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10-5-133, Utah Code Annotated 1953

10-6-134.5, Utah Code Annotated 1953

Brady Brammer proposes the following substitute bill:

Transportation Utility Fee Amendments

2025 GENERAL SESSION STATE OF UTAH

Chief Sponsor: Brady Brammer

	House Sponsor:
]	LONG TITLE
(General Description:
	This bill deals with a municipality's or county's ability to impose a transportation utility fee.
]	Highlighted Provisions:
	This bill:
	► defines terms;
	 provides that a municipality or county may impose and collect a transportation utility fee
1	under certain circumstances;
	• describes the notice and public hearing requirements to establish a transportation utility
1	fee;
	requires a municipality or county to establish different rates within a transportation utility
1	fee for different classifications of users, if the rates and classifications have a reasonable
1	basis;
	 requires a municipality or county to exempt a religious organization from a transportation
1	utility fee; and
	 provides that if a municipality or county has a transportation utility fee that is not in
(compliance with statutory requirements, the municipality or county shall modify or
1	repeal the transportation utility fee by July 1, 2027.
]	Money Appropriated in this Bill:
	None
(Other Special Clauses:
	None
1	Utah Code Sections Affected:
]	ENACTS:

17-36-56 , Utah Code Annotated 1953	
Be it enacted by the Legislature of the state of Utah:	
Section 1. Section 10-5-133 is enacted to read:	
10-5-133 . Transportation utility fee.	
(1) As used in this section:	
(a) "Religious organization" means a group, mission, order, convention, church with	<u>1</u>
nonprofit status, or any organization described in 26 U.S.C. Sec. 6033(a)(3)(A)(i	<u>i) or</u>
(iii).	
(b) "Transportation fund" means a fund described in and established under Subsection	on (6).
(c) "Transportation system" means:	
(i) traffic and pedestrian safety infrastructure, including:	
(A) a sidewalk;	
(B) curb and gutter;	
(C) a safety feature;	
(D) a traffic sign;	
(E) a traffic signal; or	
(F) street lighting; and	
(ii) streets, alleys, roads, highways, and thoroughfares of any kind, including	
connected structures.	
(d) "Transportation utility fee" means a fee imposed on the public at large or on a us	<u>ser</u>
segment to generate revenue to pay for costs associated with developing,	
constructing, maintaining, operating, repairing, upgrading, or replacing a	
transportation system or any component of a transportation system.	
(e) "User segment" means a segment of the town's population based on a classificati	on
established under Subsection (5).	
(2)(a) A town may impose and collect a transportation utility fee as described in this	
section.	
(b) A town may impose a transportation utility fee to provide funding for any number	er of
transportation systems or components of transportation systems but may not have	<u>e</u>
more than a single transportation utility fee in effect at a time.	
(3)(a) Subject to Subsection (3)(b), before adopting an ordinance imposing or increasing	Γ >
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.	

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

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

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

165	<u>10-6-134.5</u> . Transportation utility fee.
166	(1) As used in this section:
167	(a) "Religious organization" means a group, mission, order, convention, church with
168	nonprofit status, or any organization described in 26 U.S.C. Sec. 6033(a)(3)(A)(i) or
169	(iii).
170	(b) "Transportation fund" means a fund described in and established under Subsection (6).
171	(c) "Transportation system" means:
172	(i) traffic and pedestrian safety infrastructure, including:
173	(A) a sidewalk;
174	(B) curb and gutter;
175	(C) a safety feature;
176	(D) a traffic sign;
177	(E) a traffic signal; or
178	(F) street lighting; and
179	(ii) streets, alleys, roads, highways, and thoroughfares of any kind, including
180	connected structures.
181	(d) "Transportation utility fee" means a fee imposed on the public at large or on a user
182	segment to generate revenue to pay for costs associated with developing,
183	constructing, maintaining, operating, repairing, upgrading, or replacing a
184	transportation system or any component of a transportation system.
185	(e) "User segment" means a segment of the city's population based on a classification
186	established under Subsection (5).
187	(2)(a) A city may impose and collect a transportation utility fee as described in this
188	section.
189	(b) A city may impose a transportation utility fee to provide funding for any number of
190	transportation systems or components of transportation systems but may not have
191	more than a single transportation utility fee in effect at a time.
192	(3)(a) Subject to Subsection (3)(b), before adopting an ordinance imposing or increasing
193	a transportation utility fee, the governing body shall comply with the notice and
194	public hearing requirements established in Sections 10-6-113 and 10-6-114.
195	(b)(i) The governing body of a city that proposes to impose or increase a
196	transportation utility fee shall, in addition to the notice required under Section
197	10-6-113, provide notice of the proposed fee and the public hearing:
198	(A) in a notice with the city's monthly utility bill if the city mails or emails

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

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

267	the transportation utility fee as provided in this Subsection (7) and prepare a written
268	report of the annual review.
269	(b) In an annual review under Subsection (7)(a), the governing body shall:
270	(i) review the balance of the transportation fund;
271	(ii) review the current amount of the transportation utility fee;
272	(iii) demonstrate that there is still a reasonable relationship between the amount of the
273	transportation utility fee and the transportation services provided to, benefits
274	received by, or need created by those who pay the fee;
275	(iv) consider other possible revenue sources that the city could use for transportation
276	facilities instead of a transportation utility fee;
277	(v) ensure that Subsection (6)(d) is being complied with; and
278	(vi) demonstrate that revenue from the transportation utility fee continues to be
279	needed to provide a transportation system that the city could not otherwise provide
280	from other existing revenue sources.
281	(c)(i) A city shall submit a copy of the written report under Subsection (7)(a) to the
282	state auditor.
283	(ii) A city may fulfill the requirement of Subsection (7)(a)(i) by submitting the
284	written report as part of the city's annual financial reports submitted to the state
285	auditor under Section 10-6-150.
286	(8)(a) A transportation utility fee imposed under this section expires 10 years after the
287	effective date of the ordinance imposing the transportation utility fee.
288	(b) The 10-year period in Subsection (8)(a) begins again with any subsequent adoption
289	of any ordinance imposing a transportation utility fee after the initial adoption of an
290	ordinance imposing a transportation utility fee.
291	(9) A city that, before May 7, 2025, imposes a fee to pay for a transportation system shall,
292	no later than July 1, 2027:
293	(a) ensure that requirements of this section have been complied with for the fee that the
294	city imposes; or
295	(b) repeal the fee.
296	Section 3. Section 17-36-56 is enacted to read:
297	17-36-56. Transportation utility fee.
298	(1) As used in this section:
299	(a) "Religious organization" means a group, mission, order, convention, church with
300	nonprofit status, or any organization described in 26 U.S.C. Sec. 6033(a)(3)(A)(i) or

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

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

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

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