

Local Regulation of Business Entities Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin R. Musselman

House Sponsor: Karen M. Peterson

LONG TITLE

General Description:

This bill enacts provisions related to local classification and approval of new and unlisted business uses.

Highlighted Provisions:

This bill:

- defines terms; and
requires each municipality and county to enact a land use regulation establishing a process for reviewing a business use not listed as an approved use in existing ordinances.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

10-9a-507.5, Utah Code Annotated 1953

17-27a-506.5, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section 10-9a-507.5 is enacted to read:

10-9a-507.5 . Classification of new and unlisted business uses.

(1) As used in this section:

- (a) "Classification request" means a request to determine whether a proposed business use aligns with an existing land use specified in a municipality's land use ordinances.
(b) "New or unlisted business use" means a business activity that does not align with an existing land use specified in a municipality's land use ordinances.

- 29 (2)(a) Each municipality shall incorporate into the municipality's land use ordinances a  
30 process for reviewing and approving a new or unlisted business use and designating  
31 an appropriate zone or zones for an approved use.
- 32 (b) The process described in Subsection (2)(a) shall:
- 33 (i) detail how an applicant may submit a classification request;
- 34 (ii) establish a procedure for the municipality to review a classification request,  
35 including:
- 36 (A) providing a land use authority with criteria to determine whether a proposed  
37 use aligns with an existing use; and
- 38 (B) allowing an applicant to proceed under the regulations of an existing use if a  
39 land use authority determines a proposed use aligns with that existing use;
- 40 (iii) provide that if a use is determined to be a new or unlisted business use:
- 41 (A) the applicant shall submit an application for approval of the new or unlisted  
42 business use to the legislative body for review;
- 43 (B) the legislative body shall consider and determine whether to approve or deny  
44 the new or unlisted business use; and
- 45 (C) the legislative body shall approve or deny the new or unlisted business use,  
46 within a time frame the legislative body establishes by ordinance, if the  
47 applicant responds to requests for additional information within a time frame  
48 established by the municipality and appears at required hearings;
- 49 (iv) provide that if the legislative body approves a proposed new or unlisted business  
50 use, the legislative body shall designate an appropriate zone or zones for the  
51 approved use; and
- 52 (v) provide that if the legislative body denies a proposed new or unlisted business  
53 use, or if an applicant disagrees with the land use authority's classification of the  
54 proposed use, the legislative body shall:
- 55 (A) notify the applicant in writing of each reason for the classification or denial;  
56 and
- 57 (B) offer the applicant an opportunity to challenge the classification or denial  
58 through an administrative appeal process established by the municipality.
- 59 (3) Each municipality shall amend each land use ordinance that contains a list of approved  
60 or prohibited business uses to include a reference to the process for petitioning to  
61 approve a new or unlisted business use, as described in Subsection (2).

62 Section 2. Section **17-27a-506.5** is enacted to read:

63 **17-27a-506.5 . Classification of new and unlisted business uses.**64 (1) As used in this section:65 (a) "Classification request" means a request to determine whether a proposed business  
66 use aligns with an existing land use specified in a county's land use ordinances.67 (b) "New or unlisted business use" means a business activity that does not align with an  
68 existing land use specified in a county's land use ordinances.69 (2)(a) Each county shall incorporate into the county's land use ordinances a process for  
70 reviewing and approving a new or unlisted business use and designating an  
71 appropriate zone or zones for an approved use.72 (b) The process described in Subsection (2)(a) shall:73 (i) detail how an applicant may submit a classification request;74 (ii) establish a procedure for the county to review a classification request, including:75 (A) providing a land use authority with criteria to determine whether a proposed  
76 use aligns with an existing use; and77 (B) allowing an applicant to proceed under the regulations of an existing use if a  
78 land use authority determines a proposed use aligns with that existing use;79 (iii) provide that if a use is determined to be a new or unlisted business use:80 (A) the applicant shall submit an application for approval of the new or unlisted  
81 business use to the legislative body for review;82 (B) the legislative body shall consider and determine whether to approve or deny  
83 the new or unlisted business use; and84 (C) the legislative body shall approve or deny the new or unlisted business use,  
85 within a time frame the legislative body establishes by ordinance, if the  
86 applicant responds to requests for additional information within a time frame  
87 established by the county and appears at required hearings;88 (iv) provide that if the legislative body approves a proposed new or unlisted business  
89 use, the legislative body shall designate an appropriate zone or zones for the  
90 approved use; and91 (v) provide that if the legislative body denies a proposed new or unlisted business  
92 use, or if an applicant disagrees with a land use authority's classification of the  
93 proposed use, the legislative body shall:94 (A) notify the applicant in writing of each reason for the classification or denial;  
95 and96 (B) offer the applicant an opportunity to challenge the classification or denial

97                    through an administrative appeal process established by the county.  
98        (3) Each county shall amend each land use ordinance that contains a list of approved or  
99                    prohibited business uses to include a reference to the process for petitioning to approve a  
100                   new or unlisted business use, as described in Subsection (2).

101                   Section 3. **Effective Date.**

102                   This bill takes effect on May 7, 2025.