

House Political Subdivisions Committee

02/13/2026

Bill: 2nd substitute HB 332 - School District Project Financing Amendments

Sponsor: Representative Auxier

Floor Sponsor:

UASD Position: Track

This Bill amends the requirements for how a school district may finance and build a school building or facility.

Discussion: The sponsor presented the 2nd substitute, which was adopted by the Committee. The substitute replaces the Bill in its entirety, including changing the very title. The original Bill was title Local Building Authority Amendments, and it prohibited a local building authority from executing a project previously rejected by the voters of certain creating local entities. The 2nd substitute requires a school district to obtain voter approval for a general obligation bond before issuing a lease revenue bond to finance a school building or infrastructure project. It also prohibits a school district from entering into a public-private partnership to carry out a district project.

Representative Peterson asked whether the Bill would remove flexibility for projects that may be characterized as remodels rather than new construction. The sponsor responded that he is open to reviewing the language but emphasized concern regarding large expenditures being undertaken without voter approval.

Representative Ward noted that school buildings are among the most common public facilities constructed and asked whether similar restrictions would be placed on counties. The sponsor responded that the restriction would not apply equally to counties, citing differences related to public safety facilities.

Representative Arthur asked whether limiting lease revenue bonds and public-private partnerships would restrict a district's ability to keep pace with growth. The sponsor responded that the Bill does not restrict projects but instead requires districts to pursue a general obligation bond first. When asked how long the bond process typically takes, the sponsor indicated it may require seven to eight months of advanced planning.

Representative Kohler stated that property taxes are a significant concern among constituents and suggested the Bill could provide some limitation on increases.

The Business Administrator of the Jordan School District spoke in opposition, stating that the Bill removes important financial tools from local school boards. The Superintendent of the Granite School District also spoke in opposition, expressing concern that the legislation would broadly impact district operations. The Utah School Superintendents Association and the Utah School Boards Association likewise opposed the Bill, arguing that it limits school districts' ability to provide safe and effective learning environments for students.

Representative Teuscher made a motion to hold.

Yeas: 12

Nays: 0

N/V: 0

Outcome: 2nd substitute HB 332 was held in Committee.