

Municipal Revenue in Utah

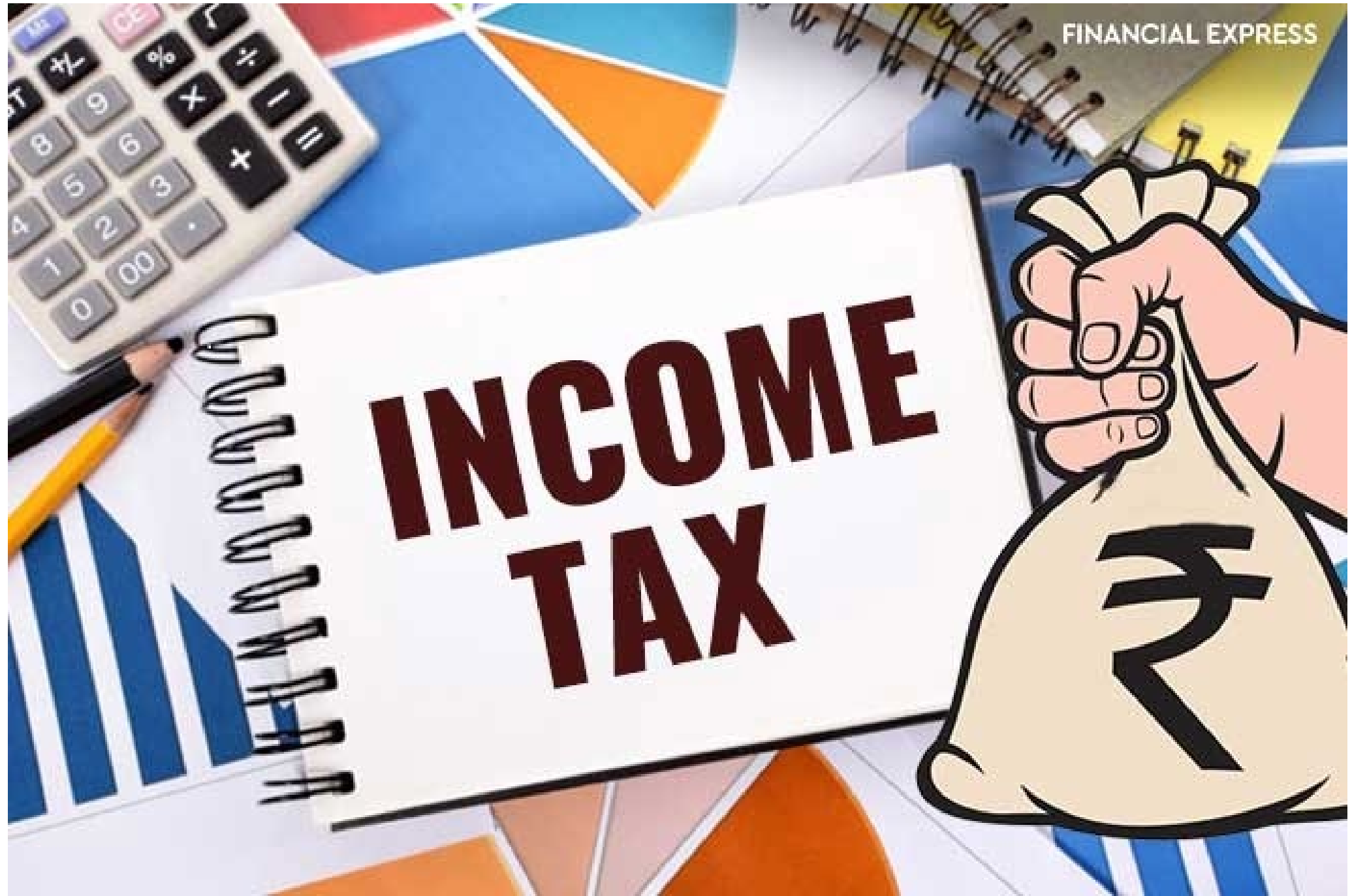


Deep Dive: Municipal Revenue in Utah



Group Game...
Can
municipalities
fish in the
revenue
stream?







Alcoholic Beverage Abuse Enforcement

Effective 5/1/2024

32B-2-404. Alcoholic Beverage and Substance Abuse Enforcement and Treatment Restricted Account distribution.

- (1) (a) The money deposited into the account under Section 32B-2-403 shall be distributed to municipalities and counties:
- (i) to the extent appropriated by the Legislature, except that the Legislature shall appropriate each fiscal year an amount equal to at least the amount deposited in the account in accordance with Section 59-15-109; and
 - (ii) as provided in this Subsection (1).
- (b) The amount appropriated from the account shall be distributed as follows:
- (i) 25% to municipalities and counties on the basis of the percentage of the state population residing in each municipality and county;
 - (ii) 30% to municipalities and counties on the basis of each municipality's and county's percentage of the statewide convictions for all alcohol-related offenses;
 - (iii) 20% to municipalities and counties on the basis of the percentage of the following in the state that are located in each municipality and county:
 - (A) state stores;
 - (B) package agencies;
 - (C) retail licensees; and
 - (D) off-premise beer retailers; and
 - (iv) 25% to the counties for confinement and treatment purposes authorized by this part on the basis of the percentage of the state population located in each county.
- (c) (i) Except as provided in Subsection (1)(c)(ii), if a municipality does not have a law enforcement agency:
- (A) the municipality may not receive money under this part; and







Sales Tax in Utah

A tax on most goods and selected services – the largest source of general fund revenue for cities and towns in Utah. (\$1B collected in FY 2025.)

- There are many different sales tax opportunities in Utah, but all might not be open to every community
 - General Rate
 - Transit and Highway Rates
 - Hospital Rates
 - Arts & Zoo Rates
 - City and Town Optional Rates
 - Impacted Community Rates
- Local officials have choices when deciding which optional sales tax rates to assess
- Sales taxes typically contribute 40-50% of a local government's revenue

Sales Tax in Utah

- Total Sales Tax Rates range from 6.35% to 9.85% -- average is 7.08%
- Typical make-up of sales tax in a 6.35% community:
 - 4.85% - State of Utah sales tax
 - 1.00% - Local sales tax (50% point of sale; 50% population)
 - 0.25% - County option sales tax
 - 0.25% - Transportation Infrastructure sales tax OR County Option Transportation sales tax

Which entity's sales tax rate is higher?



8.25%

State – 4.85%
Local Option – 1.0%
County Option – 0.25%
Mass Transit – 0.30%
Add'l Mass Transit – 0.25%
County Option Transportation – 0.25%
Transportation Infrastructure – 0.25%
Arts & Zoo – 0.10%
Correctional Facility Tax – 0.50%
Capital City Revitalization – 0.50%



Highest – 8.75%

State – 4.85%
Local Option – 1.0%
County Option – 0.25%
Add'l transit local – 0.30%
Rural Hospital – 1.0%
Resort Community Tax – 1.10%



Lowest – 7.45%

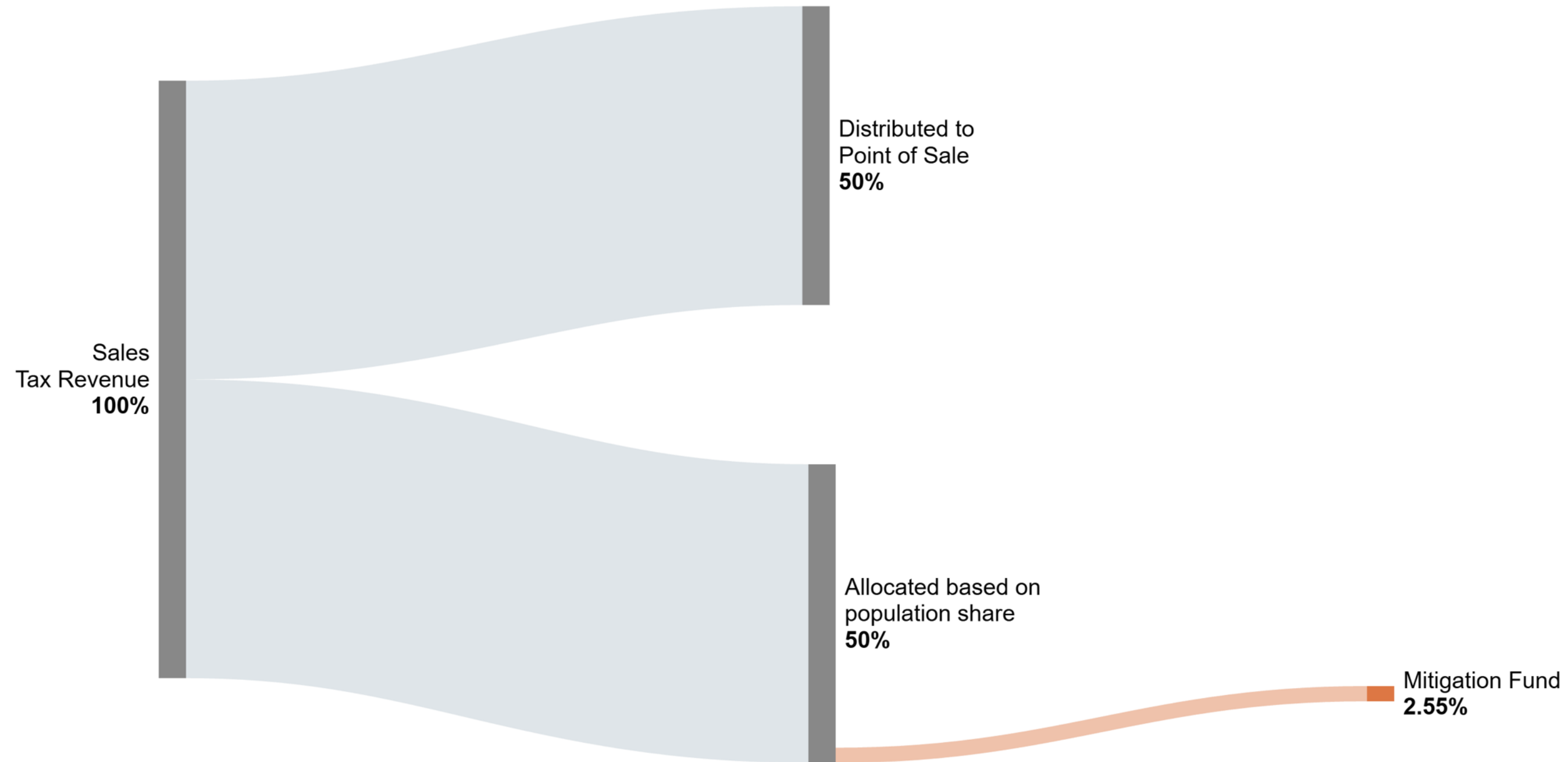
State – 4.85%
Local Option – 1.0%
County Option – 0.25%
Mass Transit – 0.25%
Mass Transit Fixed Guideway – 0.30%
County Airport, Highway, Public Transit – 0.25%
Add'l Transit Local – 0.25%
County Public Transit – 0.20%
Arts & Zoo – 0.10%



8.35%

State – 4.85%
Local Option – 1.0%
County Option – 0.25%
Transportation Infrastructure – 0.25%
Rural Hospital – 1.0%
Resort Community Tax – 1.0%

Local Option Sales Tax Distribution



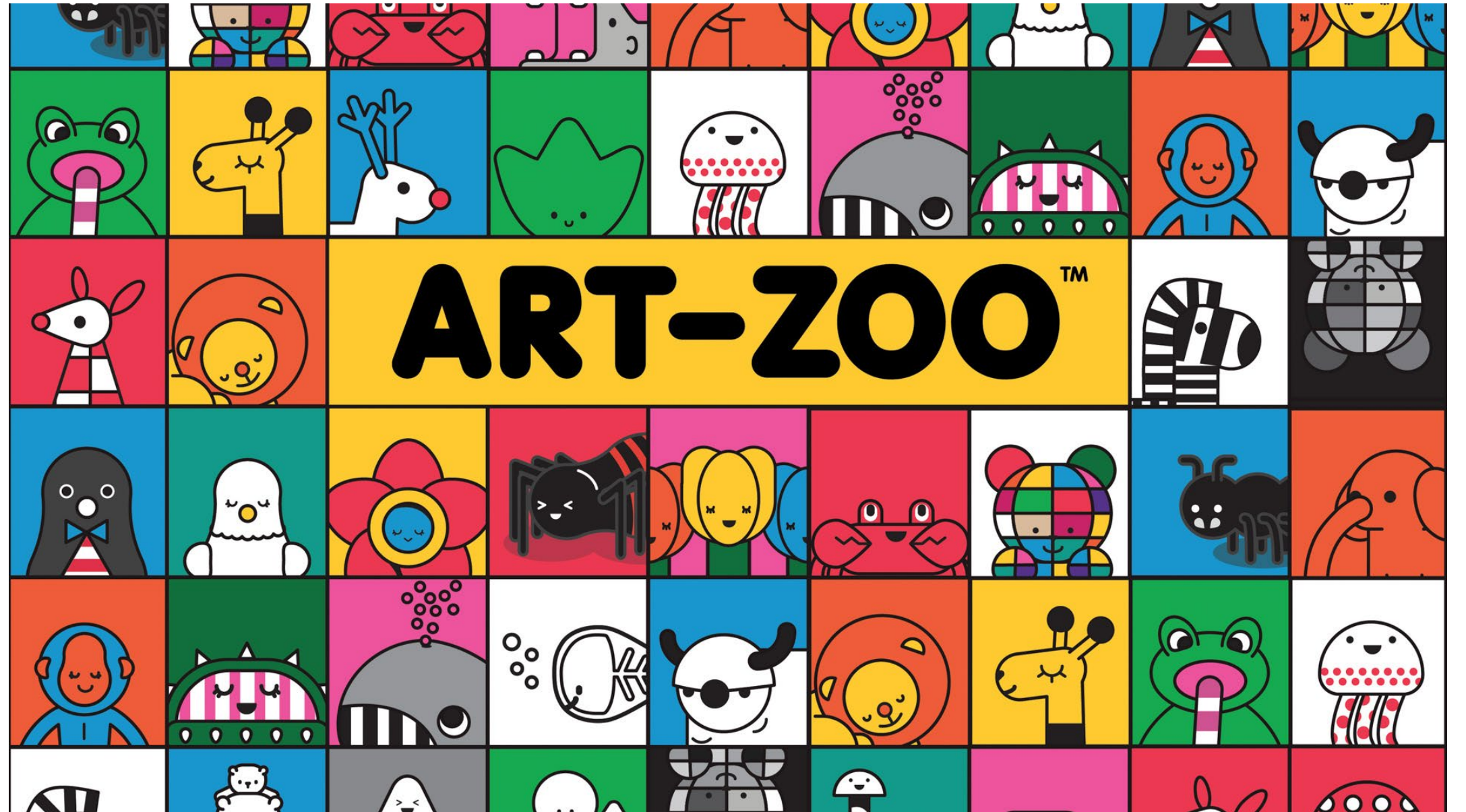
Rural City Hospital Tax

Effective 5/7/2025

59-12-804. Imposition of rural city hospital tax -- Base -- Rate -- Administration, collection, enforcement, and interpretation of tax -- Administrative charge. .

- (1) (a) A city legislative body may impose a sales and use tax of up to 1%:
 - (i) on the transactions described in Subsection 59-12-103(1) located within the city; and
 - (ii) to fund rural city hospitals in that city.
 - (b) Notwithstanding Subsection (1)(a)(i), a city legislative body may not impose a tax under this section on:
 - (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and
 - (ii) except as provided in Subsection (1)(d), amounts paid or charged for food and food ingredients.
 - (c) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.
 - (d) A city legislative body imposing a tax under this section shall impose the tax on the purchase price or sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.
- (2) (a) Before imposing a tax under Subsection (1)(a), a city legislative body shall obtain approval to impose the tax from a majority of the:
 - (i) members of the city legislative body; and
 - (ii) city's registered voters voting on the imposition of the tax.





Arts and Zoo Tax

- Can only be implemented by a municipality if the county in which the municipality resides does NOT assess an art and zoo tax.
- Counties that have enacted an art and zoo tax include:
 - Cache County
 - Morgan County
 - Salt Lake County
 - Summit County
 - Uintah County
 - Wasatch County
 - Washington County
 - Weber County
- 56 municipal governments direct collected art & zoo tax in 2025.
- Is your town eligible to direct collect?

Audience Check:



Cache County
Morgan County
Salt Lake County
Summit County

X

Uintah County
Wasatch County
Washington County
Weber County

Alpine	Centerville	Gunnison	Moab	Price	Springville
American Fork	Clearfield	Helper	Mona	Provo	Syracuse
Aurora	Clinton	Highland	Moniticello	Redmond	Tooele
Blanding	Duchesne	Kanab	Mt. Pleasant	Richfield	Vineyard
Bountiful	Ephraim	Kaysville	Nephi	Roosevelt	West Bountiful
Brian Head	Fairview	Layton	North Salt Lake	Salina	Woods Cross
Bryce Canyon	Farmington	Lehi	Orem	Santaquin	
Cedar City	Fillmore	Lindon	Parowan	Saratoga Springs	
Cedar Hills	Grantsville	Mapleton	Payson	South Weber	
Centerfield	Green River	Mayfield	Pleasant Grove	Spanish Fork	



Resort Community Tax

INDEX STAT CODE

Title 59 Revenue and Taxation

Chapter Sales and Use Tax Act

12

Part 4 Impacted Communities Taxes Act

Section Resort communities tax authority for cities, towns, military installation development authority, and fairpark district -- Base -- Rate --
401 Collection fees. (Effective 7/1/2025) (Superseded 1/1/2026)

Effective 7/1/2025
Superseded 1/1/2026

59-12-401. Resort communities tax authority for cities, towns, military installation development authority, and fairpark district -- Base -- Rate -- Collection fees.

- (1) (a) In addition to other sales and use taxes, a city or town in which the transient room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the municipality's permanent population may impose a sales and use tax of up to 1.1% on the transactions described in Subsection 59-12-103(1) located within the city or town.
- (b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this section on:
- (i) (A) the sale of a motor vehicle, an aircraft, a watercraft, a modular home, a manufactured home, or a mobile home;
 - (B) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and
 - (C) except as provided in Subsection (1)(d), amounts paid or charged for food and food ingredients; or
 - (ii) transactions that occur in the district sales tax area, as defined in Subsection (4), if the fairpark district, as defined in Subsection (4), has imposed a tax under Subsection (4).
- (c) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.
- (d) A city or town imposing a tax under this section shall impose the tax on the purchase price or the sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.

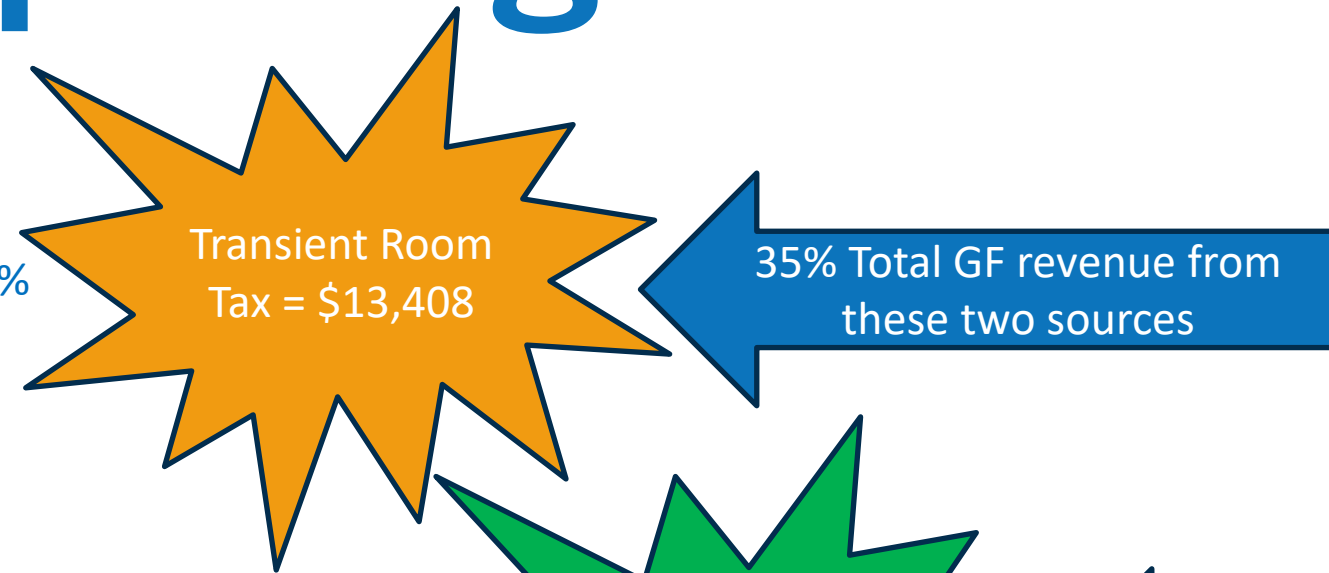
Communities Imposing Resort Tax

Alta
Big Water
Bluff
Boulder
Brian Head
Brighton
Bryce Canyon
Dutch John
Escalante
Garden City
Green River
Independence
Kanab
Midway
Moab
Orderville
Panguitch
Park City
Springdale
Torrey
Tropic
Virgin

Dutch John

Population 146

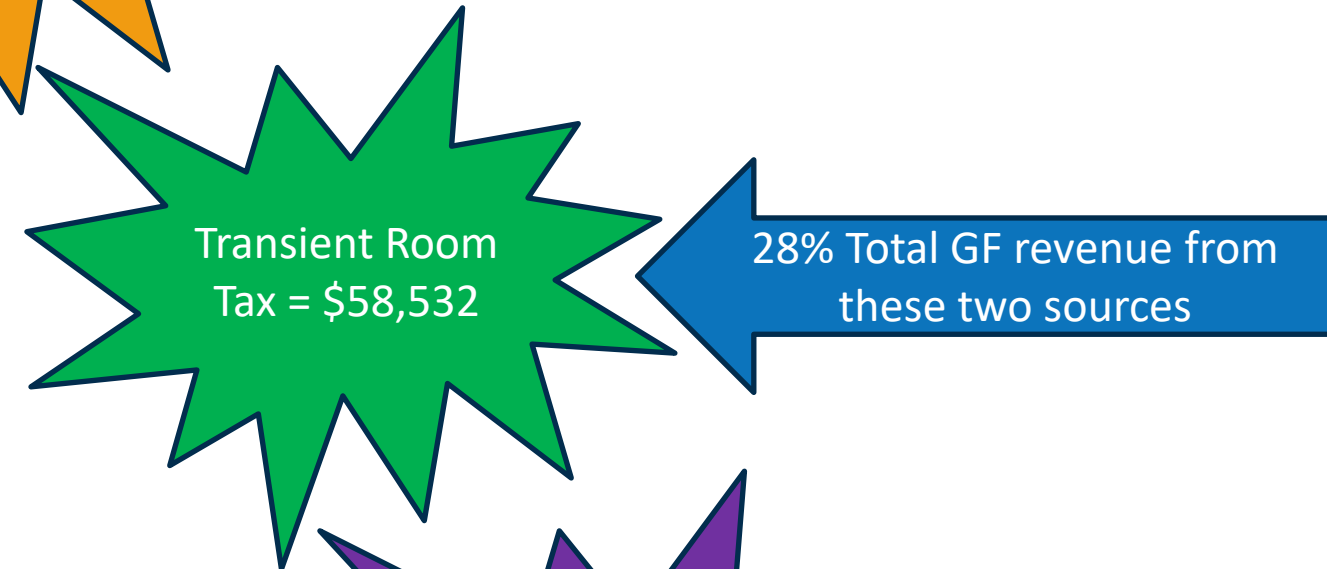
- 2023 Actual GF Revenue \$254,390
- 2023 Resort Community Tax Rate = 1.10%
- 2023 Revenue generated is \$76,515
- Resort tax is 30% of total GF revenue



Tropic

Population - 512

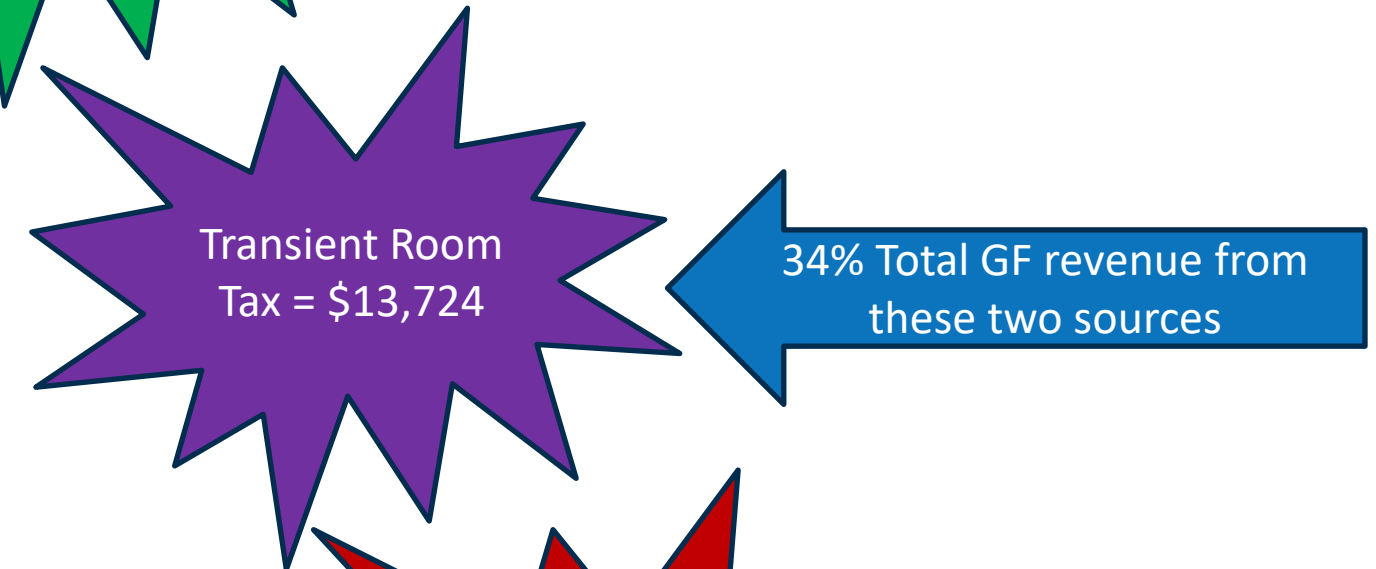
- 2023 Actual GF Revenue \$717,784
- 2023 Resort Community Tax Rate = 1.0%
- 2023 Revenue generated is \$144,905
- Resort tax revenue is 20% of total GF revenue



Boulder

Population - 243

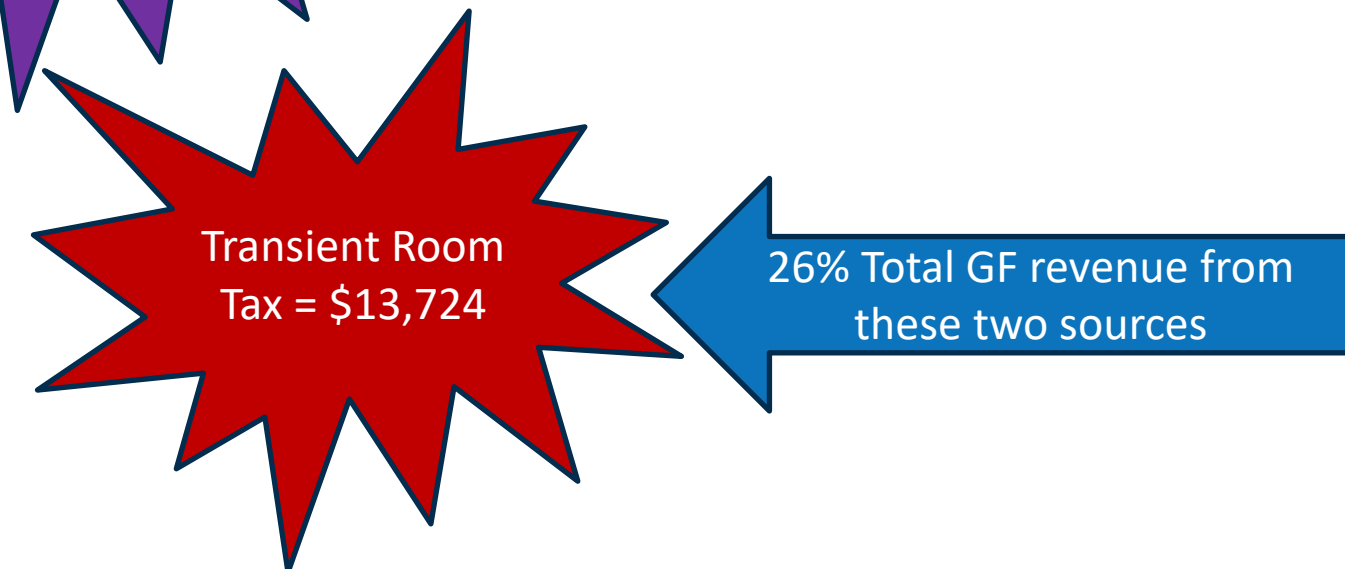
- 2023 Actual GF Revenue - \$224,548
- 2023 Resort Community Tax = 1.10%
- 2023 Revenue generated is \$63,969
- Resort tax revenue is 28% of total GF revenue

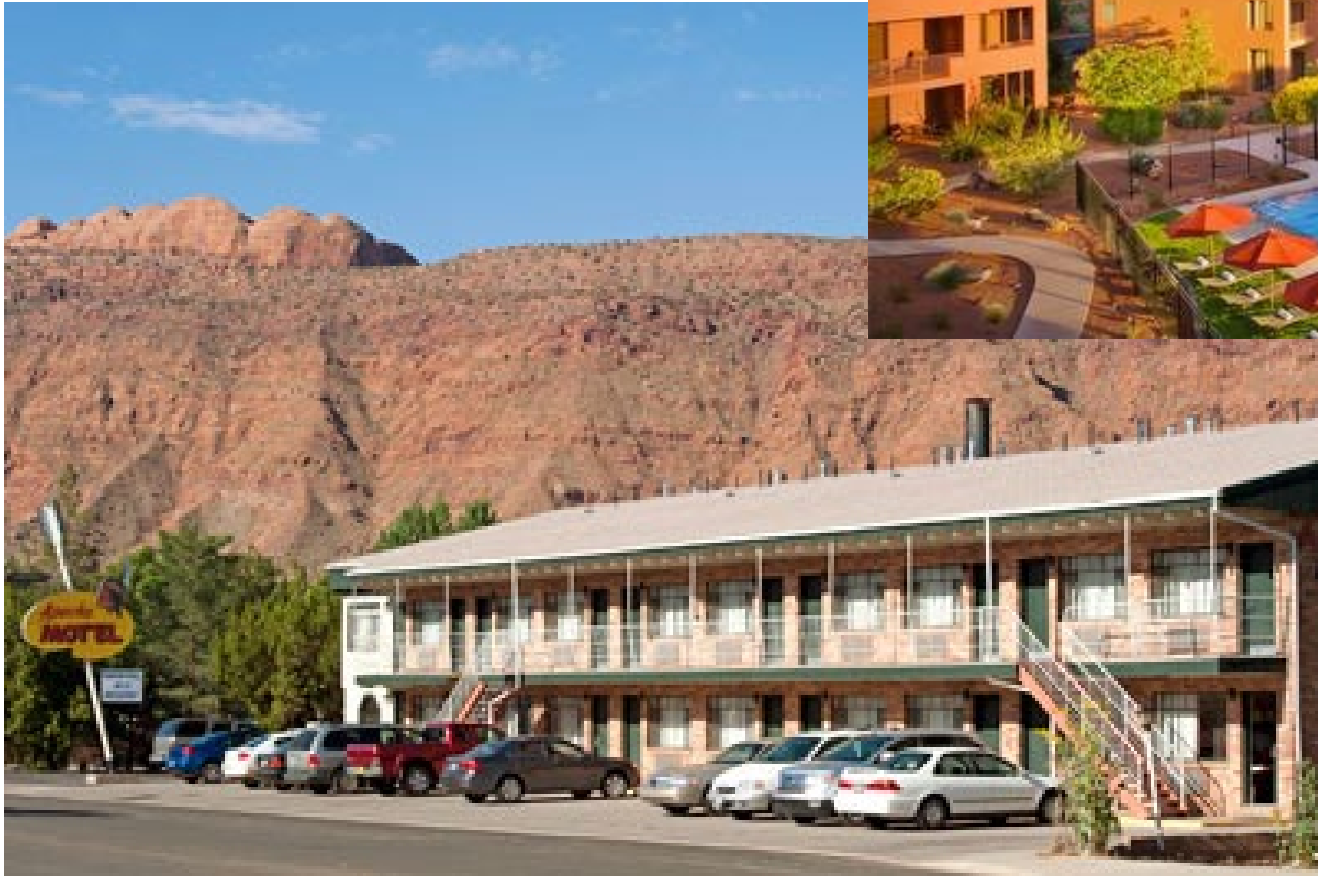


Orderville

Population 591

- 2023 Actual GF Revenue \$880,278
- 2023 Resort Community Tax Rate = 1.00%
- 2023 Revenue generated is \$217,906
- Resort tax is 25% of total GF revenue





Municipal Transient Room Tax

Effective 5/7/2025

Superseded 1/1/2026

59-12-352. Transient room tax authority for municipalities, military installation development authority, Utah Fairpark Area Investment and Restoration District, and Point of the Mountain State Land Authority -- Purposes for which revenues may be used.

- (1) (a) Except as provided in Subsection (5), the governing body of a municipality may impose a tax of not to exceed 1% on charges for the accommodations and services described in Subsection 59-12-103(1)(i).
 - (b) Subject to Section 63H-1-203, the military installation development authority created in Section 63H-1-201 may impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within a project area described in a project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation Development Authority Act, as though the authority were a municipality.
 - (c) Beginning October 1, 2024, the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, may impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within the district sales tax area, as defined in Section 11-70-101, to the same extent and in the same manner as a municipality may impose a tax under this section.
- (2) Subject to the limitations of Subsection (1), a governing body of a municipality may, by ordinance, increase or decrease the tax under this part.
 - (3) A governing body of a municipality shall regulate the tax under this part by ordinance.
 - (4) A municipality may use revenues generated by the tax under this part for general fund purposes.
 - (5) (a) A municipality may not impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within:
 - (i) a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act; or
 - (ii) the district sales tax area, as defined in Section 11-70-101.
 - (b) Subsection (5)(a) does not apply to:
 - (i) the military installation development authority's imposition of a tax under this section; or
 - (ii) the imposition of a tax under this section by the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201.

Municipal Transient Room Tax

137 of Utah's 255 cities/towns are collecting transient room tax in 2025.

Tax can be up to 1%.

Can be charged to short term rentals.

If you are not collecting this tax, should you consider?

What is Transient Room Tax?

Transient room tax (TRT) can be imposed by a county, city or town to rent temporary lodging for stays of less than 30 consecutive days at:

- Hotels
- Motels
- Inns
- Trailer courts
- Campgrounds
- Tourist homes
- Similar accommodations

TRT is charged in addition to sales and other applicable taxes. However, it doesn't apply to charges for:

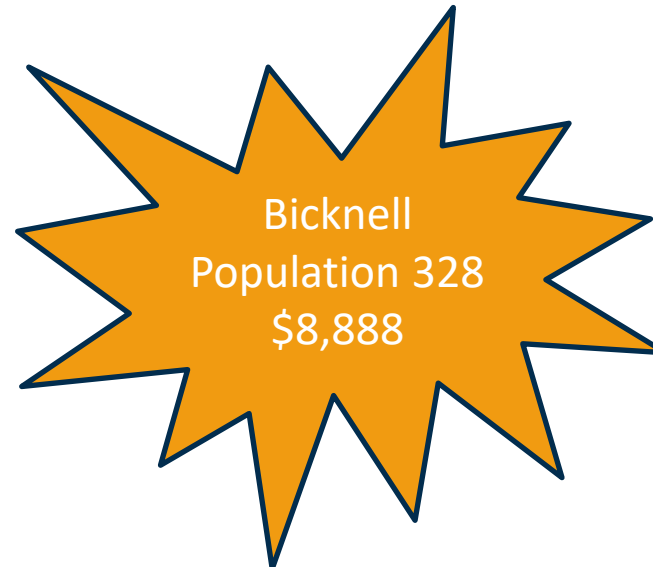
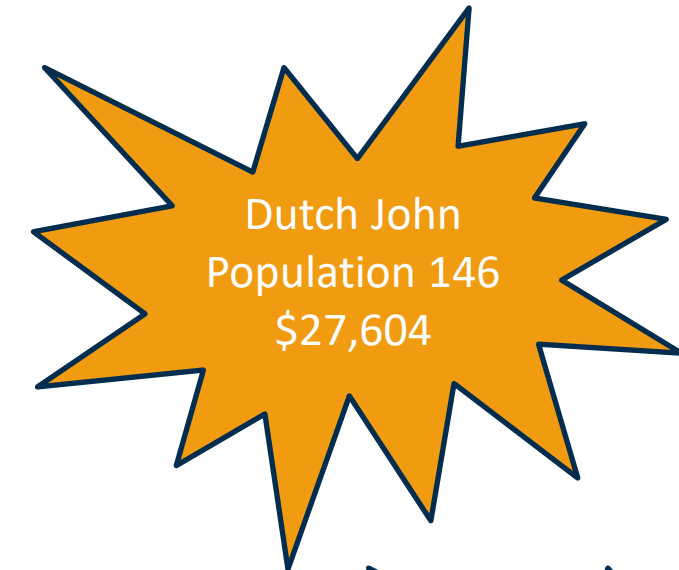
- Exercise facilities
- Dry cleaning services
- Safety deposit box rentals
- Telephone charges
- Vending machines sales
- Video/movie charges
- Rooms not used for lodging (meeting and convention rooms, etc.)

See [Pub 56, Sales Tax Information for Lodging Providers](#) or the online [Sales & Use Tax Workshop](#) for more information on all TRT and lodging accommodations.

Transient Room Tax

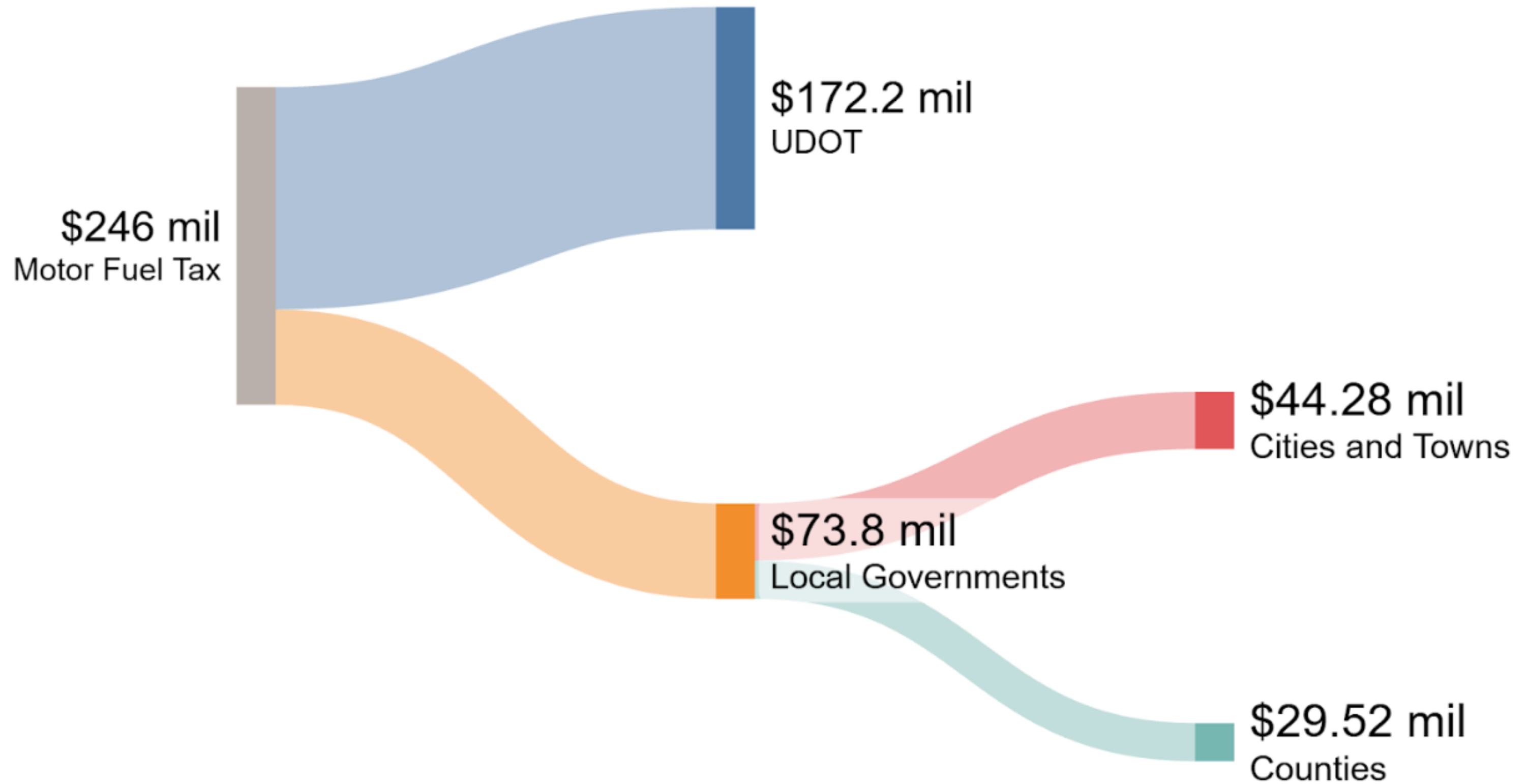
American Fork	Coalville	Heber	Leeds	Morgan City	Riverdale	Taylorsville
Annabella	Cottonwood Heights	Helper	Lehi	Mt. Pleasant	Riverton	Tooele
Aurora	Delta	Henefer	Lindon	Murray	Rockville	Toquerville
Ballard	Draper	Henrieville	Loa	Naples	Roosevelt	Torrey
Beaver City	Dutch John	Herriman	Logan	Nephi	Salina	Tremonton
Bicknell	Eagle Mountain	Hideout	Lyman	North Logan	Salt Lake City	Tropic
Big Water	Emery City	Hildale	Manila	North Salt Lake	Sandy City	Uintah
Blanding	Enterprise	Holladay	Manti	Ogden	Santa Clara	Vernal
Bluffdale	Ephraim	Huntington	Mantua	Orderville	Saratoga Springs	Vineyard
Bluffdale	Escalante	Huntsville	Marriott-Slaterville	Orem	Scipio	Virgin
Boulder	Eureka	Hurricane	Marysvale	Panguitch	South Jordan	Washington City
Bountiful	Farmington	Hyrum	Midvale	Park City	South Salt Lake	Wellington
Brian Head	Farr West	Ivins	Midway	Parowan	South Weber	West Bountiful
Brigham City	Ferron	Joseph	Milford	Payson	Spanish Fork	West Haven
Brighton	Fillmore	Kamas	Millcreek	Perry	Spring City	West Valley City
Bryce Canyon	Garden City	Kanab	Minersville	Pleasant Grove	Springdale	Willard
Cannonville	Glendale	Kannaraville	Moab	Price	Springville	Woods Cross
Castle Dale	Green River	La Verkin	Mona	Providence	St. George	
Cedar City	Hanksville	Lakepoint City	Monicello	Provo	Sterling	
Clearfield	Hatch	Layton	Monroe	Richfield	Sunset	

Transient Room Tax 2024-25 Revenue Examples





Gas Tax



Local Transit and Transportation Funding

Municipal Transportation Funding Opportunities

Tax/Fee	Sometimes Called	Who can Implement	Statutory Reference	Maximum Levy	Uses	Stipulations
Mass Transit Tax	First Quarter	County, City, Town	59-12-2213	0.25%	Public transit	Either this or Highway tax may be imposed, not both; levy may increase to 0.30% if 2216 is <u>not</u> imposed
Highways Tax	First Quarter	City, town	59-12-2215	0.30%	All modes	Cannot be imposed if the mass transit tax is imposed
Additional Mass Transit Tax	Second Quarter	County, City, Town	59-12-2214	0.25%	Public transit, airport facility in certain circumstances	Either this or the Mass Transit Fixed Guideway tax may be imposed, not both
Mass Transit Fixed Guideway	Second Quarter	County	59-12-2216	0.30%	All modes	Cannot be imposed if the Mass Transit or Additional Mass Transit Tax is imposed. Third- through sixth-class counties may use the revenue for public safety purposes.
County Option Transportation Tax	Third Quarter	County	59-12-2217	0.25%	All modes	Either this or the County Airport, Highway, and Public Transit tax may be imposed, not both.
County Airport, Highway, Public Transit Tax	Third Quarter	Second-class county, city, or town	59-12-2218	0.25%	All modes	Cannot be imposed if the County Option Transportation Tax is imposed.
Transportation Infrastructure	Fourth Quarter	County	59-12-2219	0.25%	All modes	
County Public Transit	"Fifth fifth" (Fifth quarter)	County	59-12-2220	0.20%	Public transit, all modes, public safety in certain circumstances	
Supplemental State Sales & Use Tax		State imposed in certain cities, towns, and unincorporated areas	59-12-2003	0.30%	Public transit	May not be imposed within first- or second- class counties that impose the first or second quarter.
Local Option Highway Construction and Transportation Corridor Preservation Fee		County	41-1a-1222	\$10 per motor vehicle registration	Highway construction	

Local Mass Transit Tax (first quarter. May not be imposed if highway tax is imposed)

[<< Previous Section \(59-12-2212.1\)](#)

Download Options [PDF](#) | [RTF](#) | [XML](#)

[Next Section \(59-12-2214\) >>](#)

Index Utah Code

Title 59 Revenue and Taxation

Chapter 12 Sales and Use Tax Act

Part 22 Local Option Sales and Use Taxes for Transportation Act

Section 2213 County, city, or town option sales and use tax to fund a system for public transit -- Base -- Rate.

59-12-2213. County, city, or town option sales and use tax to fund a system for public transit -- Base -- Rate.

- (1) Subject to the other provisions of this part, a county, city, or town may impose a sales and use tax under this section of up to:
 - (a) for a county, city, or town other than a county, city, or town described in Subsection (1)(b), .25% on the transactions described in Subsection 59-12-103(1) located within the county, city, or town to fund a system for public transit; or
 - (b) for a county, city, or town within which a tax is not imposed under Section 59-12-2216, .30% on the transactions described in Subsection 59-12-103(1) located within the county, city, or town, to fund a system for public transit.
- (2) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not required to submit an opinion question to the county's, city's, or town's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section if the county, city, or town imposes the sales and use tax under Section 59-12-2216 on or before July 1, 2011.

Local Highway Tax (first quarter. May not be imposed if mass transit tax is imposed)

[<< Previous Section \(59-12-2214\)](#)

[Download Options PDF | RTF | XML](#)

[Next Section \(59-12-2216\) >>](#)

[Index Utah Code](#)

[Title 59 Revenue and Taxation](#)

[Chapter 12 Sales and Use Tax Act](#)

[Part 22 Local Option Sales and Use Taxes for Transportation Act](#)

[Section 2215 City or town option sales and use tax for highways or to fund a system for public transit -- Base -- Rate. *\(Effective 5/12/2020\)*](#)

Effective 5/12/2020

59-12-2215. City or town option sales and use tax for highways or to fund a system for public transit -- Base -- Rate.

- (1) Subject to the other provisions of this part, a city or town may impose a sales and use tax of up to .30% on the transactions described in Subsection 59-12-103(1) located within the city or town.
- (2) A city or town imposing a sales and use tax under this section shall expend the revenues collected from the sales and use tax as described in Section 59-12-2212.2.
- (3) Notwithstanding Section 59-12-2208, a city, or town legislative body may, but is not required to, submit an opinion question to the city's, or town's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

Additional Mass Transit Tax

(second quarter. Either this or mass transit fixed guideway can be imposed, not both.)

Title 59 Revenue and Taxation
Chapter Sales and Use Tax Act
12
Part 22 Local Option Sales and Use Taxes for Transportation Act
Section County, city, or town option sales and use tax to fund a system for public transit, an airport facility, a water conservation project, or to 2214 be deposited into the County of the First Class Highway Projects Fund -- Base -- Rate. (Effective 3/12/2025)

Effective 3/12/2025

59-12-2214. County, city, or town option sales and use tax to fund a system for public transit, an airport facility, a water conservation project, or to be deposited into the County of the First Class Highway Projects Fund -- Base -- Rate.

- (1) Subject to the other provisions of this part, a county, city, or town may impose a sales and use tax of .25% on the transactions described in Subsection 59-12-103(1) located within the county, city, or town.
- (2) Notwithstanding Section 59-12-2212.2, and subject to Subsections (3) and (4), a county, city, or town that imposes a sales and use tax under this section shall expend the revenues collected from the sales and use tax:
 - (a) to fund a system for public transit;
 - (b) to fund a project or service related to an airport facility for the portion of the project or service that is performed within the county, city, or town within which the sales and use tax is imposed:
 - (i) for a county that imposes the sales and use tax, if the airport facility is part of the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or
 - (ii) for a city or town that imposes the sales and use tax, if:
 - (A) that city or town is located within a county of the second class;
 - (B) that city or town owns or operates the airport facility; and
 - (C) an airline is headquartered in that city or town; or
 - (c) for a combination of Subsections (2)(a) and (b).
- (3) After application of Subsection 59-12-2206(5), a county of the first class that imposes a sales and use tax under this section shall expend the revenues collected from the sales and use tax as follows:
 - (a) 80% of the revenues collected from the sales and use tax shall be expended to fund a system for public transit; and

City or Town Option for Highways or Public Transit

(third quarter. Cannot be imposed if the County Option Transportation Tax is imposed.)

Effective 7/1/2019

59-12-2218. County, city, or town option sales and use tax for airports, highways, and systems for public transit -- Base -- Rate -- Administration of sales and use tax -- Voter approval exception.

- (1) Subject to the other provisions of this part, and subject to Subsection (8), the following may impose a sales and use tax under this section:
 - (a) if, on April 1, 2009, a county legislative body of a county of the second class imposes a sales and use tax under this section, the county legislative body of the county of the second class may impose the sales and use tax on the transactions:
 - (i) described in Subsection 59-12-103(1); and
 - (ii) within the county, including the cities and towns within the county; or
 - (b) if, on April 1, 2009, a county legislative body of a county of the second class does not impose a sales and use tax under this section:
 - (i) a city legislative body of a city within the county of the second class may impose a sales and use tax under this section on the transactions described in Subsection 59-12-103(1) within that city;
 - (ii) a town legislative body of a town within the county of the second class may impose a sales and use tax under this section on the transactions described in Subsection 59-12-103(1) within that town; and
 - (iii) the county legislative body of the county of the second class may impose a sales and use tax on the transactions described in Subsection 59-12-103(1):
 - (A) within the county, including the cities and towns within the county, if on the date the county legislative body provides the notice described in Section 59-12-2209 to the commission stating that the county will enact a sales and use tax under this section, no city or town within that county imposes a sales and use tax under this section or has provided the notice described in Section 59-12-2209 to the commission stating that the city or town will enact a sales and use tax under this section; or
 - (B) within the county, except for within a city or town within that county, if, on the date the county legislative body provides the notice described in Section 59-12-2209 to the commission stating that the county will enact a sales and use tax under this section, that city or town imposes a sales and use tax under this section or has provided the notice described in Section 59-12-2209 to the commission stating that the city or town will enact a sales and use tax under this section.
- (2) For purposes of Subsection (1) and subject to the other provisions of this section, a county, city, or town legislative body that imposes a sales and use tax under this section may impose the tax at a rate of .25%.
- (3) (a) Except as provided in Subsection (3)(b), and subject to Subsection (4), a sales and use tax imposed under this section shall be expended as determined by the county, city, or town legislative body for uses described in Section 59-12-2217.

City or Town Option for Highways or Public Transit

Bicknell	Hurricane	Monroe	Roosevelt
Blanding	Ivins	Monroe	Salina
Brian Head	Koosharem	Monticello	Santa Clara
Ephraim	La Verkin	Morgan City	Scipio
Eureka	Loa	Mt. Pleasant	St. George
Fairview	Manti	Naples	Sterling
Fillmore	Mantua	Nephi	Torrey
Green River	Midway	Perry	Vernal
Gunnison	Moab	Price	Washington City
Heber	Mona	Richfield	Wellington
			Willard

City or Town Option 2024-25 Revenue Examples

Koosharem
Population 310
\$3,794.76

Bicknell
Population 328
\$34,390.98

Torrey
Population 260
\$16,713.61

Eureka
Population 661
\$7,456.85

Green River
Population 887
\$117,419.74

Loa
Population 511
\$49,621.88

Brian Head
Population 164
\$157,027.91

Scipio
Population 370
\$6,181.48

NEW: Transportation Utility Fee – HB 425 in 2026

What can a TUF be used for? (59-12-2212.2)

- Development, construction, maintenance, or operation of
 - a class A road
 - a class B road
 - a class C road
 - a class D road
- Traffic and pedestrian safety infrastructure including
 - a sidewalk
 - curb and gutter
 - a safety feature
 - a traffic sign
 - a traffic signal
 - street lighting
- Streets, alleys, roads, highways, and thoroughfares or any kind, including connected structures
- An airport facility
- An active transportation facility that is for non-motorized vehicles and multimodal transportation and connects an origin with a destination
- An intelligent transportation system
- A system for public transit
- All other modes and forms of conveyance used by the public
- Debt service or bond issuance costs related to a project or facility described above
- Corridor preservation related to a project or facility described above



NEW: Transportation Utility Fee – HB 425 in 2026

- 1) Affirm legal differences between tax and fee
- 2) Narrowly tailored to TUF
- 3) “Doable; not easy but not impossible”
- 4) Transparent process
- 5) Based on a needs analysis
- 6) Local discretion on fee amount
- 7) Accountability and dedicated account
- 8) Supplement but not supplant

Thank you to the ULCT TUF workgroup that met several times throughout the 2025 (& '23, '24) interim to help craft HB 425!







Municipal Energy Tax (historically called franchise tax)

Index Utah Code

Title 10 Utah Municipal Code

Chapter 1 General Provisions

Part 3 Municipal Energy Sales and Use Tax Act

Section Energy sales and use tax -- Rate -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements -- 304 Exemptions. *(Effective 5/1/2024)*

Effective 5/1/2024

10-1-304. Energy sales and use tax -- Rate -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements -- Exemptions.

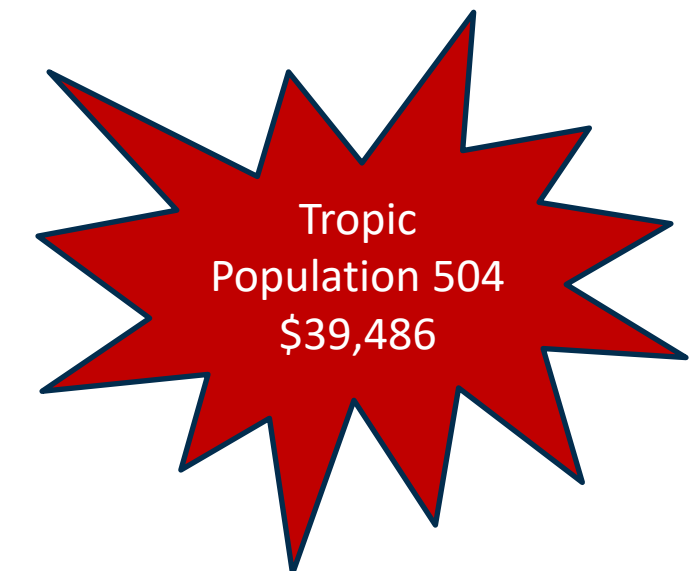
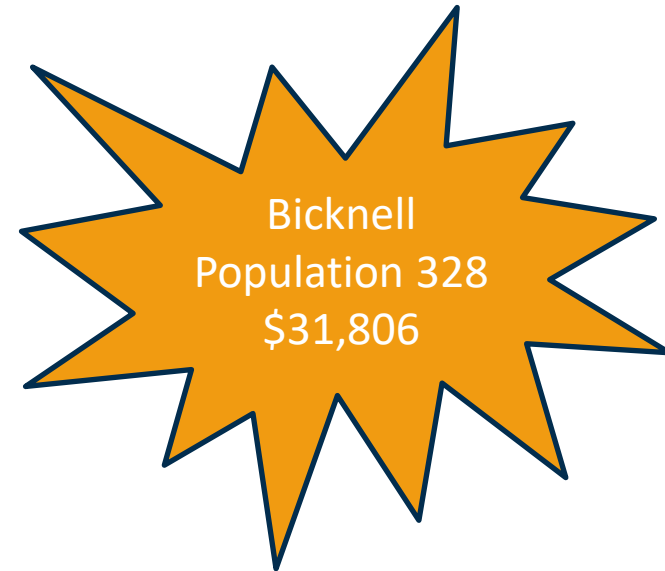
- (1) (a) Except as provided in Subsections (4) and (5), a municipality may levy a municipal energy sales and use tax on the sale or use of taxable energy within the municipality:
- (i) by ordinance as provided in Section 10-1-305; and
 - (ii) of up to 6% of the delivered value of the taxable energy.

- 108 of Utah's 255 cities/towns collected energy tax revenue in 2025.
- When imposed, tax is up to 6% of electric AND gas bill.
- If you are not collecting this tax, should you consider?

Municipal Energy Tax

Alpine	Corinne	Highland	Magna	Park City	Salem	Sunset
Alta	Cottonwood Heights	Hildale	Mapleton	Payson	Salt Lake City	Syracuse
American Fork	Draper	Holladay	Midvale	Perry	Sandy	Taylorsville
Beaver City	Duchesne City	Hurricane	Midway	Plain City	Santa Clara	Tooele City
Bicknell	Eagle Mountain	Hyrum	Milford	Pleasant Grove	Santaquin	Torrey
Bluffdale	Elk Ridge	Kamas	Millcreek	Pleasant View	Saratoga Springs	Tremonton
Bountiful	Elsinore	Kanab	Moab	Price	Smithfield	Tropic
Brian Head	Escalante	Kaysville	Monticello	Providence	South Jordan	Vernal
Brigham	Farmington	Kearns	Murray	Provo	South Ogden	Vineyard
Cedar City	Farr West	Layton	Myton	Richfield	South Salt Lake	Washington City
Centerfield	Fillmore	Lehi	Nibley	Richmond	South Weber	Washington Terrace
Centerville	Grantsville	Lindon	North Logan	Riverdale	Spanish Fork	Wellington
Charleston	Harrisville	Loa	North Salt Lake	Riverton	Spring City	West Bountiful
Clearfield	Heber	Logan	Ogden	Roosevelt	Springville	West Jordan
Clinton	Herriman	Lyman	Orem	Roy	St. George	West Point
						West Valley City
						Woodland Hills
						Woods Cross

Municipal Energy Tax





Municipal Telecommunications Tax

Index Utah Code

Title 10 Utah Municipal Code

Chapter 1 General Provisions

Part 4 Municipal Telecommunications License Tax Act

**Section Levy of telecommunications license tax -- Recovery from customers -- Enactment, repeal, or change in rate of tax -- Annexation.
403 (Effective 5/1/2024)**

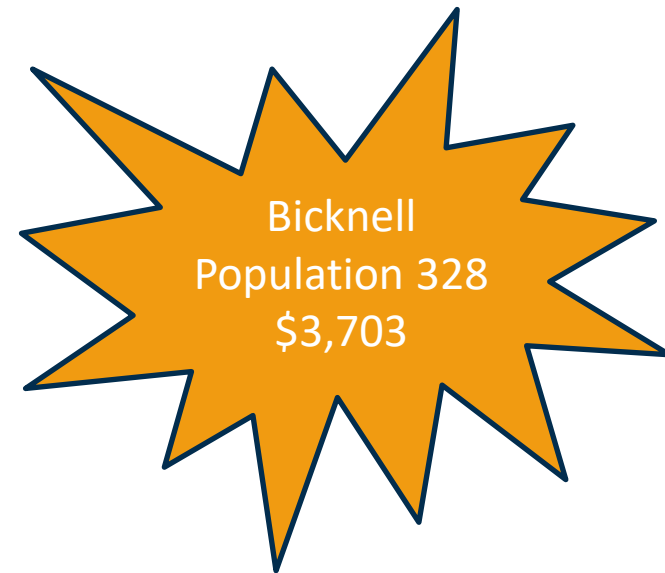
Effective 5/1/2024

10-1-403. Levy of telecommunications license tax -- Recovery from customers -- Enactment, repeal, or change in rate of tax -- Annexation.

(1) (a) (i) Subject to the provisions of this section, beginning July 1, 2004, a municipality may levy on and provide that there is collected from a telecommunications provider a municipal telecommunications license tax on the telecommunications provider's gross receipts from telecommunications service that are attributed to the municipality in accordance with Section 10-1-407.

- 168 of Utah's 255 cities/towns collected telecom tax in 2025.
- When imposed, tax is 3.5% of telecommunications portion of the telecommunications bill – no tax on internet services on cable/satellite TV
- If you are not collecting it, should you consider?

Municipal Telecommunications Tax



CITY OF ANYCITY
1570 North Main Street Anycity UT 84000

BUSINESS LICENSE

Expiration Date: 04/30/2019 License #: CM1520

Russel's Bakery

The person, firm or corporation named above and located at 456 S Main, is hereby granted, pursuant to the Provisions of the License Ordinance of the City of Anycity, license to do engage in, carry on or conduct, in the City of Anycity, Utah, the business, trade, calling, profession, exhibition or occupation of Food Service for a period beginning 05/09/2018 and ending 04/30/2019.

Russel's Bakery
456 S Main
Salt Lake City NH 88888

City Clerk

THIS LICENSE IS NON-TRANSFERABLE AND MUST BE POSTED IN A CONSPICUOUS PLACE



Licenses & Permits

- Utah State law allows municipalities to recover the full cost of providing the service or regulating the business.
- Utah law also allows municipalities to charge building and development fees.
- Periodically review your license and permit fees to make sure they are still recovering the cost of service or regulation.
- If you haven't increased the license or permit fee within the past three years, chances are inflation has eroded the fee and you are no longer recovering the cost of service.



Fees to reserve and use public assets

- Utah municipalities can establish use fees for community spaces
- Fees can, but don't have to, recover the full cost of service
- Fees should be reviewed and updated periodically



Public Safety fees addressed by HB 425 – Public Fee Amendments in 2026

- Prohibits a city or town from charging a general fee for public safety service
- Creates an exception for towns and cities of the third class and below that:
 - Imposed the fee before 1/1/2026 to generate revenue to pay for the city's obligation under an agreement with other political subdivisions for public safety services, and reauthorize the fee by a vote of the council every three years after 1/2/2026, OR
 - Use the fee to fund a volunteer public safety service
- All other cases: fee must be repealed by July 1, 2027



Grants

Rural Communities Opportunity Grant

Eligible rural communities are encouraged to apply for the Rural Communities Opportunity Grant (RCOG).

Eligible rural communities include:


- Counties of the third, fourth, fifth, and sixth class
- Cities, towns, and metro townships located within those counties
- Municipalities with a [population of 10,000 or less](#) in counties of the second class
- Associations of Governments

The RCOG empowers rural communities to take responsibility for economic development planning, projects, and activities, and to manage their unique opportunities. The grant addresses the economic development needs of rural communities, which include:

- Business recruitment, development, and expansion
- Workforce training and development
- Infrastructure, industrial building development, and capital facilities improvements for business development


Grants

USDA Rural Development

- **Community Facilities Direct Loan & Grant Program:** Provides funding to develop essential community facilities in rural areas with populations of 20,000 or fewer. Grant assistance is offered on a sliding scale, with smaller, lower-income communities qualifying for higher percentages.
- **Rural Economic Development Loan & Grant Program:** Assists local utilities in funding rural projects that create and retain jobs. Utilities receive zero-interest loans or grants to pass through to local businesses. 

Grants

Utah Department of Transportation (UDOT)

- **Local Government Program Assistance:** UDOT administers several highway funds, including:
 - **STP Non-Urban Funds:** For areas with populations under 5,000.
 - **Off-System Bridge Funds:** For bridges on local or rural roads.
 - **State Park Access Funds:** For facilities accessing specific state parks. 

Grants


Utah Department of Workforce Services

- **Community Development Block Grant (CDBG):** Federal funding for cities under 50,000 and counties under 200,000. It supports projects that provide decent housing, a suitable living environment, and expanded economic opportunities, primarily for low- and moderate-income individuals. Larger "entitlement" cities and counties receive CDBG funding directly from the U.S. Department of Housing and Urban Development (HUD).
- **Community Impact Board (CIB):** Provides loans and grants to state subdivisions impacted by mineral resource development on federal lands. The funds can be used for infrastructure projects.
- **Olene Walker Housing Loan Fund:** Assists in developing affordable housing for very low, low, and moderate-income residents. 

Grants

Historic preservation

Utah State Historic Preservation Office (SHPO)

The Certified Local Government (CLG) Program offers grants of up to \$20,000 with a 50/50 match for historic preservation projects to Certified Local Governments. Applications are typically due in February. 

Grants

Utah Outdoor Recreation

- **Utah Outdoor Recreation Grant (UORG):** Supports communities in building outdoor recreation infrastructure to aid local economic development. The next cycle opens in 2026.
- **Off-Highway Vehicle (OHV) Recreation Grant:** Provides funding for OHV recreation projects.
- **Recreational Trails Program (RTP):** Grant for recreational trail projects.
- **Land & Water Conservation Fund (LWCF):** A grant program for parks and recreation projects. 

Grants

Cooperative Marketing Program

Partner with the Utah Office of Tourism to enhance your out-of-state marketing with up to \$225,000 in matching funds. Eligible organizations can allocate a portion of these funds to in-state marketing, promoting your project while strengthening Utah's brand.



The Utah Office of Tourism Awards Over \$4.1 Million to Local Tourism Organizations

Grants

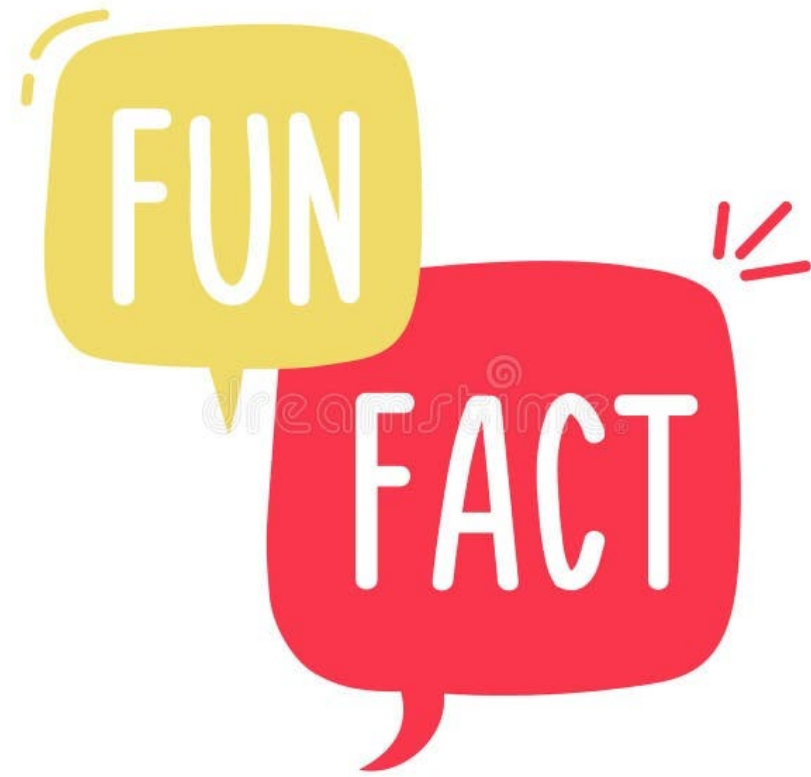
Utah Co-op Marketing ROUND 2025 CO-OP MARKETING GRANT AWARDS FY 25/26 AWARDED 8/09/2025			
DMO APPLICANT	AWARDED	NON-DMO APPLICANT	AWARDED
Beaver County Travel Council	\$76,000	Ballet West	\$34,100
Blanding City	\$13,000	Cache Valley Chamber	\$7,500
Box Elder County Government	\$48,750	Casino Star Theater Foundation	\$6,250
Brian Head Town	\$134,964	Friends of the Moab Folk Festival	\$5,700
Cache Valley Visitors Bureau	\$72,410	Grand Staircase Escalante Partners, Inc	\$6,000
Carbon County Office of Tourism	\$32,500	Historic 25th Street Foundation DBA Ogden Downtown Alliance	\$5,000
City of Provo	\$37,924	Joe's Valley Fest	\$12,090
Discover Davis	\$182,250	Kayenta Arts Foundation	\$19,096
Emery County Office of Tourism	\$46,314	Kimball Art Center	\$61,846
Explore Utah Valley	\$182,250	Moab Museum	\$2,178
Garfield County Office of Tourism	\$182,250	Moab Music Festival	\$24,180
Grand County Government	\$146,250	Murray Area Chamber Foundation	\$5,980
Greater Zion Convention & Tourism	\$182,250	National Ability Center	\$100,500
Heber Valley Office of Tourism	\$182,250	Ogden First, Inc.	\$18,200
Juab County Tourism & Travel	\$88,750	Ogden Valley Adaptive Sports	\$16,988
Kane County Office of Tourism & Film	\$146,250	Ogden's George S Eccles Dinosaur Park	\$15,000
Morgan County Economic Development	\$73,906	Park City Opera	\$5,700
Ogden/Weber CVB	\$182,250	SUU Shakespeare Festival	\$67,000
Park City Chamber/CVB	\$182,250	The Living Planet Aquarium	\$52,000
Piute County Government	\$13,000	Tuacahn Center for the Performing Arts	\$100,500
San Juan Office of Economic Development & Visitor Services	\$182,250	United States Ski & Snowboard Association	\$85,500
Sevier County	\$146,250	Utah Festival Opera & Musical Theater	\$37,336
Ski Utah	\$182,250	Utah State University (USU)	\$9,806
South Salt Lake	\$12,788	Utah Symphony & Opera	\$31,000
Tooele County	\$125,938	Weber Cultural Legacy Foundation	\$20,100
Uintah County Travel & Tourism	\$180,488	Total Award	\$749,550
Visit Cedar City - Brian Head	\$95,000	THANK YOU CO-OP COMMITTEE!	
Visit Salt Lake	\$182,250		



Deep Dive: Property Tax 101



Property Tax rates in Utah are revenue driven



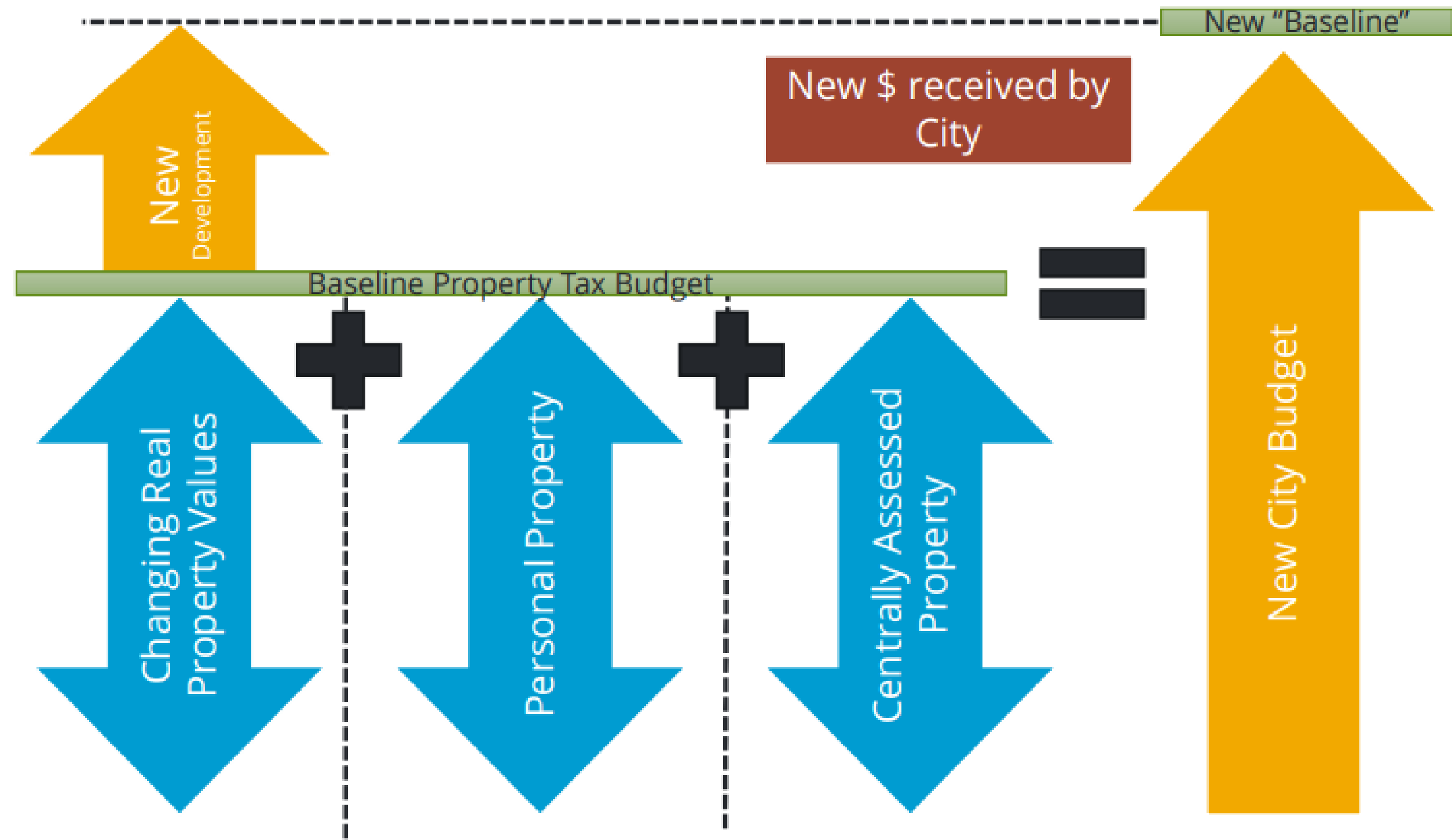
- Valuation increases do not result in higher taxes.
- Valuation increases and decreases usually result in tax burden shifts.
- There is a natural downward bias in property tax – inflation is backed out on purpose.
- Primary residential properties receive a 45% tax break.
- None of these facts are likely to change.
- Work to understand this complicated process – it is fundamental to understanding public budgets in Utah.

Want more/new property tax Revenue??

- New Growth



NEW GROWTH FORMULA

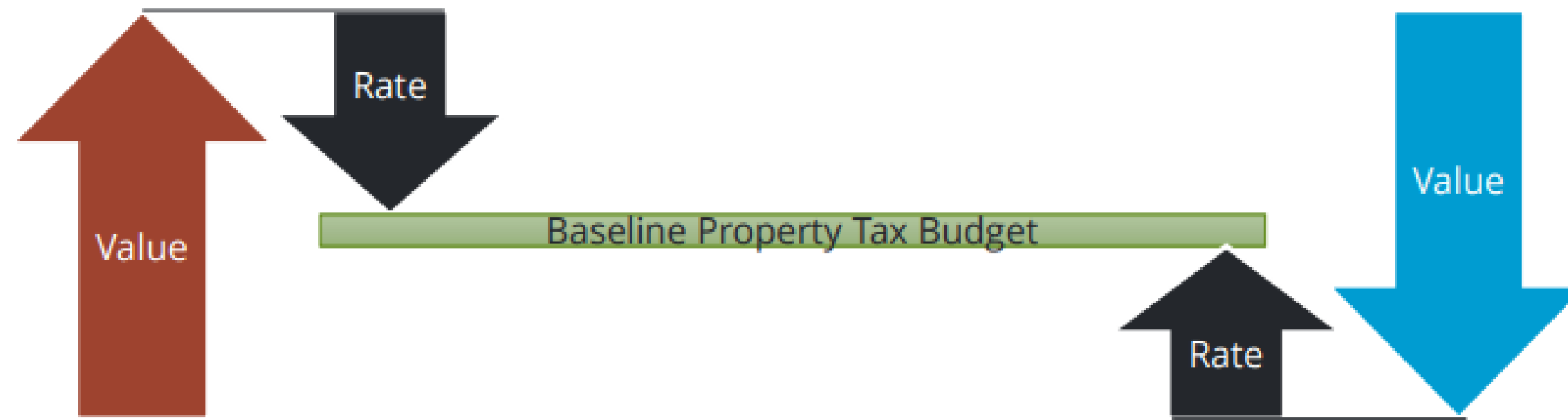


Want more/new property tax Revenue??

- New Growth
- Annex new tax areas
- Tax Rate Increase Process
(Truth-in-Taxation)



TRUTH IN TAXATION



- Holds the amount of property taxes that an entity receives constant, **regardless of changes in property value.**
- Unless the Council chooses to increase taxes to receive more revenue. This requires a “Truth in Taxation” public hearing & notice.
- One exception – “New Growth” authorized by the County & State

Property Tax Demonstration
Year 1

<p>House 1</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 2</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 3</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 4</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 5</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>
<p>House 6</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 7</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 8</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 9</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 10</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>

Entity	
Total Base Mkt Value	1,818,182
Total Base Tax Value	1,000,000
Tax Revenue Base	10,000
Tax Revenue New Grow	-
Total Tax Revenue	10,000
Tax Rate	1.00%

Year 2

House 1	House 2	House 3	House 4	House 5
Mkt Value 363,636	Mkt Value 363,636	Mkt Value 363,636	Mkt Value 363,636	Mkt Value 363,636
Tax Value 200,000	Tax Value 200,000	Tax Value 200,000	Tax Value 200,000	Tax Value 200,000
Tax Bill 1,000	Tax Bill 1,000	Tax Bill 1,000	Tax Bill 1,000	Tax Bill 1,000

House 6	House 7	House 8	House 9	House 10
Mkt Value 363,636	Mkt Value 363,636	Mkt Value 363,636	Mkt Value 363,636	Mkt Value 363,636
Tax Value 200,000	Tax Value 200,000	Tax Value 200,000	Tax Value 200,000	Tax Value 200,000
Tax Bill 1,000	Tax Bill 1,000	Tax Bill 1,000	Tax Bill 1,000	Tax Bill 1,000

Entity	
Total Base Mkt Value	3,636,364
Total Base Tax Value	2,000,000
Tax Revenue Base	10,000
Tax Revenue New Grow	-
Total Tax Revenue	10,000
Tax Rate	0.50%

Year 3

House 1	
Mkt Value	181,818
Tax Value	100,000
Tax Bill	816

House 2	
Mkt Value	190,909
Tax Value	105,000
Tax Bill	857

House 3	
Mkt Value	200,000
Tax Value	110,000
Tax Bill	898

House 4	
Mkt Value	209,091
Tax Value	115,000
Tax Bill	939

House 5	
Mkt Value	218,182
Tax Value	120,000
Tax Bill	980

House 6	
Mkt Value	227,273
Tax Value	125,000
Tax Bill	1,020

House 7	
Mkt Value	236,364
Tax Value	130,000
Tax Bill	1,061

House 8	
Mkt Value	245,455
Tax Value	135,000
Tax Bill	1,102

House 9	
Mkt Value	254,545
Tax Value	140,000
Tax Bill	1,143

House 10	
Mkt Value	263,636
Tax Value	145,000
Tax Bill	1,184

Subtotal	
Total Base Mkt Value	2,227,273
Total Base Tax Value	1,225,000
Tax Revenue Base	10,000
Tax Revenue New Grow	-
Total Tax Revenue	10,000
Tax Rate	0.82%

Year 4

House 1	
Mkt Value	181,818
Tax Value	100,000
Tax Bill	816

House 2	
Mkt Value	190,909
Tax Value	105,000
Tax Bill	857

House 3	
Mkt Value	200,000
Tax Value	110,000
Tax Bill	898

House 4	
Mkt Value	209,091
Tax Value	115,000
Tax Bill	939

House 5	
Mkt Value	218,182
Tax Value	120,000
Tax Bill	980

House 6	
Mkt Value	227,273
Tax Value	125,000
Tax Bill	1,020

House 7	
Mkt Value	236,364
Tax Value	130,000
Tax Bill	1,061

House 8	
Mkt Value	245,455
Tax Value	135,000
Tax Bill	1,102

House 9	
Mkt Value	254,545
Tax Value	140,000
Tax Bill	1,143

House 10	
Mkt Value	263,636
Tax Value	145,000
Tax Bill	1,184

House 11	
Mkt Value	272,727
Tax Value	150,000
Tax Bill	1,224

Entity	
Total Base Mkt Value	2,227,273
Total Base Tax Value	1,225,000
Total New Growth Tax V	150,000
Grand Total Tax Value	1,375,000
Tax Revenue Base	10,000
Tax Revenue New Grow	1,224
Total Tax Revenue	11,224
Tax Rate	0.82%

Sample Local Property Tax Rates/Revenue

• Wayne County – 0.001301	\$700,000	27%
• Bicknell – 0.000125	\$6,500	3.8%
• Lyman – 0.000193	\$4,200	0.8%
• Torrey – 0.000143	\$16,004	7.5%
• Hanksville – 0.000406	\$8,000	4.3%
• Richfield – 0.001821	\$1,028,646	9.8%
• Salina – 0.002680	\$579,000	20%
• Redmond – 0.000562	\$30,997	7.8%
• Koosharem – 0.000192	\$8,805	6.4%
• Monroe – 0.001085	\$228,627	14.3%

Sample Property Tax Rates in Carbon County

	Rate	Revenue
Carbon County	0.002556	\$5,686,106
East Carbon/Sunnyside	0.008750	\$607,019
Helper	0.001919	\$288,663
Price	0.001290	\$858,959
Scotfield	0.001115	\$22,707
Wellington	0.003000	\$326,366





KERRI
NAKAMURA
& ASSOCIATES