

Impact Fee Limit Amendments
 2026 GENERAL SESSION
 STATE OF UTAH
Chief Sponsor: Thomas W. Peterson
 Senate Sponsor:

LONG TITLE

General Description:

This bill limits the impact fee amount a political subdivision may impose on a development activity for a single public facility type.

Highlighted Provisions:

This bill:

- prohibits a political subdivision from imposing an impact fee on a development activity if the impact fee is more than \$50,000 for a single public facility type.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

11-36a-202, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

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

Section 1. Section **11-36a-202** is amended to read:

11-36a-202 . Prohibitions on impact fees.

(1) A local political subdivision or private entity may not:

(a) impose an impact fee to:

(i) cure deficiencies in a public facility serving existing development;

(ii) raise the established level of service of a public facility serving existing development; or

(iii) recoup more than the local political subdivision's or private entity's costs actually incurred for excess capacity in an existing system improvement;

(b) delay the construction of a school or charter school because of a dispute with the school or charter school over impact fees; or

- 31 (c) impose or charge any other fees as a condition of development approval unless those
 32 fees are a reasonable charge for the service provided.
- 33 (2)(a) Notwithstanding any other provision of this chapter, a political subdivision or
 34 private entity may not impose an impact fee:
- 35 (i) on residential components of development to pay for a public safety facility that is
 36 a fire suppression vehicle;
 - 37 (ii) on a school district or charter school for a park, recreation facility, open space, or
 38 trail;
 - 39 (iii) on a school district or charter school unless:
 - 40 (A) the development resulting from the school district's or charter school's
 41 development activity directly results in a need for additional system
 42 improvements for which the impact fee is imposed; and
 - 43 (B) the impact fee is calculated to cover only the school district's or charter
 44 school's proportionate share of the cost of those additional system
 45 improvements;
 - 46 (iv) to the extent that the impact fee includes a component for a law enforcement
 47 facility, on development activity for:
 - 48 (A) the Utah National Guard;
 - 49 (B) the Utah Highway Patrol; or
 - 50 (C) an institution of higher education or private postsecondary educational
 51 institution, as defined in Section 53H-1-101, that has a police force;
 - 52 (v) on development activity on state-owned land, as defined in Section 11-70-101;~~[-or]~~
 - 53 (vi) on development activity that consists of the construction of an internal accessory
 54 dwelling unit, as defined in Section 10-21-303, within an existing primary
 55 dwelling~~[-]~~ ; or
 - 56 (vii) on a development activity if the impact fee is more than \$50,000 for a single
 57 public facility type.
- 58 (b)(i) Notwithstanding any other provision of this chapter, a political subdivision or
 59 private entity may not impose an impact fee on development activity that consists
 60 of the construction of a school, whether by a school district or a charter school, if:
- 61 (A) the school is intended to replace another school, whether on the same or a
 62 different parcel;
 - 63 (B) the new school creates no greater demand or need for public facilities than the
 64 school or school facilities, including any portable or modular classrooms that

- 65 are on the site of the replaced school at the time that the new school is
66 proposed; and
- 67 (C) the new school and the school being replaced are both within the boundary of
68 the local political subdivision or the jurisdiction of the private entity.
- 69 (ii) If the imposition of an impact fee on a new school is not prohibited under
70 Subsection (2)(b)(i) because the new school creates a greater demand or need for
71 public facilities than the school being replaced, the impact fee shall be based only
72 on the demand or need that the new school creates for public facilities that
73 exceeds the demand or need that the school being replaced creates for those public
74 facilities.
- 75 (c) Notwithstanding any other provision of this chapter, a political subdivision or private
76 entity may impose an impact fee for a road facility on the state only if and to the
77 extent that:
- 78 (i) the state's development causes an impact on the road facility; and
79 (ii) the portion of the road facility related to an impact fee is not funded by the state
80 or by the federal government.
- 81 (3) Notwithstanding any other provision of this chapter, a local political subdivision may
82 impose and collect impact fees on behalf of a school district if authorized by Section
83 11-36a-206.

84 Section 2. **Effective Date.**

85 This bill takes effect on May 6, 2026.