Protecting Land Use Authority, Incentives, and the CRE Tax Base

2026 Utah General Legislative Session

The Issue: The 2026 General Session brought a full slate of bills touching land use authority, economic development incentive tools, and the commercial property tax base — all in the same session. Proposals ranged from a state-mandated up-zoning bill that would have overridden local land use control, to changes in how tax increment and PID incentive tools operate, to a renewed push for mandatory disclosure of commercial transaction data and a proposed increase to the residential property tax exemption that would shift additional burden onto commercial, industrial, and second-home properties.

CREDA's Role: CREDA Utah engaged across each of these fronts, working to defeat bills that threatened the industry and to shape others so incentive and land use tools remained workable for large-scale and mixed-use development. On land use, CREDA opposed HB 184 (Small-Lot Housing), which would have imposed a state up-zoning mandate, while supporting SB 245 (Impact Fee Amendments) for more predictable, standardized fee calculations and SB 330 (Land Use Regulation Amendments) for clearer vesting on development agreements. On incentives, CREDA engaged on HB 507 (State Coordination of Regional Economic Development Projects), which consolidated state TIF and special-zone tools and tightened PID governance, and on SB 243 (HTRZ Tax Increment Amendments), which ties transit-zone tax increment to housing metrics, to keep these tools viable for transit-oriented and mixed-use projects. On taxes, CREDA opposed HB 441 (Property Transaction Amendments), which would have mandated reporting of non-residential sale prices to the Multicounty Appraisal Trust within 10 days of closing, and tracked a proposal to raise the residential property tax exemption that signaled future pressure to shift tax burden onto commercial property.

The Outcome: HB 184's statewide up-zoning mandate did not pass, preserving local land use control and commercial land value. HB 441's transaction disclosure mandate was also defeated, extending the industry's transaction privacy protections for a second consecutive session. The residential property tax exemption increase advanced but ultimately did not pass this session. On the incentive side, HB 507 and SB 243 passed, giving CRE clearer, more standardized incentive and tax increment tools to work with, alongside HB 492 (Infrastructure Loans), which makes low-cost state financing available for roads, water, sewer, and electrical service to housing-adjacent growth areas, reducing off-site development costs.

Why It Matters: This session demonstrated CREDA's ability to engage on offense and defense at the same time — defeating bills that would have eroded local land use control and commercial transaction privacy, while helping shape incentive legislation so it stays workable for large-scale and mixed-use projects. The residential exemption proposal's near-miss is a signal CREDA is tracking closely heading into the 2027 session, alongside the likelihood that a disclosure mandate similar to HB 441 returns.