

# LEGISLATIVE UPDATE

FEBRUARY 17, 2026



# HB 501 – WATER MODIFICATIONS (BOLINDER)

- To qualify for receipt of state funds for water infrastructure or water development, a public water system or wastewater system shall raise their rates.
- Fee is determined by Water Development Coordinating Council using the following formula:

**Median Adjusted Gross Income**

**X**

**1.5% (if water only or wastewater only) or  
3% (if both water and wastewater)**

**X**

**Number of connections**

# HB 501 – WATER MODIFICATIONS (BOLINDER) – 1<sup>ST</sup> SUBSTITUTE

- **Changes in substitute:**
- Exempts secondary water (Ag already exempt)
- Removes 2031 mandate for all systems
- Funds would now stay with local system rather than districts to then be distributed by the state.

# SB 279 – STATE HOMELESSNESS CAMPUS NEIGHBOR TAX CREDIT

- Would enact a nonrefundable income tax credit (not property tax) for an owner of property adjacent (1 mile) to a homeless service campus in an amount corresponding to 50% of the property's taxes.

# DRAFT LEGISLATION

S.B. 97 1st sub Property  
Tax Rate Amendments  
(D. McCay)



Staff Recommendation:  
Position Pending

1. Tax entity may not raise prop. tax more than 5%
2. Change def. of “locally assessed new growth”
  - a. current definition, “minus any change in value to property as a result of physical improvements, that is less than **200%** higher than the taxable value of the property for the previous year”
3. “Project area new growth” for certain entities does not include a change in value for tangible personal property
  - a. **cannot count improvements until they are complete**

## **1st SUB**

1. fund balance limit reduced from 35% to 25% for cities
2. Residential exemption: 1 per household; rebuttable presumption that business entity owned house doesn't qualify
3. prop. tax cannot be in reserve fund for capital improvements
4. certified tax rate won't include interest from investment

# DRAFT LEGISLATION

HB 236: Truth in Taxation  
Amendments (K. Peterson)



Staff recommendation:  
**Position pending**

- public concern that entity has started their new budget by the Aug Truth in Taxation hearing & thus the tax proceeds

## Part 1: required preliminary property tax increase meeting

- In May/early June, taxing entity shall notify public of the intent to raise property taxes
  - shall do May/June mtg or you can't do Aug TinT hearing
- notice & meeting shall include “approximate” dollar and percentage amounts

## Part 2: “tentative operating budget”

- Adopt a budget that does not include the proposed property tax increase revenue
- Present an “alternate tentative budget” with the proposed tax increase revenue

# DRAFT LEGISLATION

H.B. 184 Local Land Use  
Revisions (R. Ward) 1st  
sub



**“Preferred land use reg”=starter home, 5,400 sq. ft lot**

- Rep. Ward: “make it less bureaucratic to build”
- **Process:** Applicant submits a request (“sketch”) that a city accept a preferred land use regulation
- City staff shall determine **compliance in 5 days**
- If city staff determines compliance, then **planning commission or legislative body has 30 days to approve or deny request for preferred land use**
- To deny, planning commission or legislative body shall make findings on record
- **On day 31 without city action, deemed approved**

• **Jan 9 LPC advisory slide: 74% concerned**

# DRAFT LEGISLATION

H.B. 184 S1 Local Land  
Use Revisions (R. Ward)



Staff Recommendation:  
**Oppose as drafted**

- 1) **Erodes the authority of legislative bodies**
  - What happens legally if a city declines a “preferred land use reg?” City council loses legal deference
  - incorrectly defines “legislative” & “administrative”
  - state political pressure isn’t a partnership
- 2) **“Preferred land use” would overrule zoning on:**
  - lot size, floor area ratio, setbacks, engineering
- 3) **Undermines ability to plan for infrastructure**
- 4) **Burden on staff, planning comms, electeds**
  - city must have process to review “sketches” at expense of other applications; unclear how to approve/modify
- 5) **Inequity and lack of predictability for land owners**
  - state mandated inconsistent zoning
- 6) **Bad new precedents**
  - can’t deny based on an incomplete application
  - “deemed approved”

# DRAFT LEGISLATION

H.B. 415 Building Code  
Amendments (J.  
Teuscher)



- Allows a person to alter, add to, or repair an existing structure without bringing the existing structure up to new-construction standards unless the alteration, addition, or repair makes the structure less safe than the structure was before

Staff Recommendation:



**ULCT Bill Tracker**

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