

Brady Brammer proposes the following substitute bill:

Local Government Fees Modifications

2025 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 service, with exceptions;
- authorizes a municipality or county to impose a transportation utility fee if the municipality or county complies with certain requirements;
- establishes a process and requirements for a municipality or county to impose a transportation utility fee;
- provides that property owned by a religious organization may, under certain circumstances, be exempt from a transportation utility fee;
- provides a process to hold a referendum on the imposition of a transportation utility fee or an increase to an existing transportation utility fee; 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

29 **20A-7-101**, as last amended by Laws of Utah 2024, Third Special Session, Chapter 3

30 **20A-7-607**, as last amended by Laws of Utah 2023, Chapters 107, 116

31 **20A-7-609.5**, as last amended by Laws of Utah 2020, Chapter 31

32 ENACTS:

33 **10-5-133**, Utah Code Annotated 1953

34 **10-5-134**, Utah Code Annotated 1953

35 **10-5-135**, Utah Code Annotated 1953

36 **10-6-134.3**, Utah Code Annotated 1953

37 **10-6-134.5**, Utah Code Annotated 1953

38 **10-6-134.6**, Utah Code Annotated 1953

39 **17-36-56**, Utah Code Annotated 1953

40 **17-36-57**, Utah Code Annotated 1953

41 **20A-7-613.1**, Utah Code Annotated 1953

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

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

45 **10-1-406 . Limitation of other telecommunications taxes or fees.**

46 (1) As used in this section:

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

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

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

52 (b)(i) Subject to Subsection (2)(b)(ii), a city that, before May 7, 2025, imposes a
53 general fee for broadband shall repeal the general fee no later than July 1, 2027.

54 (ii)(A) A city that, before May 7, 2025, issues a bond secured by revenue from a
55 general fee for broadband shall repeal the general fee within 60 days after the
56 bond is paid.

57 (B) A city that, before May 7, 2025, imposes a general fee to pay for a bond the
58 city issued before January 1, 2025, to pay for broadband shall repeal the
59 general fee within 60 days after the bond is paid.

60 (3) Subject to the other provisions of this section, a municipality may not levy or collect a
61 telecommunications tax or fee on a person except for a telecommunications tax or fee
62 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

- 97 sponsoring the activity or program.
- 98 (b) "Public safety service" means law enforcement service, fire protection service,
- 99 ambulance or paramedic service, or emergency service.
- 100 (2) Except as provided in Subsection (3), a town may not impose a general fee for a public
- 101 safety service.
- 102 (3) A town may impose a general fee for a public safety service if:
- 103 (a)(i) the fee is imposed before January 1, 2025;
- 104 (ii) the fee is to generate revenue to pay for the town's obligation under an agreement
- 105 with one or more other political subdivisions for a public safety service provided
- 106 to the town; and
- 107 (iii) after January 1, 2025, the fee is reauthorized by a vote of the town council at
- 108 least every three years; or
- 109 (b) the public safety service is volunteer public safety service.
- 110 (4) A town that, before May 7, 2025, imposes a general fee for a public safety service that
- 111 is prohibited under Subsection (2) shall repeal the general fee no later than July 1, 2027.
- 112 Section 3. Section **10-5-134** is enacted to read:
- 113 **10-5-134 . Transportation utility fee.**
- 114 (1) As used in this section:
- 115 (a) "Religious organization" means the same as that term is defined in Section
- 116 10-6-134.5.
- 117 (b) "Transportation facility" means any of the items listed in Subsection 59-12-2212.2(1)
- 118 as purposes for which revenue from a local option sales and use tax under Section
- 119 59-12-2212.2 may be expended.
- 120 (c) "Transportation fund" means a fund described in and established under Subsection
- 121 (8).
- 122 (d) "Transportation utility fee" means the same as that term is defined in Section
- 123 10-6-134.5.
- 124 (e) "User segment" means a segment of the town's population based on a classification
- 125 established under Subsection (7).
- 126 (2)(a) A town may impose and collect a transportation utility fee:
- 127 (i) if the town establishes a reasonable relationship between:
- 128 (A) the amount of the transportation utility fee; and
- 129 (B) the services provided to, the benefits received by, or the need created by those
- 130 who pay the transportation utility fee; and

131 (ii) only as provided in this section.

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

135 (c)(i) A person's ownership of property within the town may not alone be a basis for
136 imposing a transportation utility fee on the person.

137 (ii) The size of a parcel of real property may not alone be a basis for the amount of a
138 transportation utility fee imposed on the owner of the parcel.

139 (3) To impose or increase a transportation utility fee, a town shall:

140 (a) conduct a study as provided in Subsection (4);

141 (b) follow the process described in Subsection (5); and

142 (c) adopt an ordinance imposing or increasing a transportation utility fee, as provided in
143 Subsection (6).

144 (4)(a) A town may not impose or increase a transportation utility fee unless the city first
145 conducts a study as described in this Subsection (4).

146 (b) A study under Subsection (4)(a) shall:

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

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

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

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

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

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

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

161 (v) explain the reasonable relationship determined under Subsection (4)(a)(iv); and

162 (vi) determine whether there is a reasonable basis for different rates within a
163 proposed transportation utility fee based on different levels of services provided

164 to, benefit received by, or need created by those who pay the transportation utility

- 165 fee, as described in Subsection (7), and, if so, explain the basis for the proposed
166 different rates.
- 167 (c) A town that conducts a study under Subsection (4)(a) shall post a copy of the study
168 on the town's website, if the town has a website.
- 169 (5)(a) Subject to Subsection (5)(b), before adopting an ordinance imposing or increasing
170 a transportation utility fee, the governing body shall comply with the notice and
171 public hearing requirements established in Sections 10-5-107 and 10-5-108.
- 172 (b)(i) The governing body of a town that proposes to impose or increase a
173 transportation utility fee shall, in addition to the notice required under Section
174 10-5-107, provide notice of the proposed fee and the public hearing:
- 175 (A) in a notice with the city's monthly utility bill, if the town mails or emails
176 residents a monthly utility bill; or
- 177 (B) through another primary means of communicating with residents, if the town
178 does not provide residents a monthly utility bill.
- 179 (ii) The public hearing required for a proposal to impose or increase a transportation
180 utility fee may be held in conjunction with a budget hearing under Section
181 10-5-108 but shall be separate and distinct from the budget hearing.
- 182 (6)(a) A transportation utility fee may be imposed or increased only by an ordinance
183 adopted by the town's governing body.
- 184 (b)(i) Subject to Subsection (6)(b)(ii), the governing body may adopt an ordinance
185 imposing or increasing a transportation utility fee at the same meeting in which
186 the public body adopts the town budget.
- 187 (ii) The governing body vote on the imposition or increase of a transportation utility
188 fee shall be separate from the governing body vote on the town budget or any
189 other item.
- 190 (c) The amount of a transportation utility fee for the town's population or for any user
191 segment shall be reasonably related to the services provided to, benefits received by,
192 or need created by those within the town's population or user segment who pay the
193 transportation utility fee, as determined in the study under Subsection (4).
- 194 (d)(i) Revenue from a transportation utility fee may not supplant existing general
195 fund appropriations that the town has budgeted for transportation facilities as of
196 the date the transportation utility fee becomes effective.
- 197 (ii) The limitation under Subsection (6)(d)(i) does not apply to a designated
198 transportation facilities capital or reserve account established before the effective

199 date of a transportation utility fee under this section.

200 (7)(a) A town shall establish different rates within a transportation utility fee for
201 different classifications of users of a transportation facility if the rates and
202 classifications have a reasonable basis.

203 (b)(i) A reasonable basis under Subsection (7)(a) may include:

204 (A) different levels of benefit received by users of a transportation utility fee;

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

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

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

211 (E) except as provided in Subsection (7)(b)(iii), differing contributions that
212 different classifications of users make, separate from a transportation utility
213 fee, to the cost of constructing, maintaining, or operating a transportation
214 facility; and

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

218 (ii) A reasonable basis under Subsection (7)(a) does not include:

219 (A) whether a user resides inside or outside the town boundary; or

220 (B) a consideration of the age of development within areas with the same zoning
221 designation.

222 (iii) Subsection (7)(b)(i)(E) may not be construed to result in, or require, a higher fee
223 with respect to property owned or operated by a nonprofit organization that:

224 (A) is or has been exempt historically from taxes used to pay for transportation
225 facilities; or

226 (B) owns or operates other properties in the town that are or have been exempt
227 from transportation utility fees.

228 (c)(i) A town shall exempt property owned by a religious organization from a fee
229 established under this section if the property meets the requirements of Section
230 10-5-135.

231 (ii) An exemption under Subsection (7)(c)(i) is for transportation utility fees only and
232 creates no precedent or expectation that a religious organization, or property

- 233 owned by a religious organization, be exempt from other user or utility fees
234 imposed by the town.
- 235 (8)(a) A town that imposes a transportation utility fee shall establish a fund as provided
236 in this Subsection (8).
- 237 (b) A town shall deposit into the transportation fund all revenue from a transportation
238 utility fee.
- 239 (c) A town may not:
- 240 (i) deposit into or commingle with a transportation fund any money from any other
241 source; or
- 242 (ii) use money in a transportation fund for any purpose other than to pay for the cost
243 of:
- 244 (A) the development or construction of a new transportation facility;
245 (B) upgrading or replacing an existing transportation facility;
246 (C) the maintenance, operation, or repair of an existing transportation facility; or
247 (D) reasonable administrative costs associated with the transportation fund or with
248 activities described in Subsections (8)(c)(ii)(A), (B), and (C).
- 249 (d) Notwithstanding any other provision in this chapter, a town may not transfer money
250 into a transportation fund to any other fund or to a separate account.
- 251 (9) A town that imposes a transportation utility fee may charge the fee to a user annually or
252 monthly.
- 253 (10)(a) A town that imposes a transportation utility fee shall conduct an annual review of
254 the transportation utility fee as provided in this Subsection (10) and prepare a written
255 report of the annual review.
- 256 (b) In an annual review under Subsection 10, the governing body shall:
- 257 (i) review the balance of the transportation fund;
258 (ii) review the current amount of the transportation utility fee;
259 (iii) demonstrate that there is still a reasonable relationship between the amount of the
260 transportation utility fee and the transportation services provided to, benefits
261 received by, or need created by those who pay the fee;
262 (iv) consider other possible revenue sources that the town could use for transportation
263 facilities instead of a transportation utility fee;
264 (v) ensure that Subsection (6)(d) is being complied with; and
265 (vi) demonstrate that revenue from the transportation utility fee continues to be
266 needed to provide a transportation facility that the town could not otherwise

- 267 provide from other existing revenue sources.
- 268 (c)(i) A town shall submit a copy of the written report under Subsection (10)(a) to the
- 269 state auditor.
- 270 (ii) A town may fulfill the requirement of Subsection (10)(c)(i) by submitting the
- 271 written report as part of the town's annual financial reports submitted to the state
- 272 auditor under Section 10-6-150.
- 273 (11)(a) A transportation utility fee imposed under this section expires 10 years after the
- 274 effective date of the ordinance imposing the transportation utility fee.
- 275 (b) The 10-year period described in Subsection (11)(a) begins again with any subsequent
- 276 adoption of any ordinance imposing a transportation utility fee after the initial
- 277 adoption of an ordinance imposing a transportation utility fee.
- 278 (12) An ordinance imposing a transportation utility fee is subject to local referendum as
- 279 provided in Title 20A, Chapter 7, Part 6, Local Referenda - Procedures.
- 280 (13) A town that, before May 7, 2025, imposes a fee to pay for a transportation facility
- 281 shall, no later than July 1, 2027:
- 282 (a) ensure that requirements of this section have been complied with for the fee that the
- 283 town imposes; or
- 284 (b) repeal the fee.
- 285 Section 4. Section **10-5-135** is enacted to read:
- 286 **10-5-135 . Exempt property owned by a religious organization.**
- 287 (1) As used in this section:
- 288 (a) "Transportation utility fee" means the same as that term is defined in Section
- 289 10-6-134.5.
- 290 (b) "Religious organization" means the same as that term is defined in Section
- 291 10-6-134.5.
- 292 (2) A town may not impose or charge a transportation utility fee for a property owned by a
- 293 religious organization if:
- 294 (a) the property is used to:
- 295 (i) hold or carry out religious worship, practices, rites, ceremonies, gatherings, or
- 296 meetings on a regular basis, whether or not such property is used for other
- 297 purposes;
- 298 (ii) administer or oversee directly the operations, activities, or finances, of the
- 299 religious organization;
- 300 (iii) promulgate directly or support the advancement of the beliefs and practices of

- 301 the religious organization; or
- 302 (iv) produce, provide, or distribute welfare or humanitarian aid consistent with the
- 303 tenets of the religious organization; and
- 304 (b) the property is exempt from taxation under Subsection 59-2-1101(1)(d).
- 305 (3) A town may impose and charge a transportation utility fee for a property owned by a
- 306 religious organization if the property is:
- 307 (a) a cemetery;
- 308 (b) held primarily for natural resource purposes, including water, coal, oil, or gas;
- 309 (c) a facility operated primarily for the receipt of second-hand donations and retail sales;
- 310 (d) an agricultural farm leased to a third-party that is not a religious organization;
- 311 (e) a historic property, unless the historic property currently is, or ever has been listed on
- 312 a register of historic places or similar register at the city, county, state, or national
- 313 level;
- 314 (f) a warehouse held primarily for commercial or industrial purposes;
- 315 (g) a motion picture studio;
- 316 (h) a stadium for outdoor athletic events;
- 317 (i) a recreational property held primarily for youth conferences and events;
- 318 (j) a residential development;
- 319 (k) a commercial office building that is primarily leased for investment purposes;
- 320 (l) a home, apartment, or condominium building, unless the home, apartment, or
- 321 condominium building is primarily used as a residence for an ecclesiastical leader,
- 322 officer, manager, or volunteer who is employed, engaged by, or serves the religious
- 323 organization;
- 324 (m) a stand-alone distribution center of religious materials;
- 325 (n) stand-alone central utilities plant; or
- 326 (o) a parcel of vacant, unimproved land.

327 Section 5. Section **10-6-134.3** is enacted to read:

328 **10-6-134.3 . General fee for public safety service prohibited -- Exception.**

329 (1) As used in this section:

- 330 (a)(i) "General fee" means a fee imposed generally on the public at large or on a
- 331 segment of the public.
- 332 (ii) "General fee" does not include:
- 333 (A) a fee that a city charges an identifiable user of a city-provided service or a city
- 334 facility to cover the city's cost of the user's use of the service or facility; or

- 335 (B) a registration or similar fee that a city charges a participant in an activity or
336 program sponsored by the city to offset the city's administrative cost of
337 sponsoring the activity or program.
- 338 (b) "Public safety service" means law enforcement service, fire protection service,
339 ambulance or paramedic service, or emergency service.
- 340 (2) Except as provided in Subsection (3), a city may not impose a general fee for a public
341 safety service.
- 342 (3) A city of the third, fourth, or fifth class may impose a general fee for a public safety
343 service if:
- 344 (a)(i) the fee is imposed before January 1, 2025;
345 (ii) the fee is to generate revenue to pay for the city's obligation under an agreement
346 with one or more other political subdivisions for a public safety service provided
347 to the city; and
348 (iii) after January 1, 2025, the fee is reauthorized by a vote of the city council at least
349 every three years; or
- 350 (b) the public safety service is volunteer public safety service.
- 351 (4) A city that, before May 7, 2025, imposes a general fee for a public safety service that is
352 prohibited under Subsection (2) shall repeal the general fee no later than July 1, 2027.
- 353 Section 6. Section **10-6-134.5** is enacted to read:
- 354 **10-6-134.5 . Transportation utility fee.**
- 355 (1) As used in this section:
- 356 (a) "Religious organization" means a group, mission, order, convention, church with
357 nonprofit status, or any organization described in 26 U.S.C. Sec. 6033(a)(3)(A)(i) or
358 (iii).
- 359 (b) "Transportation facility" means any of the items listed in Subsection 59-12-2212.2(1)
360 as purposes for which revenue from a local option sales and use tax under Section
361 59-12-2212.2 may be expended.
- 362 (c) "Transportation fund" means a fund described in and established under Subsection
363 (8).
- 364 (d) "Transportation utility fee" means a fee imposed to generate revenue to pay for costs
365 associated with developing, constructing, maintaining, operating, repairing,
366 upgrading, or replacing a transportation facility.
- 367 (e) "User segment" means a segment of the city's population based on a classification
368 established under Subsection (7).

- 369 (2)(a) A city may impose and collect a transportation utility fee:
370 (i) if the city establishes a reasonable relationship between:
371 (A) the amount of the transportation utility fee; and
372 (B) the services provided to, the benefits received by, or the need created by those
373 who pay the transportation utility fee; and
374 (ii) only as provided in this section.
375 (b) A city may impose a transportation utility fee to provide funding for any number of
376 transportation facilities but may not have more than a single transportation utility fee
377 in effect at a time.
378 (c)(i) A person's ownership of property within the city may not alone be a basis for
379 imposing a transportation utility fee on the person.
380 (ii) The size of a parcel of real property may not alone be a basis for the amount of a
381 transportation utility fee imposed on the owner of the parcel.
382 (3) To impose or increase a transportation utility fee, a city shall:
383 (a) conduct a study as provided in Subsection (4);
384 (b) follow the process described in Subsection (5); and
385 (c) adopt an ordinance imposing or increasing a transportation utility fee, as provided in
386 Subsection (6).
387 (4)(a) A city may not impose or increase a transportation utility fee unless the city first
388 conducts a study as described in this Subsection (4).
389 (b) A study under Subsection (4)(a) shall:
390 (i) determine and provide a reasonable estimate of the need for a new transportation
391 facility or for maintaining, operating, repairing, upgrading, or replacing an
392 existing transportation facility;
393 (ii) identify and provide a reasonable estimate of existing funding sources that could
394 be used to pay for a new transportation facility or for maintaining, operating,
395 repairing, upgrading, or replacing an existing transportation facility;
396 (iii) explain and provide a reasonable calculation showing how existing city funding
397 sources are inadequate to cover the cost of constructing a new transportation
398 facility or maintaining, operating, repairing, upgrading, or replacing an existing
399 transportation facility;
400 (iv) determine whether the proposed transportation utility fee is reasonably related to:
401 (A) the services provided to those who pay the transportation utility fee;
402 (B) the benefits received by persons who pay the transportation utility fee; or

- 403 (C) the need created by those who pay the transportation utility fee;
404 (v) explain the reasonable relationship determined under Subsection (4)(a)(iv); and
405 (vi) determine whether there is a reasonable basis for different rates within a
406 proposed transportation utility fee based on different levels of services provided
407 to, benefit received by, or need created by those who pay the transportation utility
408 fee, as described in Subsection (7), and, if so, explain the basis for the proposed
409 different rates.
- 410 (c) A city that conducts a study under Subsection (4)(a) shall post a copy of the study on
411 the city's website, if the city has a website.
- 412 (5)(a) Subject to Subsection (5)(b), before adopting an ordinance imposing or increasing
413 a transportation utility fee, the governing body shall comply with the notice and
414 public hearing requirements established in Sections 10-6-113 and 10-6-114.
- 415 (b)(i) The governing body of a city that proposes to impose or increase a
416 transportation utility fee shall, in addition to the notice required under Section
417 10-6-113, provide notice of the proposed fee and the public hearing:
- 418 (A) in a notice with the city's monthly utility bill, if the city mails or emails
419 residents a monthly utility bill; or
- 420 (B) through another primary means of communicating with residents, if the city
421 does not provide residents a monthly utility bill.
- 422 (ii) The public hearing required for a proposal to impose or increase a transportation
423 utility fee may be held in conjunction with a budget hearing under Section
424 10-6-114 but shall be separate and distinct from the budget hearing.
- 425 (6)(a) A transportation utility fee may be imposed or increased only by an ordinance
426 adopted by the city's governing body.
- 427 (b)(i) Subject to Subsection (6)(b)(ii), the governing body may adopt an ordinance
428 imposing or increasing a transportation utility fee at the same meeting in which
429 the public body adopts the city budget.
- 430 (ii) The governing body vote on the imposition or increase of a transportation utility
431 fee shall be separate from the governing body vote on the city budget or any other
432 item.
- 433 (c) The amount of a transportation utility fee for the city's population or for any user
434 segment shall be reasonably related to the services provided to, benefits received by,
435 or need created by those within the city's population or user segment who pay the
436 transportation utility fee, as determined in the study under Subsection (4).

(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 (6)(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.

(7)(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)(i) A reasonable basis under Subsection (7)(a) may include:

(A) different levels of benefit received by users of a transportation utility fee;

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

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

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

(E) except as provided in Subsection (7)(b)(iii), 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; and

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

(ii) A reasonable basis under Subsection (7)(a) does not include:

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

(B) a consideration of the age of development within areas with the same zoning designation.

(iii) Subsection (7)(b)(i)(E) may not be construed to result in, or require, a higher fee with respect to property owned or operated by a nonprofit organization that:

(A) is or has been exempt historically from taxes used to pay for transportation facilities; or

(B) owns or operates other properties in the city that are or have been exempt from transportation utility fees.

(c)(i) A city shall exempt property owned by a religious organization from a fee established under this section if the property meets the requirements of Section 10-6-143.6.

(ii) An exemption under Subsection (7)(c)(i) is for transportation utility fees only and creates no precedent or expectation that a religious organization, or property owned by a religious organization, be exempt from other user or utility fees imposed by the city.

(8)(a) A city that imposes a transportation utility fee shall establish a fund as provided in this Subsection (8).

(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 (8)(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 into a transportation fund to any other fund or to a separate account.

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

(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), 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 Subsection (6)(d) is being complied with; 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 submitting the written report as part of the city's annual financial reports submitted to the state auditor under Section 10-6-150.
- (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 referendum as provided in Title 20A, Chapter 7, Part 6, Local Referenda - Procedures.
- (13) A city that, before May 7, 2025, 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.
- Section 7. Section **10-6-134.6** is enacted to read:
- 10-6-134.6 . Exempt property owned by a religious organization.**
- (1) As used in this section:
- (a) "Transportation utility fee" means the same as that term is defined in Section 10-6-134.5.
- (b) "Religious organization" means the same as that term is defined in Section 10-6-134.5.
- (2) A city may not impose or charge a transportation utility fee for a property owned by a religious organization if:
- (a) the property is used to:
- (i) hold or carry out religious worship, practices, rites, ceremonies, gatherings, or

- 539 meetings on a regular basis, whether or not such property is used for other
540 purposes;
- 541 (ii) administer or oversee directly the operations, activities, or finances, of the
542 religious organization;
- 543 (iii) promulgate directly or support the advancement of the beliefs and practices of
544 the religious organization; or
- 545 (iv) produce, provide, or distribute welfare or humanitarian aid consistent with the
546 tenets of the religious organization; and
- 547 (b) the property is exempt from taxation under Subsection 59-2-1101(1)(d).
- 548 (3) A city may impose and charge a transportation utility fee for a property owned by a
549 religious organization if the property is:
- 550 (a) a cemetery;
- 551 (b) held primarily for natural resource purposes, including water, coal, oil, or gas;
- 552 (c) a facility operated primarily for the receipt of second-hand donations and retail sales;
- 553 (d) an agricultural farm leased to a third-party that is not a religious organization;
- 554 (e) a historic property, unless the historic property currently is, or ever has been listed on
555 a register of historic places or similar register at the city, county, state, or national
556 level;
- 557 (f) a warehouse held primarily for commercial or industrial purposes;
- 558 (g) a motion picture studio;
- 559 (h) a stadium for outdoor athletic events;
- 560 (i) a recreational property held primarily for youth conferences and events;
- 561 (j) a residential development;
- 562 (k) a commercial office building that is primarily leased for investment purposes;
- 563 (l) a home, apartment, or condominium building, unless the home, apartment, or
564 condominium building is primarily used as a residence for an ecclesiastical leader,
565 officer, manager, or volunteer who is employed, engaged by, or serves the religious
566 organization;
- 567 (m) a stand-alone distribution center of religious materials;
- 568 (n) stand-alone central utilities plant; or
- 569 (o) a parcel of vacant, unimproved land.

570 Section 8. Section **17-36-56** is enacted to read:

571 **17-36-56 . Transportation utility fee.**

- 572 (1) As used in this section:

(a) "Religious organization" means the same as that term is defined in Section 10-6-134.5.

(b) "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.

(c) "Transportation fund" means a fund described in and established under Subsection (8).

(d) "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.

(e) "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 (7).

(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.

(c)(i) A person's ownership of property on unincorporated county land may not alone be a basis for imposing a transportation utility fee on the person.

(ii) The size of a parcel of real property may not alone be a basis for the amount of a transportation utility fee imposed on the owner of the parcel.

(3) To impose or increase a transportation utility fee, a county shall:

(a) conduct a study as provided in Subsection (4);

(b) follow the process described in Subsection (5); and

(c) adopt an ordinance imposing or increasing a transportation utility fee, as provided in Subsection (6).

(4)(a) A county may not impose or increase a transportation utility fee unless the county first conducts a study as described in this Subsection (4).

(b) A study under Subsection (4)(a) shall:

(i) determine and provide a reasonable estimate of the need for a new transportation

- 607 facility or for maintaining, operating, repairing, upgrading, or replacing an
608 existing transportation facility;
- 609 (ii) identify and provide a reasonable estimate of existing funding sources that could
610 be used to pay for a new transportation facility or for maintaining, operating,
611 repairing, upgrading, or replacing an existing transportation facility;
- 612 (iii) explain and provide a reasonable calculation showing how existing county
613 funding sources are inadequate to cover the cost of constructing a new
614 transportation facility or maintaining, operating, repairing, upgrading, or replacing
615 an existing transportation facility;
- 616 (iv) determine whether the proposed transportation utility fee is reasonably related to:
617 (A) the services provided to those who pay the transportation utility fee;
618 (B) the benefits received by persons who pay the transportation utility fee; or
619 (C) the need created by those who pay the transportation utility fee;
- 620 (v) explain the reasonable relationship determined under Subsection (4)(a)(iv); and
621 (vi) determine whether there is a reasonable basis for different rates within a
622 proposed transportation utility fee based on different levels of services provided
623 to, benefits received by, or need created by those who pay the transportation
624 utility fee, as described in Subsection (7), and, if so, explain the basis for the
625 proposed different rates.
- 626 (c) A county that conducts a study under Subsection (4)(a) shall post a copy of the study
627 on the county's website, if the county has a website.
- 628 (5)(a) Subject to Subsection (5)(b), before adopting an ordinance imposing or increasing
629 a transportation utility fee, the governing body shall comply with the notice and
630 public hearing requirements established in Sections 17-36-11 through 17-36-13.
- 631 (b)(i) The governing body of a county that proposes to impose or increase a
632 transportation utility fee shall, in addition to the notice required under Section
633 17-36-12, provide notice of the proposed fee and the public hearing:
- 634 (A) in a notice with the county's monthly utility bill, if the county mails or emails
635 residents a monthly utility bill; or
- 636 (B) through another primary means of communicating, if the county does not
637 provide residents a monthly utility bill.
- 638 (ii) The public hearing required for a proposal to impose or increase a transportation
639 utility fee may be held in conjunction with a budget hearing under Section
640 17-36-13 but shall be separate and distinct from the budget hearing.

- 641 (6)(a) A transportation utility fee may be imposed or increased only by an ordinance
642 adopted by the county's governing body.
- 643 (b)(i) Subject to Subsection (6)(b)(ii), the governing body may adopt an ordinance
644 imposing or increasing a transportation utility fee at the same meeting in which
645 the public body adopts the county budget.
- 646 (ii) The governing body vote on the imposition or increase of a transportation utility
647 fee shall be separate from the governing body vote on the county budget or any
648 other item.
- 649 (c) The amount of a transportation utility fee for any user segment shall be reasonably
650 related to the services provided to, benefits received by, or need created by the user
651 segment that pays the transportation utility fee, as determined in the study under
652 Subsection (4).
- 653 (d)(i) Revenue from a transportation utility fee may not supplant existing general
654 fund appropriations that the county has budgeted for transportation facilities as of
655 the date the transportation utility fee becomes effective.
- 656 (ii) The limitation under Subsection (6)(d)(i) does not apply to a designated
657 transportation facilities capital or reserve account established before the effective
658 date of a transportation utility fee under this section.
- 659 (7)(a) A county shall establish different rates within a transportation utility fee for
660 different classifications of users of a transportation facility if the rates and
661 classifications have a reasonable basis.
- 662 (b) The different types of classifications of users of a transportation facility under
663 Subsection (7)(a) shall include, at a minimum:
- 664 (i) residential users;
665 (ii) commercial users;
666 (iii) agricultural users; and
667 (iv) industrial users.
- 668 (c)(i) A reasonable basis under Subsection (7)(a) may include:
- 669 (A) different levels of benefit received by users of a transportation utility fee;
670 (B) different impacts on or usage of transportation facilities by those who pay the
671 transportation utility fee;
672 (C) a difference in the cost of providing a transportation facility to different
673 classifications of users;
674 (D) a difference in levels of risk to the operation of a transportation facility for

- 675 different classifications of users;
- 676 (E) except as provided in Subsection (7)(c)(iii), differing contributions that
- 677 different classifications of users make, separate from a transportation utility
- 678 fee, to the cost of constructing, maintaining, or operating a transportation
- 679 facility; and
- 680 (F) distinguishable differences in the needs or conditions of different
- 681 classifications of users based on economic, public policy, or other identifiable
- 682 elements.
- 683 (ii) A reasonable basis under Subsection (7)(a) does not include:
- 684 (A) whether a user resides inside or outside the county boundary or on
- 685 unincorporated land; or
- 686 (B) a consideration of the age of development within areas with the same zoning
- 687 designation.
- 688 (iii) Subsection (7)(c)(i)(E) may not be construed to result in, or require, a higher fee
- 689 with respect to property owned or operated by a nonprofit organization that:
- 690 (A) is or has been exempt historically from taxes used to pay for transportation
- 691 facilities; or
- 692 (B) owns or operates other properties in the county that are or have been exempt
- 693 from transportation utility fees.
- 694 (d)(i) A county shall exempt property owned by a religious organization from a fee
- 695 established under this section if the property meets the requirements of Section
- 696 17-36-57.
- 697 (ii) An exemption under Subsection (7)(d)(i) is for transportation utility fees only and
- 698 creates no precedent or expectation that a religious organization, or property
- 699 owned by a religious organization, be exempt from other user or utility fees
- 700 imposed by the county.
- 701 (8)(a) A county that imposes a transportation utility fee shall establish a fund as
- 702 provided in this Subsection (8).
- 703 (b) A county shall deposit into the transportation fund all revenue from a transportation
- 704 utility fee.
- 705 (c) A county may not:
- 706 (i) deposit into or commingle with a transportation fund any money from any other
- 707 source; or
- 708 (ii) use money in a transportation fund for any purpose other than to pay for the cost

- 709 of:
- 710 (A) the development or construction of a new transportation facility;
- 711 (B) upgrading or replacing an existing transportation facility;
- 712 (C) the maintenance, operation, or repair of an existing transportation facility; or
- 713 (D) reasonable administrative costs associated with the transportation fund or with
- 714 activities described in Subsections (8)(c)(ii)(A), (B), and (C).
- 715 (d) Notwithstanding any other provision of this chapter, a county may not transfer
- 716 money into a transportation fund to any other fund or to a separate account.
- 717 (9) A county that imposes a transportation utility fee may charge the fee to a user annually
- 718 or monthly.
- 719 (10)(a) A county that imposes a transportation utility fee shall conduct an annual review
- 720 of the transportation utility fee as provided in this Subsection (10) and prepare a
- 721 written report of the annual review.
- 722 (b) In an annual review under Subsection (10)(a), the governing body shall:
- 723 (i) review the balance of the transportation fund;
- 724 (ii) review the current amount of the transportation utility fee;
- 725 (iii) demonstrate that there is still a reasonable relationship between the amount of the
- 726 transportation utility fee and the transportation services provided to, benefits
- 727 received by, or need created by those who pay the fee;
- 728 (iv) consider other possible revenue sources that the county could use for
- 729 transportation facilities instead of a transportation utility fee;
- 730 (v) ensure that Subsection (6)(d) is being complied with; and
- 731 (vi) demonstrate that revenue from the transportation utility fee continues to be
- 732 needed to provide a transportation facility that the county could not otherwise
- 733 provide from other existing revenue sources.
- 734 (c)(i) A county shall submit a copy of the written report under Subsection (10)(a) to
- 735 the state auditor.
- 736 (ii) A county may fulfill the requirement of Subsection (10)(c)(i) by submitting the
- 737 written report as part of the county's annual financial reports submitted to the state
- 738 auditor under Section 10-6-150.
- 739 (11)(a) A transportation utility fee imposed under this section expires 10 years after the
- 740 effective date of the ordinance imposing the transportation utility fee.
- 741 (b) The 10-year period described in Subsection (11)(a) begins again with any subsequent
- 742 adoption of any ordinance imposing a transportation utility fee after the initial

743 adoption of an ordinance imposing a transportation utility fee.

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

746 (13) A county that, before May 7, 2025, imposes a fee to pay for a transportation facility
747 shall, no later than July 1, 2027:

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

750 (b) repeal the fee.

751 Section 9. Section **17-36-57** is enacted to read:

752 **17-36-57 . Exempt property owned by a religious organization.**

753 (1) As used in this section:

754 (a) "Transportation utility fee" means the same as that term is defined in Section
755 17-36-56.

756 (b) "Religious organization" means the same as that term is defined in Section
757 10-6-134.5.

758 (2) A county may not impose or charge a transportation utility fee for a property owned by
759 a religious organization if:

760 (a) the property is used to:

761 (i) hold or carry out religious worship, practices, rites, ceremonies, gatherings, or
762 meetings on a regular basis, whether or not the property is used for other purposes;

763 (ii) administer or oversee directly the operations, activities, or finances, of the
764 religious organization;

765 (iii) promulgate directly or support the advancement of the beliefs and practices of
766 the religious organization; or

767 (iv) produce, provide, or distribute welfare or humanitarian aid consistent with the
768 tenets of the religious organization; and

769 (b) the property is exempt from taxation under Subsection 59-2-1101(1)(d).

770 (3) A county may impose and charge a transportation utility fee for a property owned by a
771 religious organization if the property is:

772 (a) a cemetery;

773 (b) held primarily for natural resource purposes, including water, coal, oil, or gas;

774 (c) a facility operated primarily for the receipt of second-hand donations and retail sales;

775 (d) an agricultural farm leased to a third-party that is not a religious organization;

776 (e) a historic property, unless the historic property currently is, or ever has been listed on

a register of historic places or similar register at the city, county, state, or national level;

(f) a warehouse held primarily for commercial or industrial purposes;

(g) a motion picture studio;

(h) a stadium for outdoor athletic events;

(i) a recreational property held primarily for youth conferences and events;

(j) a residential development;

(k) a commercial office building that is primarily leased for investment purposes;

(l) a home, apartment, or condominium building, unless the home, apartment, or condominium building is primarily used as a residence for an ecclesiastical leader, officer, manager, or volunteer who is employed, engaged by, or serves the religious organization;

(m) a stand-alone distribution center of religious materials;

(n) stand-alone central utilities plant; or

(o) a parcel of vacant, unimproved land.

Section 10. Section **20A-7-101** is amended to read:

20A-7-101 . Definitions.

As used in this chapter:

- (1) "Approved device" means a device described in Subsection 20A-21-201(4) used to gather signatures for the electronic initiative process, the electronic referendum process, or the electronic candidate qualification process.
- (2) "Budget officer" means:
 - (a) for a county, the person designated as finance officer as defined in Section 17-36-3;
 - (b) for a city, the person designated as budget officer in Subsection 10-6-106(4); or
 - (c) for a town, the town council.
- (3) "Certified" means that the county clerk has acknowledged a signature as being the signature of a registered voter.
- (4) "Circulation" means the process of submitting an initiative petition or a referendum petition to legal voters for their signature.
- (5) "Electronic initiative process" means:
 - (a) as it relates to a statewide initiative, the process, described in Sections 20A-7-215 and 20A-21-201, for gathering signatures; or
 - (b) as it relates to a local initiative, the process, described in Sections 20A-7-514 and 20A-21-201, for gathering signatures.

- (6) "Electronic referendum process" means:
- (a) as it relates to a statewide referendum, the process, described in Sections 20A-7-313 and 20A-21-201, for gathering signatures; or
 - (b) as it relates to a local referendum, the process, described in Sections 20A-7-614 and 20A-21-201, for gathering signatures.
- (7) "Eligible voter" means a legal voter who resides in the jurisdiction of the county, city, or town that is holding an election on a ballot proposition.
- (8) "Final fiscal impact statement" means a financial statement prepared after voters approve an initiative that contains the information required by Subsection 20A-7-202.5(2) or 20A-7-502.5(2).
- (9) "Initial fiscal impact statement" means a financial statement prepared under Section 20A-7-202.5 after the filing of a statewide initiative application.
- (10) "Initial fiscal impact and legal statement" means a financial and legal statement prepared under Section 20A-7-502.5 or 20A-7-602.5 for a local initiative or a local referendum.
- (11) "Initiative" means a new law proposed for adoption by the public as provided in this chapter.
- (12) "Initiative application" means:
- (a) for a statewide initiative, an application described in Subsection 20A-7-202(2) that includes all the information, statements, documents, and notarized signatures required under Subsection 20A-7-202(2); or
 - (b) for a local initiative, an application described in Subsection 20A-7-502(2) that includes all the information, statements, documents, and notarized signatures required under Subsection 20A-7-502(2).
- (13) "Initiative packet" means a copy of the initiative petition, a copy of the proposed law, and the signature sheets, all of which have been bound together as a unit.
- (14) "Initiative petition":
- (a) as it relates to a statewide initiative, using the manual initiative process:
 - (i) means the form described in Subsection 20A-7-203(2)(a), petitioning for submission of the initiative to the Legislature or the legal voters; and
 - (ii) if the initiative proposes a tax increase, includes the statement described in Subsection 20A-7-203(2)(b);
 - (b) as it relates to a statewide initiative, using the electronic initiative process:
 - (i) means the form described in Subsections 20A-7-215(2) and (3), petitioning for

- 845 submission of the initiative to the Legislature or the legal voters; and
- 846 (ii) if the initiative proposes a tax increase, includes the statement described in
- 847 Subsection 20A-7-215(5)(b);
- 848 (c) as it relates to a local initiative, using the manual initiative process:
- 849 (i) means the form described in Subsection 20A-7-503(2)(a), petitioning for
- 850 submission of the initiative to the legislative body or the legal voters; and
- 851 (ii) if the initiative proposes a tax increase, includes the statement described in
- 852 Subsection 20A-7-503(2)(b); or
- 853 (d) as it relates to a local initiative, using the electronic initiative process:
- 854 (i) means the form described in Subsection 20A-7-514(2)(a), petitioning for
- 855 submission of the initiative to the legislative body or the legal voters; and
- 856 (ii) if the initiative proposes a tax increase, includes the statement described in
- 857 Subsection 20A-7-514(4)(a).
- 858 (15)(a) "Land use law" means a law of general applicability, enacted based on the
- 859 weighing of broad, competing policy considerations, that relates to the use of land,
- 860 including land use regulation, a general plan, a land use development code, an
- 861 annexation ordinance, the rezoning of a single property or multiple properties, or a
- 862 comprehensive zoning ordinance or resolution.
- 863 (b) "Land use law" does not include a land use decision, as defined in Section 10-9a-103
- 864 or 17-27a-103.
- 865 (16) "Legal signatures" means the number of signatures of legal voters that:
- 866 (a) meet the numerical requirements of this chapter; and
- 867 (b) have been obtained, certified, and verified as provided in this chapter.
- 868 (17) "Legal voter" means an individual who is registered to vote in Utah.
- 869 (18) "Legally referable to voters" means:
- 870 (a) for a proposed local initiative, that the proposed local initiative is legally referable to
- 871 voters under Section 20A-7-502.7; or
- 872 (b) for a proposed local referendum, that the proposed local referendum is legally
- 873 referable to voters under Section 20A-7-602.7.
- 874 (19) "Local attorney" means the county attorney, city attorney, or town attorney in whose
- 875 jurisdiction a local initiative or referendum petition is circulated.
- 876 (20) "Local clerk" means the county clerk, city recorder, or town clerk in whose jurisdiction
- 877 a local initiative or referendum petition is circulated.
- 878 (21) "Local fiscal law" means a local transportation fee law.

879 ~~[(21)]~~ (22)(a) "Local law" includes:

880 (i) an ordinance;

881 (ii) a resolution;

882 (iii) a land use law;

883 (iv) a land use regulation, as defined in Section 10-9a-103; or

884 (v) other legislative action of a local legislative body.

885 (b) "Local law" does not include a land use decision, as defined in Section 10-9a-103.

886 ~~[(22)]~~ (23) "Local legislative body" means the legislative body of a county, city, or town.

887 ~~[(23)]~~ (24) "Local obligation law" means a local law passed by the local legislative body

888 regarding a bond that was approved by a majority of qualified voters in an election.

889 ~~[(24)]~~ (25) "Local tax law" means a law, passed by a political subdivision with an annual or

890 biannual calendar fiscal year, that increases a tax or imposes a new tax.

891 (26) "Local transportation fee law" means an ordinance adopted under Section 10-5-134,

892 10-6-134.5 or 17-36-56, imposing or increasing a transportation utility fee.

893 ~~[(25)]~~ (27) "Manual initiative process" means the process for gathering signatures for an

894 initiative using paper signature packets that a signer physically signs.

895 ~~[(26)]~~ (28) "Manual referendum process" means the process for gathering signatures for a

896 referendum using paper signature packets that a signer physically signs.

897 ~~[(27)]~~ (29)(a) "Measure" means a proposed constitutional amendment, an initiative, or

898 referendum.

899 (b) "Measure" does not include a ballot proposition for the creation of a new school

900 district under Section 53G-3-301.1, 53G-3-301.3, or 53G-3-301.4.

901 ~~[(28)]~~ (30) "Presiding officers" means the president of the Senate and the speaker of the

902 House of Representatives.

903 ~~[(29)]~~ (31) "Referendum" means a process by which a law passed by the Legislature or by a

904 local legislative body is submitted or referred to the voters for their approval or rejection.

905 ~~[(30)]~~ (32) "Referendum application" means:

906 (a) for a statewide referendum, an application described in Subsection 20A-7-302(2) that

907 includes all the information, statements, documents, and notarized signatures

908 required under Subsection 20A-7-302(2); or

909 (b) for a local referendum, an application described in Subsection 20A-7-602(2) that

910 includes all the information, statements, documents, and notarized signatures

911 required under Subsection 20A-7-602(2).

912 ~~[(31)]~~ (33) "Referendum packet" means a copy of the referendum petition, a copy of the law

being submitted or referred to the voters for their approval or rejection, and the signature sheets, all of which have been bound together as a unit.

~~[(32)]~~ (34) "Referendum petition" means:

- (a) as it relates to a statewide referendum, using the manual referendum process, the form described in Subsection 20A-7-303(2)(a), petitioning for submission of a law passed by the Legislature to legal voters for their approval or rejection;
- (b) as it relates to a statewide referendum, using the electronic referendum process, the form described in Subsection 20A-7-313(2), petitioning for submission of a law passed by the Legislature to legal voters for their approval or rejection;
- (c) as it relates to a local referendum, using the manual referendum process, the form described in Subsection 20A-7-603(2)(a), petitioning for submission of a local law to legal voters for their approval or rejection; or
- (d) as it relates to a local referendum, using the electronic referendum process, the form described in Subsection 20A-7-614(2), petitioning for submission of a local law to legal voters for their approval or rejection.

~~[(33)]~~ (35) "Signature":

(a) for a statewide initiative:

- (i) as it relates to the electronic initiative process, means an electronic signature collected under Section 20A-7-215 and Subsection 20A-21-201(6)(c); or
- (ii) as it relates to the manual initiative process:
 - (A) means a holographic signature collected physically on a signature sheet described in Section 20A-7-203;
 - (B) as it relates to an individual who, due to a qualifying disability under the Americans with Disabilities Act, is unable to fill out the signature sheet or to sign the voter's name consistently, the initials "AV," indicating that the voter's identity will be verified by an alternate verification process described in Section 20A-7-106; and
 - (C) does not include an electronic signature;

(b) for a statewide referendum:

- (i) as it relates to the electronic referendum process, means an electronic signature collected under Section 20A-7-313 and Subsection 20A-21-201(6)(c); or
- (ii) as it relates to the manual referendum process:
 - (A) means a holographic signature collected physically on a signature sheet described in Section 20A-7-303;

- 947 (B) as it relates to an individual who, due to a qualifying disability under the
948 Americans with Disabilities Act, is unable to fill out the signature sheet or to
949 sign the voter's name consistently, the initials "AV," indicating that the voter's
950 identity will be verified by an alternate verification process described in
951 Section 20A-7-106; and
- 952 (C) does not include an electronic signature;
- 953 (c) for a local initiative:
- 954 (i) as it relates to the electronic initiative process, means an electronic signature
955 collected under Section 20A-7-514 and Subsection 20A-21-201(6)(c); or
- 956 (ii) as it relates to the manual initiative process:
- 957 (A) means a holographic signature collected physically on a signature sheet
958 described in Section 20A-7-503;
- 959 (B) as it relates to an individual who, due to a qualifying disability under the
960 Americans with Disabilities Act, is unable to fill out the signature sheet or to
961 sign the voter's name consistently, the initials "AV," indicating that the voter's
962 identity will be verified by an alternate verification process described in
963 Section 20A-7-106; and
- 964 (C) does not include an electronic signature; or
- 965 (d) for a local referendum:
- 966 (i) as it relates to the electronic referendum process, means an electronic signature
967 collected under Section 20A-7-614 and Subsection 20A-21-201(6)(c); or
- 968 (ii) as it relates to the manual referendum process:
- 969 (A) means a holographic signature collected physically on a signature sheet
970 described in Section 20A-7-603;
- 971 (B) as it relates to an individual who, due to a qualifying disability under the
972 Americans with Disabilities Act, is unable to fill out the signature sheet or to
973 sign the voter's name consistently, the initials "AV," indicating that the voter's
974 identity will be verified by an alternate verification process described in
975 Section 20A-7-106; and
- 976 (C) does not include an electronic signature.
- 977 [(34)] (36) "Signature sheets" means sheets in the form required by this chapter that are used
978 under the manual initiative process or the manual referendum process to collect
979 signatures in support of an initiative or referendum.
- 980 [(35)] (37) "Special local ballot proposition" means a local ballot proposition that is not a

standard local ballot proposition.

~~[(36)]~~ (38) "Sponsors" means the legal voters who support the initiative or referendum and who sign the initiative application or referendum application.

~~[(37)]~~ (39)(a) "Standard local ballot proposition" means a local ballot proposition for an initiative or a referendum.

(b) "Standard local ballot proposition" does not include:

(i) a property tax referendum described in Section 20A-7-613~~[-]~~ ; or

(ii) a local fiscal law referendum described in Section 20A-7-613.1.

~~[(38)]~~ (40) "Tax percentage difference" means the difference between the tax rate proposed by an initiative or an initiative petition and the current tax rate.

~~[(39)]~~ (41) "Tax percentage increase" means a number calculated by dividing the tax percentage difference by the current tax rate and rounding the result to the nearest thousandth.

~~[(40)]~~ (42) "Verified" means acknowledged by the person circulating the petition as required in Section 20A-7-105.

Section 11. Section **20A-7-607** is amended to read:

20A-7-607 . Evaluation by the local clerk -- Determination of election for vote on referendum.

(1) In relation to the manual referendum process, when the local clerk receives a referendum packet from a county clerk, the local clerk shall record the number of the referendum packet received.

(2) The county clerk shall:

(a) in relation to the manual referendum process:

(i) post the names, voter identification numbers, and dates of signatures described in Subsection 20A-7-105(6)(a)(iii) on the lieutenant governor's website, in a conspicuous location designated by the lieutenant governor, for at least 45 days; and

(ii) update on the local clerk's website the number of signatures certified as of the date of the update; or

(b) in relation to the electronic referendum process:

(i) post the names, voter identification numbers, and dates of signatures described in Subsection 20A-7-616(3) on the lieutenant governor's website, in a conspicuous location designated by the lieutenant governor, for at least 45 days; and

(ii) update on the lieutenant governor's website the number of signatures certified as

of the date of the update.

(3) The local clerk:

(a) shall, except as provided in Subsection (3)(b), declare the referendum petition to be sufficient or insufficient:

(i) in relation to the manual referendum process, no later than 111 days after the day of the deadline, described in Subsection 20A-7-105(5)(a)(iv), to submit a referendum packet to the county clerk; or

(ii) in relation to the electronic referendum process, no later than 111 days after the day of the deadline, described in Subsection 20A-7-616(2), to collect a signature; or

(b) may declare the referendum petition to be insufficient before the day described in Subsection (3)(a) if:

(i) in relation to the manual referendum process, the total of all valid signatures on timely and lawfully submitted referendum packets that have been certified by the county clerk, plus the number of signatures on timely and lawfully submitted referendum packets that have not yet been evaluated for certification, is less than the number of names required under Section 20A-7-601;

(ii) in relation to the electronic referendum process, the total of all timely and lawfully submitted valid signatures that have been certified by the county clerks, plus the number of timely and lawfully submitted valid signatures received under Subsection 20A-21-201(6)(b) that have not yet been evaluated for certification, is less than the number of names required under Section 20A-7-601; or

(iii) a requirement of this part has not been met.

(4)(a) If the total number of names certified under Subsection (3) equals or exceeds the number of names required under Section 20A-7-601, and the requirements of this part are met, the local clerk shall mark upon the front of the referendum petition the word "sufficient."

(b) If the total number of names certified under Subsection (3) does not equal or exceed the number of names required under Section 20A-7-601 or a requirement of this part is not met, the local clerk shall mark upon the front of the referendum petition the word "insufficient."

(c) The local clerk shall immediately notify any one of the sponsors of the local clerk's finding.

(d) After a referendum petition is declared insufficient, a person may not submit

additional signatures to qualify the referendum for the ballot.

- (5)(a) If the local clerk refuses to declare a referendum petition sufficient, any voter may, no later than 10 days after the day on which the local clerk declares the referendum petition insufficient, apply to the appropriate court for an order finding the referendum petition legally sufficient.
- (b) If the court determines that the referendum petition is legally sufficient, the local clerk shall mark the referendum petition "sufficient" and consider the declaration of sufficiency effective as of the date on which the referendum petition should have been declared sufficient by the local clerk's office.
- (c) If the court determines that a referendum petition filed is not legally sufficient, the court may enjoin the local clerk and all other officers from:
- (i) certifying or printing the ballot title and numbers of that referendum on the official ballot for the next election; or
 - (ii) as it relates to a local tax law or a local fiscal law that is conducted entirely by mail, certifying, printing, or mailing the ballot title and numbers of that referendum under Section 20A-7-609.5.
- (6) A referendum petition determined to be sufficient in accordance with this section is qualified for the ballot.
- (7)(a) Except as provided in Subsection (7)(b) or (c), if a referendum relates to legislative action taken after April 15, the election officer may not place the referendum on an election ballot until a primary election, a general election, or a special election the following year.
- (b) The election officer may place a referendum described in Subsection (7)(a) on the ballot for a special, primary, or general election held during the year that the legislative action was taken if the following agree, in writing, on a timeline to place the referendum on that ballot:
- (i) the local clerk;
 - (ii) the county clerk; and
 - (iii) the attorney for the county or municipality that took the legislative action.
- (c) For a referendum on a land use law, if, before August 30, the local clerk or a court determines that the total number of certified names equals or exceeds the number of signatures required in Section 20A-7-601, the election officer shall place the referendum on the election ballot for:
- (i) the next general election; or

- (ii) another election, if the following agree, in writing, on a timeline to place the referendum on that ballot:
 - (A) the affected owners, as defined in Section 10-9a-103 or 17-27a-103, as applicable;
 - (B) the local clerk;
 - (C) the county clerk; and
 - (D) the attorney for the county or municipality that took the legislative action.

Section 12. Section **20A-7-609.5** is amended to read:

20A-7-609.5 . Election on referendum challenging local tax law or local fiscal law conducted entirely by mail.

(1) An election officer may administer an election on a referendum challenging a local tax law or local fiscal law entirely by mail.

(2) For purposes of an election conducted under this section, the election officer shall:

- (a) designate as the election day the day that is 30 days after the day on which the election officer complies with Subsection (2)(b); and
- (b) within 30 days after the day on which the referendum described in Subsection (1) qualifies for the ballot, mail to each registered voter within the voting precincts to which the local tax law or local fiscal law applies:
 - (i) a manual ballot;
 - (ii) a statement that there will be no polling place for the election;
 - (iii) a statement specifying the election day described in Subsection (2)(a);
 - (iv) a business reply mail envelope;
 - (v) instructions for returning the ballot that include an express notice about any relevant deadlines that the voter must meet in order for the voter's vote to be counted;
 - (vi) a warning, on a separate page of colored paper in boldface print, indicating that if the voter fails to follow the instructions included with the manual ballot, the voter will be unable to vote in that election because there will be no polling place for the election; and
 - (vii)(A) a copy of the proposition information pamphlet relating to the referendum if a proposition information pamphlet relating to the referendum was published under Section 20A-7-401.5; or
 - (B) a website address where an individual may view a copy of the proposition information pamphlet described in Subsection (2)(b)(vii)(A).

- 1117 (3) An election officer who administers an election under this section shall:
- 1118 (a)(i) obtain, in person, the signatures of each voter within that voting precinct before
- 1119 the election; or
- 1120 (ii) obtain the signature of each voter within the voting precinct from the county
- 1121 clerk; and
- 1122 (b) maintain the signatures on file in the election officer's office.
- 1123 (4)(a) Upon receiving a returned manual ballot under this section, the election officer
- 1124 shall compare the signature on each return envelope with the voter's signature that is
- 1125 maintained on file and verify that the signatures are the same.
- 1126 (b) If the election officer questions the authenticity of the signature on the return
- 1127 envelope, the election officer shall immediately contact the voter to verify the
- 1128 signature.
- 1129 (c) If there is not a signature on the return envelope or if the election officer determines
- 1130 that the signature on the return envelope does not match the voter's signature that is
- 1131 maintained on file, the election officer shall:
- 1132 (i) disqualify the ballot; and
- 1133 (ii) notify the voter of the disqualification and the reason for the disqualification.

1134 Section 13. Section **20A-7-613.1** is enacted to read:

1135 **20A-7-613.1 . Local fiscal law referendum petition.**

- 1136 (1) Except as provided in this section, the requirements of this part apply to a referendum
- 1137 petition challenging a taxing entity's legislative body's vote to impose a transportation
- 1138 utility fee, or increase an existing transportation utility fee, under Section 10-5-134,
- 1139 10-6-134.5, or 17-36-56.
- 1140 (2) Notwithstanding Subsection 20A-7-105(5)(a)(iv), the sponsors or an agent of the
- 1141 sponsors shall deliver a signed and verified referendum packet to the county clerk of the
- 1142 county in which the packet was circulated before 5 p.m. no later than the earlier of:
- 1143 (a) 30 days after the day on which the first individual signs the packet; or
- 1144 (b) 40 days after the day on which the local clerk complies with Subsection
- 1145 20A-7-604(3).
- 1146 (3) Notwithstanding Subsections 20A-7-105(6)(a) and (9), the county clerk shall take the
- 1147 actions required in Subsections 20A-7-105(6)(a) and (9) within 10 working days after
- 1148 the day on which the county clerk receives the signed and verified referendum packet as
- 1149 described in Subsection (2).
- 1150 (4) The local clerk shall take the actions required by Section 20A-7-607 within two

working days after:

- (a) in relation to the manual referendum process, the day on which the local clerk receives the referendum packets from the county clerk; or
- (b) in relation to the electronic referendum process, the deadline described in Subsection 20A-7-616(2).

(5) Notwithstanding Subsection 20A-7-608(2), the local attorney shall prepare the ballot title within two working days after the day on which the referendum petition is declared sufficient for submission to a vote of the people.

(6) Notwithstanding Subsection 20A-7-609(2)(c), a referendum that qualifies for the ballot under this section shall appear on the ballot for the earlier of the next regular general election or the next municipal general election unless a special election is called.

(7) The election officer shall mail manual ballots on a referendum under this section the later of:

- (a) the time provided in Section 20A-3a-202 or 20A-16-403; or
- (b) the time that ballots are prepared for mailing under this section.

(8) Section 20A-7-402 does not apply to a referendum described in this section.

(9)(a) If a majority of voters does not vote against imposing a transportation utility fee, or increasing an existing transportation utility fee, the imposition of the transportation utility fee or the increase to an existing transportation utility fee is valid.

- (b) If a majority of voters votes against imposing a transportation utility fee, or increasing an existing transportation utility fee, the taxing entity's legislative body shall repeal the imposition of the transportation utility fee or the increase to the existing transportation utility fee, as applicable.

(10) The ballot title shall, at a minimum, include in substantially this form the following:

"Shall the [name of the taxing entity] be authorized to impose a transportation utility fee in amounts sufficient to generate [amount] for fiscal year [year] as budgeted, adopted, and approved by the [name of the taxing entity]?".

(11) A taxing entity shall pay the county the costs incurred by the county that are directly related to meeting the requirements of this section and that the county would not have incurred but for compliance with this section.

(12)(a) An election officer shall include on a ballot a referendum that has not yet qualified for placement on the ballot, if:

- (i) sponsors file an application for a referendum described in this section;
- (ii) the ballot will be used for the election for which the sponsors are attempting to

1185 qualify the referendum; and
1186 (iii) the deadline for qualifying the referendum for placement on the ballot occurs
1187 after the day on which the ballot will be printed.
1188 (b) If an election officer includes on a ballot a referendum described in Subsection
1189 (12)(a), the ballot title shall comply with Subsection (10).
1190 (c) If an election officer includes on a ballot a referendum described in Subsection
1191 (12)(a) that does not qualify for placement on the ballot, the election officer shall
1192 inform the voters by any practicable method that the referendum has not qualified for
1193 the ballot and that votes cast in relation to the referendum will not be counted.
1194 Section 14. **Effective Date.**
1195 This bill takes effect on May 7, 2025.