

House Political Subdivisions Committee

02/19/2026

Bill: HB 554 - State Debt Collection Amendments

Sponsor: Representative Burton

Floor Sponsor:

UASD Position: Track

This Bill modifies provisions related to government debt collection.

Discussion: The sponsor stated that the Bill updates the statute to increase the efficiency of the debt collection process. Specifically, the legislation directs the State Tax Commission to apply any overpayment of corporate income tax to amounts the taxpayer owes under the Crime Victims Restitution Act. It also provides that a governmental entity may engage in collection activity regardless of whether the amount due has been reduced to a formal judgment. Additionally, the Bill authorizes the Office of State Debt Collection to retain up to one year of operating expenses in the State Debt Collection Fund at the end of each fiscal year.

Representative Hansen sought clarification regarding the provision allowing funds to be retained in the State Debt Collection Fund, asking whether the debt collection agency itself would be permitted to keep the money. The sponsor responded that the Office of State Debt Collection operates by collecting debts on behalf of state and local government agencies and that the retained funds would remain within the State Debt Collection Fund to support its operations, consistent with how the Office currently functions.

Yeas: 8

Nays: 1

N/V: 3

Outcome: HB 554 passed out of the Committee with a favorable recommendation.

Bill: HB 556 - Special District Board Appointment Amendments

Sponsor: Representative Strong

Floor Sponsor:

UASD Position: Oppose

This Bill modifies provisions governing a special district board of trustees.

Discussion: The sponsor stated that the Bill originated from concerns raised in Bluffdale regarding individuals serving on special district boards with the authority to raise taxes without a direct tie to an elected official. The Bill requires an appointing authority, under certain circumstances, to designate an alternative board member who is an elected official to vote on any fee or tax increase.

Representative K. Peterson expressed appreciation for the intent of the Bill but raised concerns about maintaining appropriate expertise on boards. She questioned how to balance the need for

subject-matter expertise with accountability through elected officials. The sponsor acknowledged that this is the central issue and indicated that the current Bill may not fully resolve it. He expressed willingness to continue discussions to better address the concern.

Representative Dunnigan agreed that the issue warrants attention and asked how disagreements among cities would be handled. The sponsor responded that if there are three members, majority rule would apply, but acknowledged he did not have a clear solution in situations involving only two cities.

LeGrand Bitter, Executive Director of the Utah Association of Special Districts (“UASD”), spoke in opposition to the Bill stating that there appears to be confusion between special districts and public infrastructure districts (PIDs). He suggested that further clarification may be necessary and expressed a desire to better understand the underlying problems prompting the legislation. The Association noted that similar concerns have arisen in the past and have typically been resolved through collaboration with lawmakers. Mr. Bitter indicated a willingness to work during the interim to explore potential fixes if needed.

Representative Dunnigan asked about the difference between a special service district and an independent special district. Mr. Bitter responded that special service districts are partially dependent on the entity that created them. “Independent” special districts are created through a petition and vote of the people and, once established, possess independent taxing authority. When asked for examples, UASD referenced the various types of special districts recognized in statute.

Representative Hansen asked for clarification regarding local land use authorities. It was explained that local land use authorities are not classified as special districts but fall under the municipal code and generally provide services foundational to public functions.

Representative Arthur made the motion to hold the Bill to be studied during interim. Representative Miller agreed they should hold it but noted that it is an important issue that should be discussed.

Yeas: 11

Nays: 0

N/V: 1

Outcome: HB 556 was held in Committee.