAP tax if the Tax Commission has not received notice of reauthorization.

Effective Date: May 6, 2026 or otherwise noted (reauthorization provisions effective July 1, 2026)

HB 236 Truth in Taxation Amendments (K. Peterson)

ULCT Position: *Neutral*

Legislative Intent: Increase transparency and public input during the truth-in-taxation process while preserving the authority of political subdivisions to increase property taxes without caps, voter approval, or other restrictions.

Local Impact: If proposing a tentative budget with a property tax increase during the first meeting in May, the budget officer or mayor must state that the tentative budget includes a property tax increase and include a separate item on the meeting agenda announcing that the mayor or budget officer intends to make this statement.

Between May 1 and June 13, the entity must state at a public meeting that it is considering a tax increase; the approximate dollar amount, approximate percentage increase, and purpose of the increase; and that if the entity moves forward, information about a public hearing will be made available. A separate item on the public meeting agenda announcing that this statement will be made during the meeting is also required. By June 30, the entity must complete and adopt an interim budget that includes the proposed increase and an impact schedule and is in effect from July 1 until the final budget is adopted. An amount equal to the additional revenue generated by the proposed increase must be set aside in a restricted account within the interim budget until the final budget is adopted. The bill gives a one-year grace period for these new provisions. The bill also allows towns without public websites to meet truth-in-taxation notice requirements by posting the required information at their town hall or principal place of business.

Effective Date: May 6, 2026

HB 449 Utah Taxpayer Oversight of Government Spending Amendments (T. Auxier) -

Failed

ULCT Position: *Oppose*

Legislative Intent: Require voter approval for most tax increases, contingent upon the passage of a constitutional amendment (HJR 20).

Local Impact: This bill would have prohibited state and local governments from spending more than the previous fiscal year's budget adjusted for inflation unless they obtain voter approval. It also would have required a refund of excess revenue to taxpayers.

Effective Date: N/A - did not pass

HB 484 Property Tax Changes (K. Christofferson) - Failed

ULCT Position: *Oppose*

Legislative Intent: Require voter approval to increase property taxes more than 5%.

Local Impact: This bill would have required voter approval for property tax revenue increases exceeding 5% of the previous fiscal year's budgeted property tax revenue.

Effective Date: N/A - did not pass

HB 565 City Library Property Tax Amendments (A. Stoddard)

ULCT Position: *Support*

Legislative Intent: Clarify city library tax levies on notices for Salt Lake County.

Local Impact: The bill requires a county of the first class (Salt Lake County) to levy a tax imposed for a city library separately from other city tax levies on notices.

Effective Date: May 6, 2026 (certain provisions July 1, 2026; certain provisions retrospective to Jan 1, 2026)

SB 97 Tax Revenue Amendments (D. McCay) - Failed

ULCT Position: *Neutral*

Legislative Intent: Address concerns regarding significant property tax increases by certain entities in 2025 and large cash reserves held by political subdivisions.

Local Impact: This bill would have enacted a fund balance sliding scale for cities (25%-30%) based on general fund size. Previous versions of the bill would have imposed a 5% cap on property tax increases, enacted a 25% fund balance limit for cities, prohibited property tax from being in a reserve fund for capital improvements, removed interest earnings from the calculation for a municipality's certified tax rate, reduced fund balance to an amount equal to a municipality's prior year property tax revenue, and reduced the primary residential exemption from 45% to 40% for rental units.

Effective Date: N/A - did not pass

SB 238 Property Tax Adjustments (C. Wilson)

ULCT Position: *Support*

Legislative Intent: Clarify truth-in-taxation process issues from 2025.

Local Impact: The bill clarifies that truth-in-taxation must be held on a standalone date. It requires that, 24 hours before the truth-in-taxation hearing begins, the entity must post virtual participation instructions on its website and ensure that virtual participants can access the hearing, provide oral testimony through video and audio, and submit written comments electronically for inclusion in the public record before and during the hearing. It requires the county to assist an entity to meet these requirements at the request of the entity. The bill also requires the entity to submit evidence of truth-in-taxation compliance to the Tax Commission

within 7 days of adopting a final budget, and prohibits the Tax Commission from certifying an entity's rate if, within 30 days, the Tax Commission determines that the entity didn't comply. Lastly, it clarifies posting requirements for the list compiled by the County Auditor for all entities going through truth-in-taxation in the county. The taxing entity must post the list on the main page of their website for at least 14 days before the hearing is held and keep it there until the Tax Commission certifies the entity's rate as well as provide the list to hearing attendees or to anyone else that requests it.

Effective Date: May 6, 2026 (certain provisions retrospective to Jan 1, 2026)

Transportation

HB 425 Local Government Fees Amendments (K. Peterson)

ULCT Position: *Support*

Action Required (for some)

Legislative Intent: Establish a process and methodology for municipalities and counties to impose a transportation utility fee (TUF).

Local Impact: Before imposing a TUF, a municipality must establish a reasonable relationship between the TUF amount and the services, benefit, or need for the TUF. There are several specific requirements including a study posted on the municipality's website. The fee must be calculated using trip generation, vehicle types, and traffic counts. The traffic count from whichever day of the week generates the least traffic is excluded. There are also specific requirements for how assessed value is considered and how different land use classification rates are established. Municipalities must also establish an appeals process and follow noticing requirements. TUF rates must be reviewed annually and fees expire after 10 years. Municipalities that currently impose a TUF must ensure that its TUF meets all requirements or repeal the TUF by July 1, 2027. The bill also prohibits cities from imposing a broadband general fee unless the city issued a bond before May 6, 2026 that is secured by fee revenue; if this applies, the city must repeal the fee within 60 days after the bond is paid. All other cities must repeal their general broadband fees by July 1, 2027. The bill prohibits all municipalities from imposing a public safety general fee with two exceptions. Towns and 3rd-5th class cities can continue imposing a general public safety fee if 1) it was imposed before Jan 1, 2026, the fee is to generate revenue under an agreement with one or more other political subdivisions for a public safety service, and the fee is reauthorized by the town council at least every 3 years, or 2) if the public safety service is a volunteer service. All other municipalities must repeal their general public safety fees by July 1, 2027.

Effective Date: May 6, 2026

HB 481 Transportation Modifications (K. Christofferson)

ULCT Position: *Neutral*

Legislative Intent: This year's transportation "minibus" bill.

Local Impact: This bill does many things, but only a few provisions affect municipalities. Some provisions affect cities that have Frontrunner running or may run through their city. For those cities that these provisions apply to, the provisions give land use authority to UDOT on UTA-owned parcels (including stations, parking lots, etc.) for purposes of the Frontrunner construction. The land use authority removed from cities and given to UDOT is given back to municipalities over those properties after UDOT completes the Frontrunner construction. It adjusts distribution frequency for class B and class C road funding from each quarter to "at least quarterly." It also directs local corridor preservation funds to go directly to the relevant local government instead of passing through the Transportation Fund.

Effective Date: July 1, 2026 (certain provisions May 6, 2026)

HB 575 Fuel Tax and Supply Amendments (C. Roberts)

ULCT Position: Neutral

Legislative Intent: Lower the gas tax and increase accountability from refineries.

Local Impact: The bill reduces the gas tax to \$0.319/gallon (15% decrease) from July 1, 2026 through Dec 31, 2026, and repeals the reduced rate on Jan 1, 2027. It also appropriates \$11,903,900 from the state General Fund to the Class B&C Road Fund program so that local road dollars are not impacted by the cut. It also creates new reporting requirements for refineries.

Effective Date: May 6, 2026

SB 197 Transportation Funding and Governance Amendments (W. Harper)

ULCT Position: Support

Legislative Intent: Make changes to the UTA governance structure and provide more funds for the Transit Transportation Investment Fund (TTIF).

Local Impact: The bill changes UTA governance from a 3-member Board to a 7-member Commission. Under the new model, two commissioners are appointed by the Speaker of the House, two are appointed by the Senate President, and three are appointed by the Governor based on COG recommendations. Elected officials are prohibited from being on the Commission. The Governor is also required to appoint a UTA executive director. The bill requires the transit commission to engage at least annually with relevant metropolitan planning organizations, COGS, and other stakeholders; commissioners must also engage with elected officials or staff from municipalities and consult with local officials and stakeholders. The bill requires the executive director to engage at least annually with elected officials and staff from counties and municipalities providing direct financial contributions; the executive director must also engage with metropolitan planning organizations, COGS, counties, and municipalities. Lastly, starting in FY28, the bill dedicates 5% of the incremental growth in state sales tax above the FY26 baseline to the Transit Transportation Investment Fund (TTIF).

Effective Date: May 6, 2026 (certain provisions July 1, 2026)

SB 242 Transportation Amendments (W. Harper)

ULCT Position: Neutral

Legislative Intent: This year's transportation omnibus bill.

Local Impact: This bill addresses transit, the Utah Trail Network, B&C road funding, towing, and more.

- a) Transit funding in 5th 5th: The bill dedicates the \$0.10 distribution for transit within the 5th 5th county option sales tax to the Commuter Rail Subaccount in the TTIF. The Commuter Rail Subaccount is used to improve the state's commuter rail infrastructure.
- b) Other transit provisions: The bill increases bonding authorization for the FrontRunner double track project to \$530 million (from \$230 million). It allows money from the TTIF to be used for corridor preservation in certain circumstances. Beginning July 1, 2026, it allows the Transportation Commission to allocate up to \$3 million from the TTIF to public transit providers in 3rd-6th class counties for bus replacement, subject to a local match.

- c) B&C funding: The bill allows a municipality or county to use their B&C road funding to construct a park-and-ride facility.
- d) Towing modifications: The bill prohibits UDOT from certifying a tow truck that doesn't have and maintain internet presence requirements established by UDOT. If a tow truck company, tow truck operator, or impound lot fails to make personnel available to release a vehicle towed without the consent of the vehicle's owner, they may be charged with a Class A misdemeanor. It adjusts the allowed fee a political subdivision can charge for towing dispatch.
- e) Misc. provisions: The bill allows political subdivisions to prohibit a mobile business on a street or sidewalk that is temporarily closed due to a mass gathering or special event. It expressly allows buses to impede a parking or bike lane to stop at a bus stop. It defines the Utah Trail Network. It establishes an increased road usage charge cap for commercial vehicles weighing 6000 pounds or more.
- f) Salt Lake City-specific provisions: The bill adjusts the highway reduction strategy study from 2025. Now, SLC must identify each road within the study area as tier 1-4. Each tier has different requirements for highway reduction, safety, traffic calming, etc. SLC, in consultation with UDOT, must provide an annual report to the Transportation Interim Committee regarding the status of highway reduction strategies and projects within the study area.

Effective Date: May 6, 2026 (certain provisions July 1, 2026)

Water

HB 328 Water Usage Modifications (C. Okerlund) - Failed

ULCT Position: Neutral

Legislative Intent: Reduce future installation of overhead spray irrigation for nonfunctional turf.

Local Impact: This bill would have prohibited the use of overhead spray irrigation for nonfunctional turf for new commercial development or redevelopment in the Great Salt Lake basin beginning Jan 1, 2027. It would have encouraged municipalities to inspect the property upon completion of new development or redevelopment and address noncompliance. It also would have required municipalities to include a notice on a land use permit or land use approval stating that Utah Code may prohibit overhead spray irrigation for nonfunctional turf.

Effective Date: N/A - did not pass

HB 489 Water Infrastructure Amendments (T. Peterson) - Failed

ULCT Position: Neutral

Legislative Intent: Limit the use of retention basins in the Great Salt Lake basin.

Local Impact: Beginning Jan 1, 2027, municipalities and counties in the Great Salt Lake basin would have been required to prioritize storm water control practices other than retention basins unless no feasible alternative exists.

Effective Date: N/A - did not pass

HB 501 Water Modifications (B. Bolinder) - Failed

ULCT Position: Neutral

Legislative Intent: Require municipalities to collect a certain amount of dedicated revenue for their water system before requesting state money.

Local Impact: The bill would have required public water systems and wastewater systems to collect, or have a plan to collect within two years, a "local investment requirement" to qualify for state or federal money for water infrastructure or water development. The local investment requirement could be generated through rates, property taxes, impact fees, or other local revenue sources, but must stay with the public water system or wastewater system.

Effective Date: N/A - did not pass

Potential Interim Issues

Impact Fees

Impact fees are a core funding mechanism for local governments to fund infrastructure expansion that enables new development, without burdening existing residents. Impact fees, like the utility system expansion they support, can be costly. Unlike taxes, which can only be imposed if authorized by state law, local governments enjoy some flexibility on adopting fees and determining rates. Fees can only be imposed if they carry a nexus to a specific service cost and the revenue generated from a fee can only be spent on that purpose. Impact fees are one of the few types of fees where state law codifies a specific methodology for adoption and specific limitations for expenditure. There were three bills introduced to limit impact fees in some way. SB 245 would have required local governments to adopt specific service areas for impact fees and limited fee expenditure to projects within a certain impact fee facilities plan. HB 568 would have prohibited local governments from imposing impact fees greater than \$50,000 on development activity for a single public facility type. HB 570 would have required local governments to use the number of plumbing fixtures as the basis for calculating single family home impact fees. While none of these bills passed, The Office of the Legislative Auditor General is conducting an audit on impact fees this year, and the recommendations that come out of that audit will almost certainly lead to legislation.

Fund Balance

Two years ago the Legislature directed the State Treasurer to convene the Asset and Investment Review Task Force. The Task Force found that, between 2019 and 2025, deposits and investments held in the Public Treasurer's Investment Fund (PTIF) by public entities grew from \$17.4 billion to \$30.5 billion. While much of this investment growth was driven by state entities who saw a real increase of 163.6%, investments held by cities and counties also grew by 43.5%. While having an unrestricted fund balance capable of covering unexpected costs is considered an indicator of fiscal health by the Government Finance Officers Association, some stakeholders argued that government fund balances should be more constrained. This issue was compounded by property tax concerns and the two issues blended into a narrative that local governments were often raising property taxes while holding an unprecedented amount in reserves. While legislation to limit local government fund balances ultimately failed, ULCT expects this issue to persist.

Tax Increment Financing

Tax increment financing is a value capture mechanism that uses public investment in an area to enhance development outcomes and then leverages the increased taxable value of that area to repay that initial public investment. This public investment can take several forms, including addressing development impediments like insufficient infrastructure, mitigating environmental hazards, incentivizing a major economic anchor, and more. Whatever form the investment takes, the approach rests on what is commonly referred to as the "but for" analysis, meaning the enhanced development would not happen *but for* the initial public investment.

In other words, this analysis ensures the revenue from the increased taxable value would not exist without the investment. This analysis has been a point of contention for years, but like the fund balance issue, concerns about property taxes have raised scrutiny of tax increment collection. ULCT staff anticipate additional discussion around whether tax increment zones are diverting too much revenue and narrowing the property tax base.

Water Conservation

As of the date of writing this in mid-April, Utah's statewide snow water equivalent is 18% of the annual median and the entire state is in some level of drought status. This occurs in the backdrop of state efforts to boost water supply to the Great Salt Lake and interstate negotiations around the future of the Colorado River. While municipal and industrial use only accounts for a relatively small fraction of overall water diversion, most municipal water is used towards outdoor landscaping. There were bills this session to restrict the use of overhead spray irrigation (sprinklers), limit stormwater retention, and require local governments in some cases to increase water rates. While none of these passed, another dry summer will likely increase scrutiny of water usage.

Other Potential Interim Issues

Other potential topics may include:

- Annexation and incorporation
- Administrative land use approval timing
- Crisis and emergency shelters
- Infrastructure funding
- Local government fee authority
- Homelessness funding
- Housing/planning
- Public asset management
- Stormwater permitting
- Water conservation
- Property taxes
- Elections

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