



UTAH
LEGISLATURE



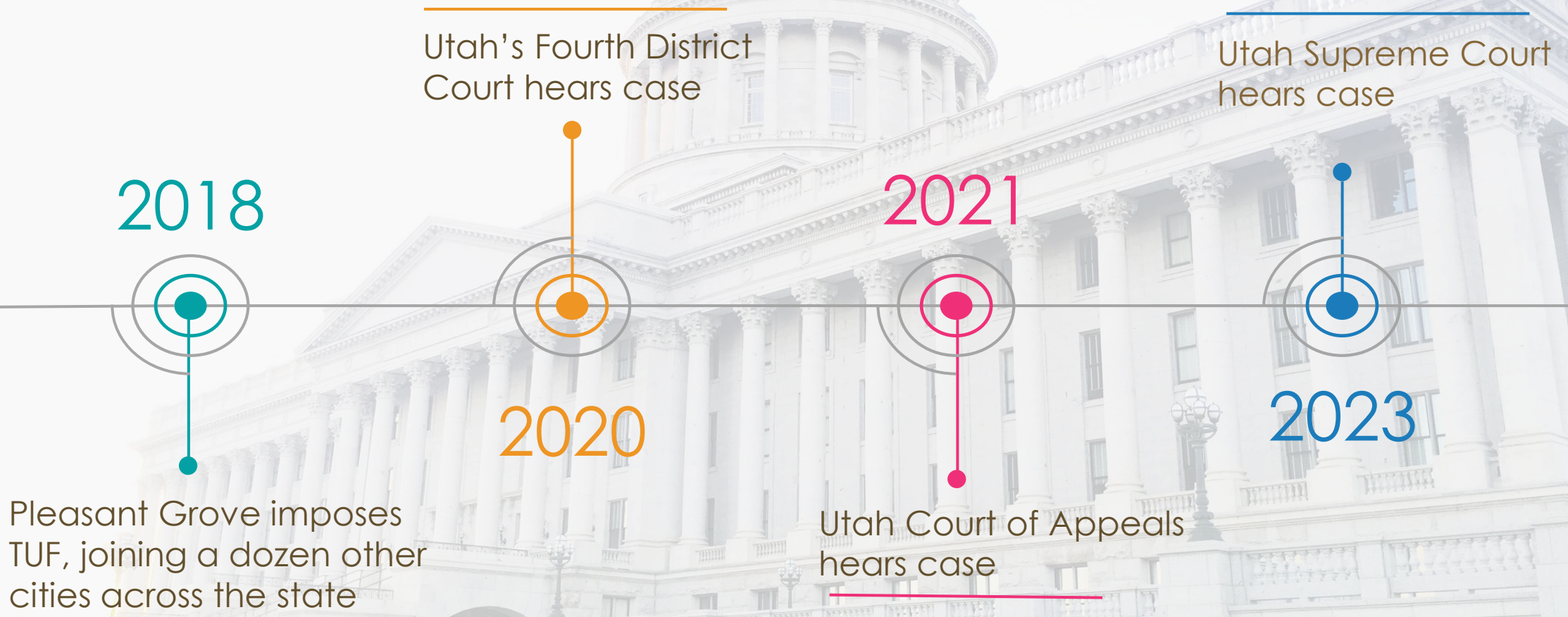
Transportation Utility Fees (TUFs)

Rep. Karen Peterson

Transportation Interim Committee

November 2023

Larson v. Pleasant Grove City



Supreme Court ruling

1. TUF is a fee, not a tax

2. Cities have the authority
to impose TUF

3. Supreme Court remanded to trial court
to determine reasonableness





2024FL0668 “Local Government Fees Amendments”

Prohibit Fees

- Prohibit cities from imposing general, broad-based fees related to:
 1. Broadband
 2. Public Safety (*still clarifying*)



Process

1. Study

- a) Demonstrate need for additional revenue to provide new services
- b) Specific charge for a specific service
- c) Levels of service (commercial vs. residential users)
- d) Must be charged to all property owners if implemented
- e) May not supplant existing funds
- f) Demonstrate maintenance of effort that implementing a TUF allows the city to provide new services

2. Adoption

- a) Public notification and public hearing for adoption and changes
- b) Study discussed at public meeting
- c) Initially adopted at a public meeting by vote of the legislative body
- d) Separate vote from fee schedule
- e) Dedicated account with pre-determined allowable uses and transparent reporting

3. Implementation

- a) Annual review process (separate from fee schedule)
- b) Demonstrate maintenance of effort is still valid
- c) Reasonable relationship between fee and service
- d) Subject to referendum with any legislative action
- e) Cities that currently have a TUF will be given until July 1, 2026 to comply with these requirements



Expiration

- Fee will expire every 10 years
- City will need to restart the process to impose a TUF by completing a new study



Questions?



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