



April 1, 2026

Legislative Update for UGFOA





**View ULCT Spring
Training webinar
recordings and sign
up for remaining
webinars on April
2nd, 6th, and 8th!**



April 22-24 in St. George



Property Tax

Property Tax in the Headlines

Ohio's Property Tax Repeal Could Mean a 20% Sales Tax, DeWine Warns

BY ALLAIRE CONTE

FEBRUARY 17, 2026

FOXBUSINESS



TAXES Published February 3, 2026 5:18pm EST

These states are considering eliminating property taxes for homeowners

Property taxes currently account for 90% of school funding and 70% of local revenue

General Themes on Property Tax

- 1) Pressure from the top-down *and* bottom-up to “do something” on property tax
 - Proposals varied from process changes, to caps on property tax increases and fund balances, to primary residential exemption changes, and more
 - From Wyoming to the White House, states are pushing to limit or abolish local property taxes
 - Less frustration with cities than other taxing entities

- 2) Address technical issues from the 2025 truth-in-taxation experience

2026 session outcome: transparency and process

2026 interim/2027 session: stay tuned

ULCT Property Tax Advocacy

Thanks to the ULCT property tax work group

- Met 10+ times between Nov and Feb
- Consisted of mayors, council members, city managers, finance directors from Parowan to SLC
- Team ULCT used slido during LPC meetings, surveys via UCMA, and other research to inform our advocacy

ULCT Board of Directors principles on property tax proposals:

- 1) Preserve ability to raise property tax without being subject to statutory limits or requirements for voter approval
- 2) State of Utah should understand consequences and impacts on cities and towns of changing the value of the primary residential exemption and of the property tax process as a whole

ULCT Property Tax Resources in the Pipeline

- Tax Commission Property Tax training at 1pm
- ULCT partnership with X-Factor Strategic Communications
 - Series of short films and handouts to help the public better understand Utah's property tax system
- Truth-in-Taxation checklist with the Tax Commission
- Holistic process trainings on Truth-in-Taxation at Midyear Conference from April 22-24 in St. George and R6 Regional Growth Summit on May 6

Law aims to bolster transparency when cities, school districts, other entities pursue tax hikes

By Tim Vandenack, KSL | Posted - March 25, 2026 at 8:05 a.m.



Rep. Karen Peterson, on Jan. 12 at the Little America Hotel in Salt Lake City, is sponsoring a bill that aims to bolster transparency when cities, school districts and other taxing entities pursue tax hikes was signed into law Monday. (Scott G. Winterton, Deseret News)

HB 236 Truth in Taxation Amendments

Rep. K. Peterson

Objectives:

- Bring the public into the Truth-in-Taxation process as early as possible
- Alleviate the public concern that an entity has already started spending money from the new budget before the August Truth-in-Taxation hearing, and thus the tax proceeds despite public input

Original proposal pre-session:

- Preliminary statement in the Spring that the entity is considering a property tax increase
- Budget Officer/Mayor creates and presents two budgets: one if the tax increase passes, one if it doesn't

HB 236 Truth in Taxation Amendments

Rep. K. Peterson

Primary Changes:

- Public statement (first meeting in May)
- Property tax impact schedule (first meeting in May)
- Announcement of approximate dollar amount increase, percentage increase, purpose, and hearing information (May 1-June 13)
- Adoption of interim budget with restricted account (by June 30th, for July 1st until the final budget is adopted)

And... a one year grace period for all new provisions!

HB 236 Truth in Taxation Amendments

Rep. K. Peterson

New Requirements for the First Meeting in May:

- Budget officer or Mayor must state that the tentative budget includes a property tax increase
- Agenda for the public meeting includes a separate item notifying the public that the budget officer or mayor intends to state in the meeting that the budget includes a property tax increase
- Budget officer or mayor presents a **property tax impact schedule**

HB 236

SB 238

HB 565

SB 206

SB 97

HB 236 Truth in Taxation Amendments

Rep. K. Peterson

New Requirements for the First Meeting in May:

- Property tax impact schedule must specify:
 - Approximate **\$ amount** of tax increase
 - Approximate **% increase** in tax revenue
 - Approximate **% increase** to the amount of property taxes paid on an **average residence** and **average commercial property** per year as a result of the increase
 - Budget increase or decrease and operational impact for each department whose budget would be affected by the tax increase
- Must be presented at first meeting in May and every budget hearing held prior to June 30th; separate from all other budget documents

HB 236 Truth in Taxation Amendments

Rep. K. Peterson

Proposed Property Tax Impact Schedule

Cameron City will consider an increase to its property tax rate from .00045 to .00049 (estimated) to generate an additional \$400,000. The following information is intended to provide decision makers and the public with an explanation of how the City's operations would be affected if the property tax rate remains the same.

Cameron City's Current Property Tax Rate	0.00045
Cameron City's Current Property Tax Revenue	\$4,200,000
Proposed Revenue with Tax Change	\$4,600,000
New Property Tax Revenue to Cameron City	\$400,000
Estimated Increase to Cameron City's Property Tax Rate	9.50%
Estimated Increase to a Resident's Combined Rate*	0.94%
Estimated Increase to a primary residence of \$450,000	\$10.61
Estimated Increase to a business valued at \$450,000	\$19.29

<u>Affected Department</u>	<u>Proposed Budget</u>	<u>Budget without Tax Change</u>	<u>Budget Change</u>
Police	\$7,234,000	\$7,045,000	(\$189,000)

Impact of No Tax Increase - The Police Department will not hire two new police officers and related equipment.

<u>Affected Department</u>	<u>Proposed Budget</u>	<u>Budget without Tax Change</u>	<u>Budget Change</u>
Planning	\$250,000	\$190,000	(\$60,000)

Impact of No Tax Increase - The Planning Department will reduce its contracting budget by \$30,000. We will not be able to hire a consultant to update the General Plan this year.

<u>Affected Department</u>	<u>Proposed Budget</u>	<u>Budget without Tax Change</u>	<u>Budget Change</u>
Parks	\$5,562,700	\$5,713,700	(\$151,000)

Impact of No Tax Increase - The Parks Department will not hire two new full time and three part time employees. City Properties will stay at the same level of service as 2025.

Total General Fund
Change: **(\$400,000)**

* Property tax rate when all taxing entities (such as the school district) for a given property are added up.

HB 236 Truth in Taxation Amendments

Rep. K. Peterson

New Requirements for May 1-June 13

Can be done on the first meeting in May or any other public meeting in this time frame

- Taxing entity must state during the meeting:
 - The taxing entity is **considering a property tax increase**
 - Approx. **\$ amount and purpose** generated by the tax increase
 - Approx. **% increase in revenue** for the taxing entity
 - If the taxing entity proceeds with the proposed rate increase, **will provide notice of and conduct a public hearing** where the public can comment on the increase
- Must include a separate item on the meeting agenda that this statement will be made in the meeting

HB 236 Truth in Taxation Amendments

Rep. K. Peterson

New Requirements for Before June 30th:

Can be done at the same hearing in which the tentative budget is adopted; must adopt a tax levy by June 22nd

- Taxing entity must prepare and adopt a **interim budget**
 - In effect from July 1 to final budget adoption (before Sept. 1)
 - Based on the entity's proposed tax rate increase
 - Includes a property tax impact schedule
- An amount equal to revenue generated by the proposed tax increase must be **set aside in a restricted budget account**
 - May not be expended or otherwise obligated until the final budget adoption (before Sept. 1)

HB 236 Truth in Taxation Amendments

Rep. K. Peterson

Other Changes:

- Clarification for August Truth-in-Taxation hearing notice for towns without websites (Lines 257-274)
- One year grace period for all new provisions

HB 236

SB 238

HB 565

SB 206

SB 97

SB 238 Property Tax Adjustments

Sen. Wilson

Objective: Clarify Truth-in-Taxation process issues from summer 2025

HB 236

SB 238

HB 565

SB 206

SB 97

SB 238 Property Tax Adjustments

Sen. Wilson

59-2-919 (Truth-in-Taxation requirements) process clarifications

- Clarifies virtual participation requirements
 - 24 hours before the hearing begins, the taxing entity shall:
 - Post instructions for virtual participation on its website
 - Ensure virtual participants can access the hearing video and audio, provide oral testimony through video and audio, and submit written comments electronically for inclusion in the public record before and during the hearing
 - County must help taxing entities meet these requirements at the request of the taxing entity

SB 238 Property Tax Adjustments

Sen. Wilson

59-2-919 (Truth-in-Taxation requirements) process clarifications

- Clarifies that the TinT hearing must be on a standalone date
 - Taxing entity may not hold the hearing on the same date as a public meeting for the purpose of addressing general business
- Clarifies posting requirements for the list compiled by the County Auditor displaying all entities going through TinT in the County
 - Taxing entity no longer has to present the list at the hearing, but
 - Must post it on the main page of its website for at least 14 days before the hearing is held until the Tax Commission certifies the taxing entity's rate

SB 238 Property Tax Adjustments

Sen. Wilson

Other Changes:

- Makes adjustments to residential exemption application process (59-2-103.5) and notices for hearings on judgement levies (59-2-918.5)
- Requires the taxing entity to provide the Tax Commission with **evidence of compliance** for all requirements **within seven days of final budget adoption**
 - Tax Commission has thirty days after submission of evidence to certify rate

HB 565 City Library Property Tax Amendments

Rep. Stoddard

- Requires a county of the first class (SLCo) to levy a tax imposed for a city library separately from other city tax levies on a property tax notice

This has been the status quo until recent differing legal interpretations in Salt Lake County

Cities brought this issue to us and we addressed it

HB 236

SB 238

HB 565

SB 206

SB 97

SB 206 Tax Amendments (W. Harper)

Sen. Harper

- Excludes the following from the calculation of locally assessed new growth:
 - Taxable value attributable to improvements to an existing structure or the construction of a new structure that does not add new building area
 - Example: Building a new ADU would count as new growth, but finishing your basement would not
 - Taxable value that was assessed in the previous year as partially completed new growth
- Excludes tangible personal property from definition of project area new growth
- We understand this to be a codification of how counties have been calculating new growth for years

HB 236

SB 238

HB 565

SB 206

SB 97

SB 97 Tax Revenue Amendments **(FAILED)**

Sen. McCay

Varying combinations of these proposals across 4 Subs:

- 5% cap on property tax increases
- Changes definition of “locally assessed new growth” (SB 206)
- Fund balance reductions
 - 25% (instead of 35%)
 - Amount equal to the budgeted property tax revenue
 - Sliding scale (25% to 30%) based on general fund size
- Excluded interest earned from investments from certified tax rate
- Prohibited property tax from being put into capital improvement reserve funds
- Reduced the residential exemption for rental units from 45% to 40%

Ultimately failed 15-14 in the Senate... but fund balance dialogue will continue next year

SB 97 Tax Revenue Amendments **(FAILED)**

Sen. McCay

HB 236

SB 238

HB 565

SB 206

SB 97



Study on fund
balances in
conjunction with
the state treasurer

HB 236

SB 238

HB 565

SB 206

SB 97

Unsuccessful Property Tax Bills

We expect some of these proposals to return in upcoming sessions.

Proposals to Amend Processes/Exemptions:

- HB 365 Taxation Notification Requirements (T. Peterson)
 - Original bill: April 1st statement that the entity is considering a tax increase of \$x amount; entity is limited to that amount (self-imposed cap)
 - Moved to HB 236 in the form of separate announcements on public agendas for May/early June meetings
- HB 161 (HJR 7) Property Tax Modifications (J. Koford)
 - Increased the primary residential exemption from 45% to 60%
- HB 170 School Board Referendum Amendments (R. Shipp)
 - Subjected local school board decisions (including property tax increases) to the referendum process

Unsuccessful Property Tax Bills

We expect some of these proposals to return in upcoming sessions.

Proposals that Eroded Local Authority to Impose Property Taxes:

- HB 449 (HJR 20) Utah Taxpayer Oversight of Government Spending Amendments (T. Auxier)
 - “TABOR” bill
 - Voter approval required for all property tax increases
- HB 485 Property Tax Revenue Increase Amendments (T. Auxier)
 - Caps how much new growth revenue a city can collect to the lesser of an inflationary adjustment or eligible new growth from prior year’s rate
- HB 484 Property Tax Changes (K. Christofferson)
 - Limits an entity going through Truth-in-Taxation to a budget increase of 5%
 - Voter approval required for a budget increase exceeding 5%



Transportation Utility Fee (TUF)

City imposed tax vs. fee:

Do you know the difference? Do your legislators know the difference?

	<i>Tax</i>	<i>Fee</i>
<i>Who authorizes it?</i>	State	City
<i>Who administers it?</i>	State Tax Commission	City
<i>What is it for?</i>	Revenue for general government	Service fee: specific charge in return for specific benefit Regulatory fee: specific charge which defrays the gov't cost of regulation
<i>Who pays?</i>	Some property owners, but not all (e.g. property tax & exempt property, sales tax & various bases)	All users pay for service <i>“to be a legit fee for service, amount charged must bear a reasonable relationship to the services provided, benefits received, or need created”</i>

ULCT Board of Directors Principles on TUF

- 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!

HB 425

HB 425 Local Government Fees Amendments

Rep. K. Peterson

- HB 425 (2026) = HB 454 (2025) = HB 367 (2024)
- Creates a process for cities and towns to impose a Transportation Utility Fee (TUF)
 - May impose if the city establishes a **reasonable relationship** between the amount of the TUF, and the services provided to, benefits received by, or need created by those paying the TUF
 - TUF can only be used pay for costs associated with developing, constructing, maintaining, operating, repairing, upgrading, or replacing a transportation facility
 - one TUF can fund multiple facilities but city can't have more than one TUF

HB 425 Local Government Fees Amendments

Rep. K. Peterson

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

HB 425 Local Government Fees Amendments

Rep. K. Peterson

- City must first conduct a **TUF study**:
 - Determine and provide a reasonable estimate of need for a new transportation facility
 - Identify existing funding sources that could be used and explain why they are inadequate to cover need
 - Determine whether and explain how the proposed TUF is reasonably related to the services provided to, benefits received by, or need created by those paying the TUF
 - Determine whether there is a reasonable basis for different rates within the proposed TUF and if so, explain the basis for different rates
- Study must be posted on city's website

HB 425

HB 425 Local Government Fees Amendments

Rep. K. Peterson

- City will then develop a **fee calculation** which shall:
 - Use methodologies based on trip generation, vehicle types, and traffic counts
 - Exclude the day of the week generating the lowest amount of traffic
 - Utilize the TUF study (previous slide)
- City may not utilize a study or fee calculation that takes into account FMV of property owned by a TUF payer but may utilize a study or fee calculation that takes into account property size only if it used to determine trip generation, vehicle types, or traffic counts

HB 425

HB 425 Local Government Fees Amendments

Rep. K. Peterson

- City shall establish different rates with a TUF for different classifications of users if the rates and classifications have a reasonable basis
- Classifications of users shall at minimum include:
 - Residential users
 - Commercial users
 - Other users
- Defines what “reasonable basis” may and may not include

HB 425

HB 425 Local Government Fees Amendments

Rep. K. Peterson

- City must provide notice for and hold a public hearing before imposing or increasing a TUF by ordinance
 - Ordinance must also establish an appeals process for an individual wishing to challenge their assigned user classification
- City must establish a dedicated transportation fund to deposit TUF revenue
 - Can't be commingled with other funds or sources
- A TUF expires 10 years after the effective date of the ordinance imposing it

HB 425 Local Government Fees Amendments

Rep. K. Peterson

- City must conduct an annual review of the TUF and prepare a written report to be submitted to the state auditor
- Clarifies that a TUF is referable
- A city that has imposed a TUF before May 6, 2026 shall ensure that its TUF meets all requirements of this section by July 1, 2027 or the TUF must be repealed

HB 425 Local Government Fees Amendments

Rep. K. Peterson

- Prohibits a city from imposing a general fee for broadband unless
 - The city issued a bond before May 6, 2026 that is secured by fee revenue
 - Then, the broadband fee shall be repealed within 60 days after the bond is repaid
- All other cases: fee must be repealed by July 1, 2027

HB 425

HB 425 Local Government Fees Amendments

Rep. K. Peterson

- Prohibits a city or town from charging a general fee for a 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 1/1/2026, OR
 - Use the fee to fund a volunteer public safety service
- All other cases: fee must be repealed by July 1, 2027



Fuel Tax

HB 575 Fuel Tax and Supply Amendments

Rep. Roberts

HB 575

- Reduces the motor fuel tax rate to \$0.319 per gallon from July 1 to December 31, 2026
 - Current rate is 14.2% of the statewide average rack price
- Allocates \$11.9M in state general fund money to hold local government B&C road funds harmless



Other Rev & Tax Bills

HB 77 Tax Modifications

Rep. S. Eliason

- Omnibus tax cleanup bill
- In response to noncompliant cities from summer 2025:
 - Requires that a city or county reauthorizing a ZAP/RAP tax must provide notice of the reauthorization to the Tax Commission 90 days before the reauthorization takes effect
 - Tax Commission cannot continue collecting if it has not received notice of reauthorization

ZAP/RAP are required to be reauthorized every 10 years

SB 197 Transportation Funding and Governance Amendments

Sen. Harper

- Changes UTA governance from a 3-member Board to a 7-member Transit Commission
- 1st sub added language from HB 586 creating a dedicated revenue stream from the state for transit
 - Starting in FY 28, 5% of incremental growth in state sales tax above the FY 26 baseline will go to the Transit Transportation Investment Fund (TTIF)

	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Current TTIF	\$103.3	\$106.1	\$109.2	\$112.5	\$115.9	\$119.3	\$122.9	\$126.6	\$130.4	\$134.3
5% growth	BASE	\$0	\$16.4	\$24.9	\$33.7	\$42.8	\$52.1	\$61.8	\$71.7	\$81.9
Total TTIF	\$103.3	\$106.1	\$142.0	\$162.3	\$183.3	\$204.9	\$227.2	\$250.1	\$260.7	\$268.5

Unsuccessful Fee Bills

We expect some of these proposals to return in upcoming sessions.

Water

- HB 501 Water Modifications (B. Bolinder)
 - Required public water systems to raise a certain amount through fees or elsewhere to qualify for state funds for water infrastructure or development

Impact Fees

- SB 245 Impact Fee Amendments (C. Musselman)
 - Required impact fee facilities plans to designate a service area for each impact fee; service area cannot be the whole city; limited impact fee expenditures to the area identified in the plan
- HB 568 Impact Fee Limit Amendments (T. Peterson)
 - Prohibited imposition of an impact fee over \$50k for a single public facility type
- HB 570 New Home Impact Fee Amendments (R. Ward)
 - Required the number of plumbing fixtures in a single-family residential unit to be used to determine proportionate share during impact fee calculation
- OLAG audit on impact fees is currently underway



Economic Development



**Register for our
Spring Training
webinar on
Economic
Development tools
tomorrow, April 2nd
at Noon!**

Local Government Tax Increment Use

Current law

Agencies administer tax increment programs

Agencies are separate incorporated bodies from the local government that created them.

- Some or all members of the local legislative body typically serve as agency board.

A local government must first have an agency before creating a project area.

Agencies include:

- “Community reinvestment agency” under current law
- “Redevelopment agency”, “community development agency”, or “renewal agency” if agency incorporated under previous law.

To create a community reinvestment agency:

- Legislative body must adopt an ordinance, file a notice of impending boundary action w/ LG’s office
- LG’s office certifies creation of agency
- Record relevant documents w/ county recorder

Initiating a Community Reinvestment Area (CRA)

Current law

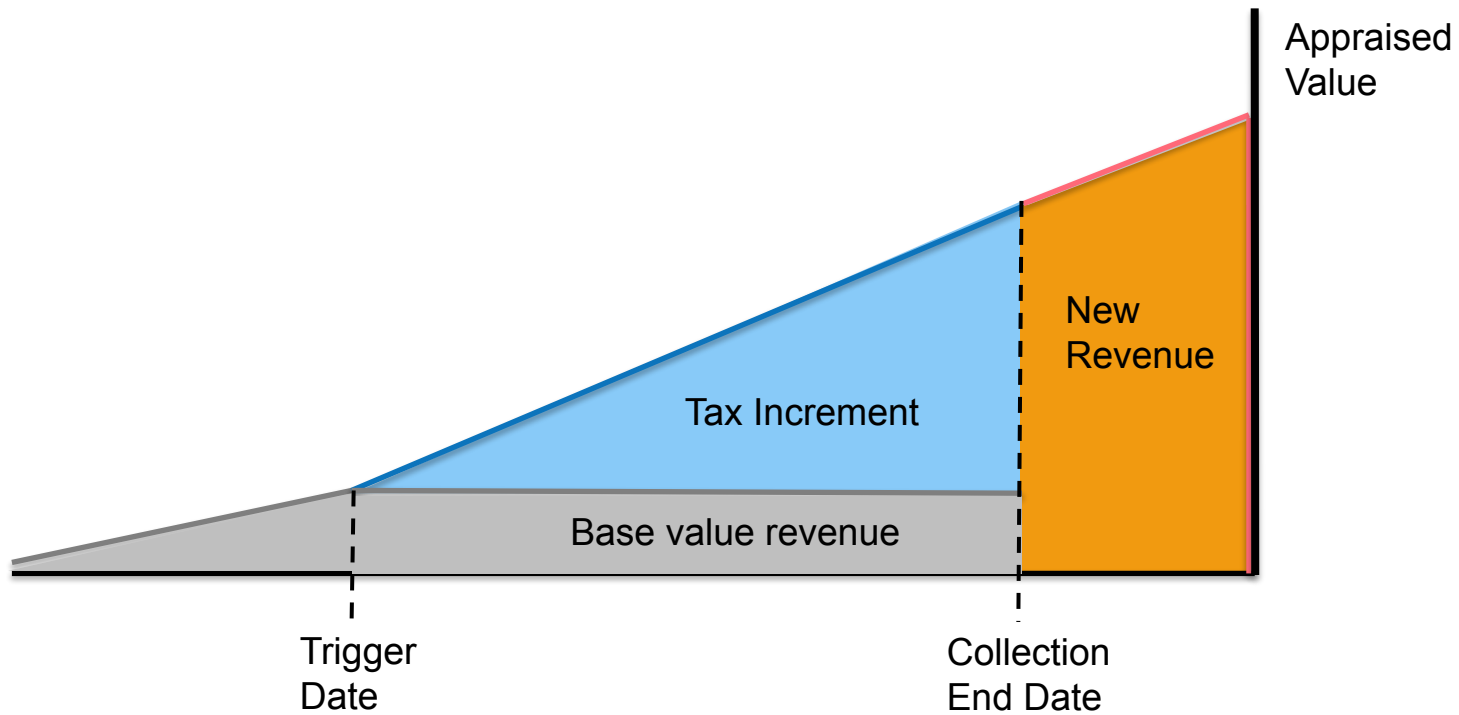
- Local government must have a planning commission or general plan in place
- Adopt a survey area resolution that includes:
 - Geographic area, description of boundaries, statement that area must be studied to determine whether development is feasible within the area
 - Authorization for agency to prepare a proposed CRA plan for the area and conduct needed examination, investigation, and negotiations the agency feels appropriate
 - Additional provisions if considering use of eminent domain in project area
- Conduct development impediment study if considering using eminent domain
- Agency board and legislative body adopts the project area plan after following notice, hearing requirements

Initiating a Community Reinvestment Area (CRA)

Current law

Project area plan components:

- Boundary and description of the project area
- General statement of existing land uses
- Standards to guide development
- Show how the project area furthers purposes of code section
- Consistent w/ general plan of the area
- Shows how project area development will eliminate or reduce a development impediment
- Describes specific development in the area
- Explains how the agency will select a participant
- States each reason the agency selected the area
- Describes physical, social, and economic conditions that exist in in the project area
- Describes each type of financial assistance the agency will offer to participants
- Includes analysis or description of the anticipated public benefit, including benefits to the area's tax base
- Includes rationale for use of tax increment, including analysis of whether proposed development might reasonably be expected to occur w/o use of tax increment ("but for" test)
- Historic district provisions, if applicable
- Other relevant information



State-Approved vs. Locally-Approved Tools

Locally-Approved Tools

- **Community Reinvestment Agencies**
- Requirements are more flexible
- No limits on the amount of TIF used
- Participation is optional

State-Approved Tools

- Pre-2026 session: **HTRZ, FHIZ, HOPZ**
- 2026 session: **RSDZ (HB 507)**
- More rigid requirements
 - Initial analysis
 - Affordability thresholds
 - Owner occupancy thresholds
- Limits on how much TIF can be used
- Compulsory participation

Tax Increment Transparency Bill (SB 206)

TIF Transparency/SB 206

HB 427 (N. Walter)

- Notice, disclosure



Documentation of project authorization meeting

Public purpose of project

type, amount of tax increment

cost analysis

“but for” analysis

SB 228 (W. Harper)

- Reporting,
dormancy/extension



HB 461 (R. Ward)

- State Land Use Authority
Reporting



Reporting

GOEO -> STATS system

Project area budget, plan, map

Amount of tax increment collected, spent

Change in project taxable value

Expenditures

Benefits to taxing entities

HB 507 (C. Roberts)

- RSDZ, Reporting



Aggregate STATS report to Political Subdivisions Interim Committee

SB 206

HB 507

HB 535

HB 492

SB 206 Tax Amendments

Sen. Harper

Creates Statewide Tax Administration and Technology Solutions (STATS) program

Creates additional disclosure and reporting components that apply to CRA, HTRZ, FHIZ, HOPZ, RSDZ and will be collected via the STATS program which will then be reported to the Legislature

Creates requirements for returning excess tax increment that is not spent by the end of the project area dormancy period to participating taxing entities

New growth definition changes relocated from SB 97

SB 206 Tax Amendments

Sen. Harper

Disclosure Requirements

- Details of local gov't TIF authorization meeting
 - Notice, minutes
 - May be part of a regular public meeting (e.g., council meeting)
- Public good to be addressed
- Type of tax increment sought use for
- Maximum total tax increment (by each type, if multiple types)
- Project admin. cost
- But for analysis
- Proportionate benefit analysis
 - 40-year net present value formula
- 30 days notice to affected taxing entities
- Notice to county assessor not later than Dec 31 year prior to collecting increment
- Must re-authorize if tax increment not triggered in 5 years
- If disclosure documentation missing, the STATS program manager must notify the TIF entity of remaining info, and they shall respond (**no state signoff**)

SB 206 Tax Amendments

Sen. Harper

Reporting Requirements

- Change in taxable value from the base year
- Estimated current assessed value
- Percentage change from base year
- Comparison of actual TIF collected compared to forecasted amount
- Historical receipts and expenditures for TIF area budget
- List of and benefits provided to taxing entities in the area
- Amount of TIF paid to a taxing entity
- Outstanding bonds
- Current and anticipated development
- Summary of project area budget
- Description of how TIF has been used to further project area goals
- Project area map, plan, etc.

Tax Increment Policy Bill (HB 507)

SB 231 (S. Sandall)

- **Data center TIF**



State TIF Tools/HB 507

Data Centers

Requirement to use RSDZ if offering TIF to data centers >100 MW
More flexibility w/ tangible personal property tax and MET sharing

HTRZ

Implementing land use for HTRZ, reporting
Allows HTRZ \$ for extraterritorial housing infrastructure
HTRZs can span three lightrail/BRT stations in certain circumstances

SB 221 (W. Harper)

- **HTRZ changes,**
- **Base year**



TIF Base year

Sets HTRZ/FHIZ/HOPZ/CCRZ base year

Political Subs. Interim Subcommittee to study TIF tools

HB 507 S4: State Coordination of Regional & Local Economic Development Projects Amendments

Rep. Roberts

Regionally Significant Development Zone (RSDZ)

- City- or county-created
- Must meet criteria for “significant capital investment” or “regional significance”
- Increment pays for infrastructure
- Subcategories for HTRZ, FHIZ, sporting venues
- Required for large load data center incentives
- Counties can challenge regionally significant findings
 - Current tools continue to operate
- HTRZ-style framework
 - GOEO committee approves the increment, all taxing entities must participate; up to 60% of increment for 25/40 years
- Allows county to charge county energy excise tax in county RSDZ energy zones (unincorp area)

HB 507 S4: State Coordination of Regional & Local Economic Development Projects Amendments

Rep. Roberts

PIDs

- Clarifies relationship with city or county with infrastructure transfer
- Clarifies dissolution process & governance

Creates State Reinvestment Restricted Account

- Portion of RSDZ increment flows to account
- Funds can be used for income tax relief, developing generational water infrastructure, preserving GSL watershed, regionally significant transit infrastructure, developing energy resources

Sunsets HTRZ, FHIZ, HOPZ, MSEVZ in 2028

- Existing programs continue under approved parameters

Political Subdivisions Interim Committee on Tax Increment

HB 507 S4: State Coordination of Regional & Local Economic Development Projects Amendments

Rep. Roberts

HTRZ changes (*from SB 221*)

- Allows HTRZ to span three light rail/BRT stations in cities of 3rd/4th class if:
 - total area < 250 non-contiguous acres
 - cannot exceed a ¼ mile radius from the stations or any point on the light rail/BRT line
 - A 3-station HTRZ counts as two HTRZs towards the SLCo 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 approved zone
 - enter into entitlement/development/participation agreements with property owners within zone as soon as reasonably possible to implement approval
 - If the agreements have not been entered into w/in two years, proposing entity must submit report to the HTRZ committee explaining:
 - status of agreements
 - related land use regulations needed to implement proposal.
 - *This provision is retroactive*
- HTRZ can use increment for extraterritorial housing if units are affordable, located in same city, at least 6 units/acre, owner occupied for 25 years, and doesn't have building permit (FHIZ style)

HB 535 Disposition of Public Property Modifications

Rep. Walter

Before disposing of real property, local governments must:

- Disposal includes permanent transfers, leases >10 years
- Post a physical sign at the property stating it is for sale and that offers may be made to the local government.

Before disposing of a significant parcel (> \$500k), must also:

- 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.
- Announce the intent to dispose of public property during a public meeting.

Disposal of property must be approved by majority vote, UNLESS ordinance/resolution states different approval process.

- Inform public of disposal action & terms (public meeting minutes, posting record of action on website, etc.)

Exempts easements, cemetery plots, road vacation, exchanges of property w/ similar value

HB 492 S6 Transportation, Infrastructure, & Housing Amendments

Rep. Roberts

State Housing Infrastructure Partnership (SHIP)

- a) \$100 million revolving **loan** fund
 - +/- 1.5% Fed Funds Target Rate (3.5% - 3.75%), board determines actual rate
- b) System infrastructure: drinking & secondary water, wastewater, sewer, stormwater, drainage, road part of general, regional plan
- c) 5-member state board to approve projects
- d) Will establish criteria (e.g. MIHP 2.0) that includes:
 - a) builder will meet timelines
 - b) repayment plan
 - c) number of units
 - d) ownership
 - e) affordability
- f) Preference for owner-occupied single-family homes.

HB 492 S6 Transportation, Infrastructure, & Housing Amendments

Rep. Roberts

- SL County specific infrastructure funding
 - Increases Affordable Housing Infrastructure Grant Program bonding capacity from \$70m to \$150m
 - Requires one affordable unit for every \$20k in grant funding
 - Program administered by GOED and UDOT
- Funding for convention center restricted account
- State surplus land
 - rulemaking authority to sell land at pre-entitlement appraisal value & defer payment until after owner-occupied housing built
- Point of the Mountain: \$18m for infrastructure (from SHIP)



On the Horizon

On the Horizon for Interim 2026

We expect these conversations to take place this interim through next session.

- Property tax
 - Notice, other process changes
- Impact fees
- Tax increment use
- Fund balances
- Water use/conservation fees

Questions?

aoldham@ulct.utah.gov

Thank you!