Local Government Fees Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Karen M. Peterson

Senate Sponsor: Brady Brammer

LONG TITLE

General Description:

This bill modifies and enacts provisions related to municipal and county fees.

Highlighted Provisions:

This bill:

- defines terms;
- prohibits a city from imposing a fee on the general public for broadband or public safety service, with exceptions;
- prohibits a town from imposing a fee on the general public for public safety services, with exceptions;
- authorizes a municipality or a county to impose a transportation utility fee;
- establishes the process and requirements for a municipality or county to impose or increase a transportation utility fee;
- establishes the process and requirements for a municipality or county to use the revenue generated by a transportation utility fee;
- requires a municipality or county that establishes a transportation utility fee to:
  - establish an appeal process; and
  - conduct an annual review of the fee;
- provides that an ordinance imposing a transportation utility fee is subject to local referenda; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

10-1-406, as enacted by Laws of Utah 2003, Chapter 253

H.B. 425

ENACTS:

10-5-133, Utah Code Annotated 1953

10-5-134, Utah Code Annotated 1953

10-6-134.3, Utah Code Annotated 1953

10-6-134.5, Utah Code Annotated 1953

17-63-711, Utah Code Annotated 1953

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

Section 1. Section **10-1-406** is amended to read:

10-1-406 . Limitation of other telecommunications taxes or fees.

(1) As used in this section:

(a) "Broadband" means facilities and services used to make high-capacity, high-speed internet service available to users.

(b) "General fee" means the same as that term is defined in Section 10-6-134.3.

(2)(a) Except as provided in Subsection (2)(b), a city may not impose a general fee for broadband.

(b)(i) Subject to Subsection (2)(b)(ii), a city that, before May 6, 2026, imposes a general fee for broadband shall repeal the general fee no later than July 1, 2027.

(ii)(A) A city that, before May 6, 2026, issues a bond secured by revenue from a general fee for broadband shall repeal the general fee within 60 days after the bond is paid.

(B) A city that, before May 6, 2026, imposes a general fee to pay for a bond the city issued before January 1, 2026, to pay for broadband shall repeal the general fee within 60 days after the bond is paid.

(3) Subject to the other provisions of this section, a municipality may not levy or collect a telecommunications tax or fee on a person except for a telecommunications tax or fee imposed by the municipality:

(a) on a telecommunications provider to recover the management costs of the municipality caused by the activities of the telecommunications provider in the right-of-way of a municipality if the telecommunications tax or fee:

(i) is imposed in accordance with Section 72-7-102; and

(ii) is not related to:

(A) a municipality's loss of use of a highway as a result of the activities of the telecommunications provider in a right-of-way; or

(B) increased deterioration of a highway as a result of the activities of the telecommunications provider in a right-of-way; or

(b) on a person that:

(i) is not subject to a municipal telecommunications license tax under this part; and

(ii) locates telecommunications facilities, as defined in Section 72-7-108, in the municipality.

[~~(2)~~] (4) Subsection [~~(1)(a)~~] (3)(a) may not be interpreted as exempting a telecommunications provider from complying with any ordinance:

(a) related to excavation, construction, or installation of a telecommunications facility; and

(b) that addresses the safety and quality standards of the municipality for excavation, construction, or installation.

[~~(3)~~] (5) A telecommunications tax or fee imposed under Subsection [~~(1)(b)~~] (3)(b) shall be imposed:

(a) by ordinance; and

(b) on a competitively neutral basis.

Section 2. Section **10-5-133** is enacted to read:

10-5-133 . General fee for public safety service prohibited -- Exception.

(1) As used in this section:

(a)(i) "General fee" means a fee imposed generally on the public at large or on a segment of the public.

(ii) "General fee" does not include:

(A) a fee that a town charges an identifiable user of a town-provided service or a town facility to cover the town's cost of the user's use of the service or facility; or

(B) a registration or similar fee that a town charges a participant in an activity or program sponsored by the town to offset the town's administrative cost of sponsoring the activity or program.

(b) "Public safety service" means law enforcement service, fire protection service, 911 ambulance or paramedic service, or emergency service.

(2) Except as provided in Subsection (3), a town may not impose a general fee for a public safety service.

(3) A town may impose a general fee for a public safety service if:

(a)(i) the fee is imposed before January 1, 2026;

(ii) the fee is to generate revenue to pay for the town's obligation under an agreement with one or more other political subdivisions for a public safety service provided to the town; and

(iii) after January 1, 2026, the fee is reauthorized by a vote of the town council at least every three years; or

(b) the public safety service the town offers is volunteer public safety service.

(4) A town that, before May 6, 2026, imposes a general fee for a public safety service that is prohibited under Subsection (2) shall repeal the general fee no later than July 1, 2027.

(5)(a) Nothing in this section precludes or abrogates the property tax exemptions provided for in Utah Constitution, Article XIII, Section 3.

(b) To the extent that a court determines a fee authorized in this section is a property tax for purposes of Utah Constitution, Article XIII, Section 3, a town may not require a person to pay that fee with respect to property or the use of property that is exempt from property tax under Utah Constitution, Article XIII, Section 3.

Section 3. Section **10-5-134** is enacted to read:

10-5-134 . Transportation utility fee.

A town may impose and collect a transportation utility fee under the process described in Section 10-6-134.5, the same as if the town were a city.

Section 4. Section **10-6-134.3** is enacted to read:

10-6-134.3 . General fee for public safety service prohibited -- Exception.

(1) As used in this section:

(a)(i) "General fee" means a fee imposed generally on the public at large or on a segment of the public.

(ii) "General fee" does not include:

(A) a fee that a city charges an identifiable user of a city-provided service or a city facility to cover the city's cost of the user's use of the service or facility; or

(B) a registration or similar fee that a city charges a participant in an activity or program sponsored by the city to offset the city's administrative cost of sponsoring the activity or program.

(b) "Public safety service" means law enforcement service, fire protection service, 911 ambulance or paramedic service, or emergency service.

(2) Except as provided in Subsection (3), a city may not impose a general fee for a public safety service.

(3) A city of the third, fourth, or fifth class may impose a general fee for a public safety

service if:

(a)(i) the fee is imposed before January 1, 2026;

(ii) the fee is to generate revenue to pay for the city's obligation under an agreement with one or more other political subdivisions for a public safety service provided to the city; and

(iii) after January 1, 2026, the fee is reauthorized by a vote of the city council at least every three years; or

(b) the public safety service is volunteer public safety service.

(4) A city that, before May 6, 2026, imposes a general fee for a public safety service that is prohibited under Subsection (2) shall repeal the general fee no later than July 1, 2027.

(5)(a) Nothing in this section precludes or abrogates the property tax exemptions provided for in Utah Constitution, Article XIII, Section 3.

(b) To the extent that a court determines a fee authorized in this section is a property tax for purposes of Utah Constitution, Article XIII, Section 3, a city may not require a person to pay that fee with respect to property or the use of property that is exempt from property tax under Utah Constitution, Article XIII, Section 3.

Section 5. Section **10-6-134.5** is enacted to read:

10-6-134.5 . Transportation utility fee.

(1) As used in this section:

(a) "Transportation facility" means any of the items listed in Subsection 59-12-2212.2(1) as purposes for which revenue from a local option sales and use tax under Section 59-12-2212.2 may be expended.

(b) "Transportation fund" means a fund described in and established under Subsection (9).

(c) "Transportation utility fee" means a fee imposed to generate revenue to pay for costs associated with developing, constructing, maintaining, operating, repairing, upgrading, or replacing a transportation facility.

(d) "User segment" means a segment of the city's population based on a classification established under Subsection (5).

(2)(a) A city may impose and collect a transportation utility fee:

(i) if the city establishes a reasonable relationship between:

(A) the amount of the transportation utility fee; and

(B) the services provided to, the benefits received by, or the need created by those who pay the transportation utility fee; and

(ii) only as provided in this section.

(b) A city may impose a transportation utility fee to provide funding for any number of transportation facilities but may not have more than a single transportation utility fee in effect at a time.

(3)(a) A city may not impose or increase a transportation utility fee unless the city first conducts a study as described in this Subsection (3).

(b) A study under Subsection (3)(a) shall:

(i) determine and provide a reasonable estimate of the need for a new transportation facility or for maintaining, operating, repairing, upgrading, or replacing an existing transportation facility;

(ii) identify and provide a reasonable estimate of existing funding sources that could be used to pay for a new transportation facility or for maintaining, operating, repairing, upgrading, or replacing an existing transportation facility;

(iii) explain and provide a reasonable calculation showing how existing city funding sources are inadequate to cover the cost of constructing a new transportation facility or maintaining, operating, repairing, upgrading, or replacing an existing transportation facility;

(iv) determine whether the proposed transportation utility fee is reasonably related to:

(A) the services provided to those who pay the transportation utility fee;

(B) the benefits received by persons who pay the transportation utility fee; or

(C) the need created by those who pay the transportation utility fee;

(v) explain the reasonable relationship determined under Subsection (3)(b)(iv); and

(vi) determine whether there is a reasonable basis for different rates within a proposed transportation utility fee based on different levels of services provided to, benefits received by, or need created by those who pay the transportation utility fee, as described in Subsection (7), and, if so, explain the basis for the proposed different rates.

(c) A city that conducts a study under Subsection (3)(a) shall post a copy of the study on the city's website, if the city has a website.

(4)(a) In developing a fee calculation for a transportation utility fee, a city shall:

(i) use methodologies based on trip generation, vehicle types, and traffic counts, including local data or standard civil engineering manuals;

(ii) exclude traffic counts from whichever day of the week generates the lowest amount of traffic, on average and as best approximated with the methodologies used under Subsection (4)(a)(i), for the transportation facility or transportation

facility system; and

(iii) utilize the study described in Subsection (3)(a).

(b) A city may not utilize a fee study or fee calculation that takes into account the ownership or fair market value of a property owned by a user that will be subject to the fee.

(c) A city may utilize a fee study or fee calculation that takes the size of a property owned by a user into account to the extent that size is only used to determine trip generation, vehicle types, or traffic counts, based on objective data.

(5)(a) A city shall establish different rates within a transportation utility fee for different classifications of users of a transportation facility if the rates and classifications have a reasonable basis.

(b) The different types of classifications of users of a transportation facility under Subsection (5)(a) shall include, at a minimum:

(i) residential users;

(ii) commercial users; and

(iii) other users.

(c) A reasonable basis under Subsection (5)(a) may include:

(i) different levels of benefits received by users of a transportation utility fee;

(ii) different impacts on or usage of transportation facilities by those who pay the transportation utility fee;

(iii) a difference in the cost of providing a transportation facility to different classifications of users;

(iv) a difference in levels of risk to the operation of a transportation facility for different classifications of users;

(v) differing contributions that different classifications of users make, separate from a transportation utility fee, to the cost of constructing, maintaining, or operating a transportation facility; or

(vi) distinguishable differences in the needs or conditions of different classifications of users based on economic, public policy, or other identifiable elements.

(d) A reasonable basis under Subsection (5)(a) may not include:

(i) whether a user resides inside or outside the city boundary;

(ii) a consideration of the age of development within areas with the same zoning designation; or

(iii) the lack of financial contributions, or the reduced financial contributions, that a

tax-exempt organization user makes to the cost of constructing, maintaining, or operating a transportation facility.

(6)(a) Before adopting an ordinance imposing or increasing a transportation utility fee, the governing body shall comply with the notice and public hearing requirements established in Sections 10-6-113 and 10-6-114.

(b)(i) The governing body of a city that proposes to impose or increase a transportation utility fee shall, in addition to the notice required under Subsection (6)(a), provide notice of the proposed fee and the public hearing:

(A) in a notice with the city's monthly utility bill, if the city mails or emails residents a monthly utility bill; or

(B) through another primary means of communicating with residents, if the city does not provide residents a monthly utility bill.

(ii) The public hearing required for a proposal to impose or increase a transportation utility fee may be held in conjunction with a budget hearing under Section 10-6-114 but shall be separate and distinct from the budget hearing.

(7)(a) A transportation utility fee may be imposed or increased only by an ordinance adopted by the city's governing body.

(b)(i) Subject to Subsection (7)(b)(ii), the governing body may adopt an ordinance imposing or increasing a transportation utility fee at the same meeting in which the governing body adopts the city budget.

(ii) The governing body vote on the imposition or increase of a transportation utility fee shall be separate from the governing body vote on the city budget or any other item.

(c) The amount of a transportation utility fee for the city's population or for any user segment shall be reasonably related to the services provided to, benefits received by, or need created by those within the city's population or user segment who pay the transportation utility fee, as determined in the study under Subsection (3).

(d)(i) Revenue from a transportation utility fee may not supplant existing general fund appropriations that the city has budgeted for transportation facilities as of the date the transportation utility fee becomes effective.

(ii) The limitation under Subsection (7)(d)(i) does not apply to a designated transportation facilities capital or reserve account established before the effective date of a transportation utility fee under this section.

(8)(a) Simultaneously with adopting an ordinance described in Subsection (7), a city

shall establish an appeals process for an individual or entity that wishes to challenge the user classification, as described in Subsection (5), the city assigns to the individual or entity.

(b) As part of an appeal described in Subsection (8)(a), the individual or entity shall:

(i) demonstrate why the city's assignment of a user classification to the individual or entity is not reasonable as applied to the individual or entity; and

(ii) provide evidence of the individual's or entity's actual traffic count or trip generation.

(c) The appeal process described in Subsection (8)(a) shall establish the individual or body at the city that shall hear and make a final decision on the appeal, which shall be:

(i) the same individual or body that hears appeals related to other fee appeals, if the city has a process to appeal fees;

(ii) the governing body; or

(iii) the mayor, if the city operates under the council-mayor form of government established in Chapter 3b, Part 2, Council-Mayor Form of Municipal Government.

(9)(a) A city that imposes a transportation utility fee shall establish a transportation fund as provided in this Subsection (9).

(b) A city shall deposit into the transportation fund all revenue from a transportation utility fee.

(c) A city may not:

(i) deposit into or commingle with a transportation fund any money from any other source; or

(ii) use money in a transportation fund for any purpose other than to pay for the cost of:

(A) the development or construction of a new transportation facility;

(B) upgrading or replacing an existing transportation facility;

(C) the maintenance, operation, or repair of an existing transportation facility; or

(D) reasonable administrative costs associated with the transportation fund or with activities described in Subsections (9)(c)(ii)(A), (B), and (C).

(d) Notwithstanding Sections 10-6-124, 10-6-125, and 10-6-135.5, a city may not transfer money in a transportation fund to any other fund or to a separate account.

(10)(a) A city that imposes a transportation utility fee shall conduct an annual review of the transportation utility fee as provided in this Subsection (10) and prepare a written

report of the annual review.

(b) In an annual review under Subsection (10)(a), the governing body shall:

(i) review the balance of the transportation fund;

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

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

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

(v) ensure that the city is compliant with Subsection (7)(d); and

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

(c)(i) A city shall submit a copy of the written report under Subsection (10)(a) to the state auditor.

(ii) A city may fulfill the requirement of Subsection (10)(c)(i) by submitted the written report as part of the city's annual financial reports submitted to the state auditor.

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

(b) The 10-year period described in Subsection (11)(a) begins again with any subsequent adoption of any ordinance imposing a transportation utility fee after the initial adoption of an ordinance imposing a transportation utility fee.

(12) An ordinance imposing a transportation utility fee is subject to local referenda as provided in Title 20A, Chapter 7, Part 6, Local Referenda - Procedures.

(13) A city that, before May 6, 2026, imposes a fee to pay for a transportation facility shall, no later than July 1, 2027:

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

(b) repeal the fee.

(14)(a) Nothing in this section precludes or abrogates the property tax exemptions provided for in Utah Constitution, Article XIII, Section 3.

(b) To the extent that a court determines a transportation utility fee is a property tax for purposes of Utah Constitution, Article XIII, Section 3, a city may not require a

person to pay that transportation utility fee with respect to property or the use of property that is exempt from property tax under Utah Constitution, Article XIII, Section 3.

Section 6. Section **17-63-711** is enacted to read:

17-63-711 . Transportation utility fee.

(1) As used in this section:

(a) "Transportation facility" means any of the items listed in Subsection 59-12-2212.2(1) as purposes for which revenue from a local option sales and use tax under Section 59-12-2212.2 may be expended.

(b) "Transportation fund" means a fund described in and established under Subsection (9).

(c) "Transportation utility fee" means a fee imposed to generate revenue to pay for costs associated with developing, constructing, maintaining, operating, repairing, upgrading, or replacing a transportation facility owned and operated by a county.

(d) "User segment" means a segment of the county's population, or a segment of the county's industrial or commercial operations, based on a classification established under Subsection (5).

(2)(a) A county may impose and collect a transportation utility fee:

(i) if the county establishes a reasonable relationship between:

(A) the amount of the transportation utility fee; and

(B) the services provided to, the benefits received by, or the need created by those who pay the transportation utility fee; and

(ii) only as provided in this section.

(b) A county may impose a transportation utility fee to provide funding for any number of transportation facilities but may not have more than a single transportation utility fee in effect at a time.

(3)(a) A county may not impose or increase a transportation utility fee unless the county first conducts a study as described in this Subsection (3).

(b) A study under Subsection (3)(a) shall:

(i) determine and provide a reasonable estimate of the need for a new transportation facility or for maintaining, operating, repairing, upgrading, or replacing an existing transportation facility;

(ii) identify and provide a reasonable estimate of existing funding sources that could be used to pay for a new transportation facility or for maintaining, operating, repairing, upgrading, or replacing an existing transportation facility;

(iii) explain and provide a reasonable calculation showing how existing county funding sources are inadequate to cover the cost of constructing a new transportation facility or maintaining, operating, repairing, upgrading, or replacing an existing transportation facility;

(iv) determine whether the proposed transportation utility fee is reasonably related to:

(A) the services provided to those who pay the transportation utility fee;

(B) the benefits received by persons who pay the transportation utility fee; or

(C) the need created by those who pay the transportation utility fee;

(v) explain the reasonable relationship determined under Subsection (3)(a)(iv); and

(vi) determine whether there is a reasonable basis for different rates within a proposed transportation utility fee based on different levels of services provided to, benefits received by, or need created by those who pay the transportation utility fee, as described in Subsection (7), and if so, explain the basis for the proposed different rates.

(c) A county that conducts a study under Subsection (3)(a) shall post a copy of the study on the county's website, if the county has a website.

(4)(a) In developing a fee calculation for a transportation utility fee, a county shall:

(i) use methodologies based on trip generation, vehicle types, and traffic counts, including local data or standard civil engineering manuals;

(ii) exclude traffic counts from whichever day of the week generates the lowest amount of traffic, on average and as best approximated with the methodologies used under Subsection (4)(a)(i), for the transportation facility or transportation facility system; and

(iii) utilize the study described in Subsection (3)(a).

(b) A county may not utilize a fee study or fee calculation that takes into account the ownership or fair market value of a property owned by a user that will be subject to the fee.

(c) A county may utilize a fee study or fee calculation that takes the size of a property owned by a user into account to the extent that size is only used to determine trip generation, vehicle types, or traffic counts, based on objective data.

(5)(a) A county shall establish different rates within a transportation utility fee for different classifications of users of a transportation facility if the rates and classifications have a reasonable basis.

(b) The different types of classifications of users of a transportation facility under

Subsection (5)(a) shall include, at a minimum:

(i) residential users;

(ii) commercial users;

(iii) agricultural users;

(iv) industrial users; and

(v) other users.

(c) A reasonable basis under Subsection (5)(a) may include:

(i) different levels of benefits received by users of a transportation utility fee;

(ii) different impacts on or usage of transportation facilities by those who pay the transportation utility fee;

(iii) a difference in the cost of providing a transportation facility to different classifications of users;

(iv) a difference in levels of risk to the operation of a transportation facility for different classifications of users;

(v) differing contributions that different classifications of users make, separate from a transportation utility fee, to the cost of constructing, maintaining, or operating a transportation facility; or

(vi) distinguishable differences in the needs or conditions of different classifications of users based on economic, public policy, or other identifiable elements.

(d) A reasonable basis under Subsection (5)(a) may not include:

(i) whether a user resides inside or outside the county boundary or on unincorporated land;

(ii) a consideration of the age of development within areas with the same zoning designation; or

(iii) the lack of financial contributions, or the reduced financial contributions, that a tax-exempt organization user makes to the cost of constructing, maintaining, or operating a transportation facility.

(6)(a) Before adopting an ordinance imposing or increasing a transportation utility fee, the county governing body shall comply with the notice and public hearing requirements established in Sections 17-63-303 and 17-63-304.

(b)(i) The governing body of a county that proposes to impose or increase a transportation utility fee shall, in addition to the notice required under Subsection (6)(a), provide notice of the proposed fee and the public hearing:

(A) in a notice with the county's monthly utility bill, if the county mails or emails

residents a monthly utility bill; or

(B) through another primary means of communicating, if the county does not provide residents a monthly utility bill.

(ii) The public hearing required for a proposal to impose or increase a transportation utility fee may be held in conjunction with a budget hearing under Part 3, Preparation and Adoption of County Budgets, but shall be separate and distinct from the budget hearing.

(7)(a) A transportation utility fee may be imposed or increased only by an ordinance adopted by the county's governing body.

(b)(i) Subject to Subsection (7)(b)(ii), the governing body may adopt an ordinance imposing or increasing a transportation utility fee at the same meeting in which the public body adopts the county budget.

(ii) The governing body vote on the imposition or increase of a transportation utility fee shall be separate from the governing body vote on the county budget or any other item.

(c) The amount of a transportation utility fee for any user segment shall be reasonably related to the services provided to, benefits received by, or need created by the user segment that pays the transportation utility fee, as determined in the study under Subsection (3).

(d)(i) Revenue from a transportation utility fee may not supplant existing general fund appropriations that the county has budgeted for transportation facilities as of the date the transportation utility fee becomes effective.

(ii) The limitation under Subsection (7)(d)(i) does not apply to a designated transportation facilities capital or reserve account established before the effective date of a transportation utility fee under this section.

(8)(a) Simultaneously with adopting an ordinance described in Subsection (7), a county shall establish an appeals process for an individual or entity that wishes to challenge the user classification, as described in Subsection (5), the county assigns to the individual or entity.

(b) As part of an appeal described in Subsection (8)(a), the individual or entity shall:

(i) demonstrate why the county's assignment of a user classification to the individual or entity is not reasonable as applied to the individual or entity; and

(ii) provide evidence of the individual's or entity's actual traffic count or trip generation.

(c) The appeal process described in Subsection (8)(a) shall establish the individual or body at the county that shall hear and make a final decision on the appeal, which shall be:

(i) the same individual or body that hears appeals related to other fee appeals, if the county has a process to appeal fees; or

(ii) the governing body.

(9)(a) A county that imposes a transportation utility fee shall establish a fund as provided in this Subsection (9).

(b) A county shall deposit into the transportation fund all revenue from a transportation utility fee.

(c) A county may not:

(i) deposit into or commingle with a transportation fund any money from any other source; or

(ii) use money in a transportation fund for any purpose other than to pay for the cost of:

(A) the development or construction of a new transportation facility;

(B) upgrading or replacing an existing transportation facility;

(C) the maintenance, operation, or repair of an existing transportation facility; or

(D) reasonable administrative costs associated with the transportation fund or with activities described in Subsections (9)(c)(ii)(A), (B), and (C).

(d) Notwithstanding any other provision in this chapter, a county may not transfer money into a transportation fund to any other fund or to a separate account.

(10) A county that imposes a transportation utility fee may charge the fee to a user annually or monthly.

(11)(a) A county that imposes a transportation utility fee shall conduct an annual review of the transportation utility fee as provided in this Subsection (11) and prepare a written report of the annual review.

(b) In an annual review under Subsection (11)(a), the governing body shall:

(i) review the balance of the transportation fund;

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

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

(iv) consider other possible revenue sources that the county could use for

transportation facilities instead of a transportation utility fee;

(v) ensure that the county is complying with Subsection (7)(d); and

(vi) demonstrate that revenue from the transportation utility fee continues to be needed to provide a transportation facility that the county could not otherwise provide from other existing revenue sources.

(c)(i) A county shall submit a copy of the written report under Subsection (11)(a) to the state auditor.

(ii) A county may fulfill the requirement of Subsection (11)(c)(i) by submitting the written report as part of the county's annual financial reports submitted to the state auditor.

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

(b) The 10-year period described in Subsection (12)(a) begins again with any subsequent adoption of any ordinance imposing a transportation utility fee after the initial adoption of an ordinance imposing a transportation utility fee.

(13) An ordinance imposing a transportation utility fee is subject to local referenda as provided in Title 20A, Chapter 7, Part 6, Local Referenda - Procedures.

(14) A county that, before May 6, 2026, imposes a fee to pay for a transportation facility shall, no later than July 1, 2027:

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

(b) repeal the fee.

(15)(a) Nothing in this section precludes or abrogates the property tax exemptions provided for in Utah Constitution, Article XIII, Section 3.

(b) To the extent that a court determines a transportation utility fee is a property tax for purposes of Utah Constitution, Article XIII, Section 3, a county may not require a person to pay that transportation utility fee with respect to property or the use of property that is exempt from property tax under Utah Constitution, Article XIII, Section 3.

Section 7. **Effective Date.**

This bill takes effect on May 6, 2026.