

Brady Brammer proposes the following substitute bill:

Transportation Utility Fee Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brady Brammer

House Sponsor: Karen M. Peterson

LONG TITLE

General Description:

This bill deals with a municipality's or county's ability to impose a transportation utility fee.

Highlighted Provisions:

This bill:

- defines terms;
- provides that a municipality or county may impose and collect a transportation utility fee under certain circumstances;
- describes the notice and public hearing requirements to establish a transportation utility fee;
- requires a municipality or county to establish different rates within a transportation utility fee for different classifications of users, if the rates and classifications have a reasonable basis;
- requires a municipality or county to exempt a religious organization from a transportation utility fee; and
- provides that if a municipality or county has a transportation utility fee that is not in compliance with statutory requirements, the municipality or county shall modify or repeal the transportation utility fee by July 1, 2027.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

10-5-133, Utah Code Annotated 1953

10-6-134.5, Utah Code Annotated 1953

29 **17-36-56**, Utah Code Annotated 1953



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

32 Section 1. Section **10-5-133** is enacted to read:

33 **10-5-133 . Transportation utility fee.**

34 (1) As used in this section:

35 (a) "Religious organization" means a group, mission, order, convention, church with
36 nonprofit status, or any organization described in 26 U.S.C. Sec. 6033(a)(3)(A)(i) or
37 (iii).

38 (b) "Transportation fund" means a fund described in and established under Subsection (6).

39 (c) "Transportation system" means:

40 (i) traffic and pedestrian safety infrastructure, including:

41 (A) a sidewalk;

42 (B) curb and gutter;

43 (C) a safety feature;

44 (D) a traffic sign;

45 (E) a traffic signal; or

46 (F) street lighting; and

47 (ii) streets, alleys, roads, highways, and thoroughfares of any kind, including
48 connected structures.

49 (d) "Transportation utility fee" means a fee imposed on the public at large or on a user
50 segment to generate revenue to pay for costs associated with developing,
51 constructing, maintaining, operating, repairing, upgrading, or replacing a
52 transportation system or any component of a transportation system.

53 (e) "User segment" means a segment of the town's population based on a classification
54 established under Subsection (5).

55 (2)(a) A town may impose and collect a transportation utility fee as described in this
56 section.

57 (b) A town may impose a transportation utility fee to provide funding for any number of
58 transportation systems or components of transportation systems but may not have
59 more than a single transportation utility fee in effect at a time.

60 (3)(a) Subject to Subsection (3)(b), before adopting an ordinance imposing or increasing
61 a transportation utility fee, the governing body shall comply with the notice and
62 public hearing requirements established in Sections 10-6-113 and 10-6-114.

- 63 (b)(i) The governing body of a town that proposes to impose or increase a
64 transportation utility fee shall, in addition to the notice required under Section
65 10-6-113, provide notice of the proposed fee and the public hearing:
66 (A) in a notice with the town's monthly utility bill, if the town mails or emails
67 residents a monthly utility bill; or
68 (B) through another primary means of communicating with residents, if the town
69 does not provide residents a monthly utility bill.
70 (ii) The public hearing required for a proposal to impose or increase a transportation
71 utility fee may be held in conjunction with a budget hearing under Section
72 10-6-114 but shall be separate and distinct from the budget hearing.
73 (4)(a) A transportation utility fee may be imposed or increased only by an ordinance
74 adopted by the town's governing body.
75 (b)(i) Subject to Subsection (4)(b)(ii), the governing body may adopt an ordinance
76 imposing or increasing a transportation utility fee at the same meeting in which
77 the public body adopts the town budget.
78 (ii) The governing body vote on the imposition or increase of a transportation utility
79 fee shall be separate from the governing body vote on the town budget or any
80 other item.
81 (c) The amount of a transportation utility fee for the town's population or for any user
82 segment shall be reasonably related to the services provided to, benefits received by,
83 or need created by those within the town's population or user segment who pay the
84 transportation utility fee, as determined in accordance with this section.
85 (d)(i) Revenue from a transportation utility fee may not supplant existing general
86 fund appropriations that the town has budgeted for transportation systems or
87 components of transportation systems as of the date the transportation utility fee
88 becomes effective.
89 (ii) The limitation under Subsection (4)(d)(i) does not apply to a designated
90 transportation facilities capital or reserve account established before the effective
91 date of a transportation utility fee under this section.
92 (5)(a) A town shall establish different rates within a transportation utility fee for
93 different classifications of users of a transportation facility if the rates and
94 classifications have a reasonable basis.
95 (b)(i) A reasonable basis under Subsection (5)(a) may include:
96 (A) different levels of benefit received by users of a transportation utility fee;

- 97 (B) different impacts on or usage of transportation facilities by those who pay the
98 transportation utility fee;
- 99 (C) a difference in the cost of providing a transportation facility to different
100 classifications of users;
- 101 (D) a difference in levels of risk to the operation of a transportation facility for
102 different classifications of users;
- 103 (E) differing contributions that different classifications of users make, separate
104 from a transportation utility fee, to the cost of constructing, maintaining, or
105 operating a transportation facility; and
- 106 (F) distinguishable differences in the needs or conditions of different
107 classifications of users based on economic, public policy, or other identifiable
108 elements.
- 109 (ii) A reasonable basis under Subsection (5)(a) does not include:
- 110 (A) whether a user resides inside or outside the town boundary; or
111 (B) a consideration of the age of development within areas with the same zoning
112 designation.
- 113 (c) A town shall exempt a religious organization from payment of a transportation utility
114 fee established under this section.
- 115 (6)(a) A town that imposes a transportation utility fee shall establish a fund as provided
116 in this Subsection (6).
- 117 (b) A town shall deposit into the transportation fund all revenue from a transportation
118 utility fee.
- 119 (c) A town may not:
- 120 (i) deposit into or commingle with a transportation fund any money from any other
121 source; or
- 122 (ii) use money in a transportation fund for any purpose other than to pay for the cost
123 of:
- 124 (A) the development or construction of a new transportation system or component
125 of a new transportation system;
- 126 (B) upgrading or replacing an existing transportation system or component of an
127 existing transportation system;
- 128 (C) the maintenance, operation, or repair of an existing transportation system or
129 component of an existing transportation system; or
- 130 (D) reasonable administrative costs associated with the transportation fund or with

- 131 activities described in Subsections (6)(c)(ii)(A), (B), and (C).
- 132 (d) Notwithstanding Sections 10-6-124, 10-6-125, and 10-6-135.5, a town may not
133 transfer money into a transportation fund to any other fund or to a separate account.
- 134 (7)(a) A town that imposes a transportation utility fee shall conduct an annual review of
135 the transportation utility fee as provided in this Subsection (7) and prepare a written
136 report of the annual review.
- 137 (b) In an annual review under Subsection (7)(a), the governing body shall:
- 138 (i) review the balance of the transportation fund;
- 139 (ii) review the current amount of the transportation utility fee;
- 140 (iii) demonstrate that there is still a reasonable relationship between the amount of the
141 transportation utility fee and the transportation services provided to, benefits
142 received by, or need created by those who pay the fee;
- 143 (iv) consider other possible revenue sources that the town could use for transportation
144 facilities instead of a transportation utility fee;
- 145 (v) ensure that Subsection (6)(d) is being complied with; and
- 146 (vi) demonstrate that revenue from the transportation utility fee continues to be
147 needed to provide a transportation system that the town could not otherwise
148 provide from other existing revenue sources.
- 149 (c)(i) A town shall submit a copy of the written report under Subsection (7)(a) to the
150 state auditor.
- 151 (ii) A town may fulfill the requirement of Subsection (7)(a)(i) by submitting the
152 written report as part of the town's annual financial reports submitted to the state
153 auditor under Section 10-6-150.
- 154 (8)(a) A transportation utility fee imposed under this section expires 10 years after the
155 effective date of the ordinance imposing the transportation utility fee.
- 156 (b) The 10-year period in Subsection (8)(a) begins again with any subsequent adoption
157 of any ordinance imposing a transportation utility fee after the initial adoption of an
158 ordinance imposing a transportation utility fee.
- 159 (9) A town that, before May 7, 2025, imposes a fee to pay for a transportation system shall,
160 no later than July 1, 2027:
- 161 (a) ensure that requirements of this section have been complied with for the fee that the
162 town imposes; or
- 163 (b) repeal the fee.
- 164 Section 2. Section **10-6-134.5** is enacted to read:

165 **10-6-134.5 . Transportation utility fee.**166 (1) As used in this section:167 (a) "Religious organization" means a group, mission, order, convention, church with
168 nonprofit status, or any organization described in 26 U.S.C. Sec. 6033(a)(3)(A)(i) or
169 (iii).170 (b) "Transportation fund" means a fund described in and established under Subsection (6).171 (c) "Transportation system" means:172 (i) traffic and pedestrian safety infrastructure, including:173 (A) a sidewalk;174 (B) curb and gutter;175 (C) a safety feature;176 (D) a traffic sign;177 (E) a traffic signal; or178 (F) street lighting; and179 (ii) streets, alleys, roads, highways, and thoroughfares of any kind, including
180 connected structures.181 (d) "Transportation utility fee" means a fee imposed on the public at large or on a user
182 segment to generate revenue to pay for costs associated with developing,
183 constructing, maintaining, operating, repairing, upgrading, or replacing a
184 transportation system or any component of a transportation system.185 (e) "User segment" means a segment of the city's population based on a classification
186 established under Subsection (5).187 (2)(a) A city may impose and collect a transportation utility fee as described in this
188 section.189 (b) A city may impose a transportation utility fee to provide funding for any number of
190 transportation systems or components of transportation systems but may not have
191 more than a single transportation utility fee in effect at a time.192 (3)(a) Subject to Subsection (3)(b), before adopting an ordinance imposing or increasing
193 a transportation utility fee, the governing body shall comply with the notice and
194 public hearing requirements established in Sections 10-6-113 and 10-6-114.195 (b)(i) The governing body of a city that proposes to impose or increase a
196 transportation utility fee shall, in addition to the notice required under Section
197 10-6-113, provide notice of the proposed fee and the public hearing:198 (A) in a notice with the city's monthly utility bill, if the city mails or emails

- 199 residents a monthly utility bill; or
200 (B) through another primary means of communicating with residents, if the city
201 does not provide residents a monthly utility bill.
- 202 (ii) The public hearing required for a proposal to impose or increase a transportation
203 utility fee may be held in conjunction with a budget hearing under Section
204 10-6-114 but shall be separate and distinct from the budget hearing.
- 205 (4)(a) A transportation utility fee may be imposed or increased only by an ordinance
206 adopted by the city's governing body.
- 207 (b)(i) Subject to Subsection (4)(b)(ii), the governing body may adopt an ordinance
208 imposing or increasing a transportation utility fee at the same meeting in which
209 the public body adopts the city budget.
- 210 (ii) The governing body vote on the imposition or increase of a transportation utility
211 fee shall be separate from the governing body vote on the city budget or any other
212 item.
- 213 (c) The amount of a transportation utility fee for the city's population or for any user
214 segment shall be reasonably related to the services provided to, benefits received by,
215 or need created by those within the city's population or user segment who pay the
216 transportation utility fee, as determined in accordance with this section.
- 217 (d)(i) Revenue from a transportation utility fee may not supplant existing general
218 fund appropriations that the city has budgeted for transportation systems or
219 components of transportation systems as of the date the transportation utility fee
220 becomes effective.
- 221 (ii) The limitation under Subsection (4)(d)(i) does not apply to a designated
222 transportation facilities capital or reserve account established before the effective
223 date of a transportation utility fee under this section.
- 224 (5)(a) A city shall establish different rates within a transportation utility fee for different
225 classifications of users of a transportation facility if the rates and classifications have
226 a reasonable basis.
- 227 (b)(i) A reasonable basis under Subsection (5)(a) may include:
- 228 (A) different levels of benefit received by users of a transportation utility fee;
229 (B) different impacts on or usage of transportation facilities by those who pay the
230 transportation utility fee;
231 (C) a difference in the cost of providing a transportation facility to different
232 classifications of users;

- 233 (D) a difference in levels of risk to the operation of a transportation facility for
234 different classifications of users;
- 235 (E) differing contributions that different classifications of users make, separate
236 from a transportation utility fee, to the cost of constructing, maintaining, or
237 operating a transportation facility; and
- 238 (F) distinguishable differences in the needs or conditions of different
239 classifications of users based on economic, public policy, or other identifiable
240 elements.
- 241 (ii) A reasonable basis under Subsection (5)(a) does not include:
- 242 (A) whether a user resides inside or outside the city boundary; or
243 (B) a consideration of the age of development within areas with the same zoning
244 designation.
- 245 (c) A city shall exempt a religious organization from payment of a transportation utility
246 fee established under this section.
- 247 (6)(a) A city that imposes a transportation utility fee shall establish a fund as provided in
248 this Subsection (6).
- 249 (b) A city shall deposit into the transportation fund all revenue from a transportation
250 utility fee.
- 251 (c) A city may not:
- 252 (i) deposit into or commingle with a transportation fund any money from any other
253 source; or
- 254 (ii) use money in a transportation fund for any purpose other than to pay for the cost
255 of:
- 256 (A) the development or construction of a new transportation system or component
257 of a new transportation system;
- 258 (B) upgrading or replacing an existing transportation system or component of an
259 existing transportation system;
- 260 (C) the maintenance, operation, or repair of an existing transportation system or
261 component of an existing transportation system; or
- 262 (D) reasonable administrative costs associated with the transportation fund or with
263 activities described in Subsections (6)(c)(ii)(A), (B), and (C).
- 264 (d) Notwithstanding Sections 10-6-124, 10-6-125, and 10-6-135.5, a city may not
265 transfer money into a transportation fund to any other fund or to a separate account.
- 266 (7)(a) A city that imposes a transportation utility fee shall conduct an annual review of

267 the transportation utility fee as provided in this Subsection (7) and prepare a written
 268 report of the annual review.

269 (b) In an annual review under Subsection (7)(a), the governing body shall:

270 (i) review the balance of the transportation fund;

271 (ii) review the current amount of the transportation utility fee;

272 (iii) demonstrate that there is still a reasonable relationship between the amount of the
 273 transportation utility fee and the transportation services provided to, benefits
 274 received by, or need created by those who pay the fee;

275 (iv) consider other possible revenue sources that the city could use for transportation
 276 facilities instead of a transportation utility fee;

277 (v) ensure that Subsection (6)(d) is being complied with; and

278 (vi) demonstrate that revenue from the transportation utility fee continues to be
 279 needed to provide a transportation system that the city could not otherwise provide
 280 from other existing revenue sources.

281 (c)(i) A city shall submit a copy of the written report under Subsection (7)(a) to the
 282 state auditor.

283 (ii) A city may fulfill the requirement of Subsection (7)(a)(i) by submitting the
 284 written report as part of the city's annual financial reports submitted to the state
 285 auditor under Section 10-6-150.

286 (8)(a) A transportation utility fee imposed under this section expires 10 years after the
 287 effective date of the ordinance imposing the transportation utility fee.

288 (b) The 10-year period in Subsection (8)(a) begins again with any subsequent adoption
 289 of any ordinance imposing a transportation utility fee after the initial adoption of an
 290 ordinance imposing a transportation utility fee.

291 (9) A city that, before May 7, 2025, imposes a fee to pay for a transportation system shall,
 292 no later than July 1, 2027:

293 (a) ensure that requirements of this section have been complied with for the fee that the
 294 city imposes; or

295 (b) repeal the fee.

296 Section 3. Section **17-36-56** is enacted to read:

297 **17-36-56 . Transportation utility fee.**

298 (1) As used in this section:

299 (a) "Religious organization" means a group, mission, order, convention, church with
 300 nonprofit status, or any organization described in 26 U.S.C. Sec. 6033(a)(3)(A)(i) or

- 301 (iii).
- 302 (b) "Transportation fund" means a fund described in and established under Subsection (6).
- 303 (c) "Transportation system" means:
- 304 (i) traffic and pedestrian safety infrastructure, including:
- 305 (A) a sidewalk;
- 306 (B) curb and gutter;
- 307 (C) a safety feature;
- 308 (D) a traffic sign;
- 309 (E) a traffic signal; or
- 310 (F) street lighting; and
- 311 (ii) streets, alleys, roads, highways, and thoroughfares of any kind, including
- 312 connected structures.
- 313 (d) "Transportation utility fee" means a fee imposed on the public at large or on a user
- 314 segment to generate revenue to pay for costs associated with developing,
- 315 constructing, maintaining, operating, repairing, upgrading, or replacing a
- 316 transportation system or any component of a transportation system.
- 317 (e) "User segment" means a segment of the county's population based on a classification
- 318 established under Subsection (5).
- 319 (2)(a) A county may impose and collect a transportation utility fee as described in this
- 320 section.
- 321 (b) A county may impose a transportation utility fee to provide funding for any number
- 322 of transportation systems or components of transportation systems but may not have
- 323 more than a single transportation utility fee in effect at a time.
- 324 (3)(a) Subject to Subsection (3)(b), before adopting an ordinance imposing or increasing
- 325 a transportation utility fee, the governing body shall comply with the notice and
- 326 public hearing requirements established in Sections 10-6-113 and 10-6-114.
- 327 (b)(i) The governing body of a county that proposes to impose or increase a
- 328 transportation utility fee shall, in addition to the notice required under Section
- 329 10-6-113, provide notice of the proposed fee and the public hearing:
- 330 (A) in a notice with the county's monthly utility bill, if the county mails or emails
- 331 residents a monthly utility bill; or
- 332 (B) through another primary means of communicating with residents, if the county
- 333 does not provide residents a monthly utility bill.
- 334 (ii) The public hearing required for a proposal to impose or increase a transportation

- 335 utility fee may be held in conjunction with a budget hearing under Section
336 10-6-114 but shall be separate and distinct from the budget hearing.
- 337 (4)(a) A transportation utility fee may be imposed or increased only by an ordinance
338 adopted by the county's governing body.
- 339 (b)(i) Subject to Subsection (4)(b)(ii), the governing body may adopt an ordinance
340 imposing or increasing a transportation utility fee at the same meeting in which
341 the public body adopts the county budget.
- 342 (ii) The governing body vote on the imposition or increase of a transportation utility
343 fee shall be separate from the governing body vote on the county budget or any
344 other item.
- 345 (c) The amount of a transportation utility fee for the county's population or for any user
346 segment shall be reasonably related to the services provided to, benefits received by,
347 or need created by those within the county's population or user segment who pay the
348 transportation utility fee, as determined in accordance with this section.
- 349 (d)(i) Revenue from a transportation utility fee may not supplant existing general
350 fund appropriations that the county has budgeted for transportation systems or
351 components of transportation systems as of the date the transportation utility fee
352 becomes effective.
- 353 (ii) The limitation under Subsection (4)(d)(i) does not apply to a designated
354 transportation facilities capital or reserve account established before the effective
355 date of a transportation utility fee under this section.
- 356 (5)(a) A county shall establish different rates within a transportation utility fee for
357 different classifications of users of a transportation facility if the rates and
358 classifications have a reasonable basis.
- 359 (b)(i) A reasonable basis under Subsection (5)(a) may include:
- 360 (A) different levels of benefit received by users of a transportation utility fee;
361 (B) different impacts on or usage of transportation facilities by those who pay the
362 transportation utility fee;
- 363 (C) a difference in the cost of providing a transportation facility to different
364 classifications of users;
- 365 (D) a difference in levels of risk to the operation of a transportation facility for
366 different classifications of users;
- 367 (E) differing contributions that different classifications of users make, separate
368 from a transportation utility fee, to the cost of constructing, maintaining, or

- 369 operating a transportation facility; and
370 (F) distinguishable differences in the needs or conditions of different
371 classifications of users based on economic, public policy, or other identifiable
372 elements.
- 373 (ii) A reasonable basis under Subsection (5)(a) does not include:
374 (A) whether a user resides inside or outside the county boundary; or
375 (B) a consideration of the age of development within areas with the same zoning
376 designation.
- 377 (c) A county shall exempt a religious organization from payment of a transportation
378 utility fee established under this section.
- 379 (6)(a) A county that imposes a transportation utility fee shall establish a fund as
380 provided in this Subsection (6).
- 381 (b) A county shall deposit into the transportation fund all revenue from a transportation
382 utility fee.
- 383 (c) A county may not:
384 (i) deposit into or commingle with a transportation fund any money from any other
385 source; or
386 (ii) use money in a transportation fund for any purpose other than to pay for the cost
387 of:
388 (A) the development or construction of a new transportation system or component
389 of a new transportation system;
390 (B) upgrading or replacing an existing transportation system or component of an
391 existing transportation system;
392 (C) the maintenance, operation, or repair of an existing transportation system or
393 component of an existing transportation system; or
394 (D) reasonable administrative costs associated with the transportation fund or with
395 activities described in Subsections (6)(c)(ii)(A), (B), and (C).
- 396 (d) Notwithstanding Sections 10-6-124, 10-6-125, and 10-6-135.5, a county may not
397 transfer money into a transportation fund to any other fund or to a separate account.
- 398 (7)(a) A county that imposes a transportation utility fee shall conduct an annual review
399 of the transportation utility fee as provided in this Subsection (7) and prepare a
400 written report of the annual review.
- 401 (b) In an annual review under Subsection (7)(a), the governing body shall:
402 (i) review the balance of the transportation fund;

- 403 (ii) review the current amount of the transportation utility fee;
404 (iii) demonstrate that there is still a reasonable relationship between the amount of the
405 transportation utility fee and the transportation services provided to, benefits
406 received by, or need created by those who pay the fee;
407 (iv) consider other possible revenue sources that the county could use for
408 transportation facilities instead of a transportation utility fee;
409 (v) ensure that Subsection (6)(d) is being complied with; and
410 (vi) demonstrate that revenue from the transportation utility fee continues to be
411 needed to provide a transportation system that the county could not otherwise
412 provide from other existing revenue sources.
- 413 (c)(i) A county shall submit a copy of the written report under Subsection (7)(a) to
414 the state auditor.
- 415 (ii) A county may fulfill the requirement of Subsection (7)(a)(i) by submitting the
416 written report as part of the county's annual financial reports submitted to the state
417 auditor under Section 10-6-150.
- 418 (8)(a) A transportation utility fee imposed under this section expires 10 years after the
419 effective date of the ordinance imposing the transportation utility fee.
- 420 (b) The 10-year period in Subsection (8)(a) begins again with any subsequent adoption
421 of any ordinance imposing a transportation utility fee after the initial adoption of an
422 ordinance imposing a transportation utility fee.
- 423 (9) A county that, before May 7, 2025, imposes a fee to pay for a transportation system
424 shall, no later than July 1, 2027:
- 425 (a) ensure that requirements of this section have been complied with for the fee that the
426 county imposes; or
- 427 (b) repeal the fee.
- 428 Section 4. **Effective Date.**
- 429 This bill takes effect on May 7, 2025.