

## Senate Revenue and Taxation Committee

Prepared by the Utah Association of Special Districts

3/3/2026

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### **Bill: 4<sup>th</sup> substitute HB 535 – Disposition of Public Property Modifications**

Sponsor: Representative Walter

Floor Sponsor: Senator McCay

**UASD Position: Track**

This Bill deals with the disposition of certain publicly owned property.

Discussion: The sponsor explained that the 4th substitute includes changes requested by Salt Lake City to address issues related to airport property. The sponsor stated that while a public process typically exists when a government entity disposes of real property, a loophole had been identified that could allow a Community Reinvestment Agency ("CRA") or other government entity to dispose of property without providing public notice. The Bill requires a government entity to provide public notice when disposing of real property through a sale, lease, or joint venture. The sponsor emphasized that the Bill does not restrict the authority of government entities to make those decisions but instead requires that the public be notified. The Bill also defines a "significant" property as property with a value of \$500,000 or more. The sponsor further explained that the 4th substitute addresses airport leasing situations where airport property may be leased for terms shorter than 10 years. The Committee adopted the 4th substitute.

Senator Escamilla asked about the inclusion of a 10-year timeline for airport leases. The sponsor responded that a 20-year term had been considered too long and that the 10-year threshold was selected as a reasonable standard.

The Utah League of Cities and Towns and the City of St. George spoke in support of the Bill.

Yeas: 4

Nays: 0

N/V: 3

**Outcome: 4<sup>th</sup> substitute HB 535 passed out of the Committee with a favorable recommendation.**

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### **Bill: 1<sup>st</sup> substitute HB 494 – Transfer of Water Interests**

Sponsor: Representative Owens

Floor Sponsor: Senator Owens

**UASD Position: Support**

This Bill addresses water rights, shares in water companies, and their relationship to land conveyances.

Discussion: The sponsor explained that the Bill clarifies the distinction between a water right and a water share. The sponsor stated that the Bill clarifies how ownership of water company shares is determined and confirms that ownership is based on the records maintained by the water company rather than the records of the State Engineer. The State Engineer spoke in support of the legislation and discussed the work that had been undertaken in developing the proposal.

Senator McCay asked how deeds for the transfer of water rights would be recorded, noting similarities to real estate transactions and inquired whether conflicts could arise between those records and the records maintained by a county recorder. The State Engineer responded that updates made through the corporate code would maintain the integrity of the State Engineer's records. Senator McCay stated that he had never received a deed for water shares. The State Engineer explained that if Senator McCay were to use those shares to develop a well, the process would require the creation of a deed.

Warren Peterson, representing the Utah Farm Bureau, spoke in support of the Bill and explained that lines 86–89 designate the corporate office of the water company as the repository for records of water shares rather than the Office of the State Engineer. Mr. Nelson, General Manager of the Bear River Canal Company, also spoke in support and emphasized the importance of distinguishing between water shares and water rights. One member of the public spoke in opposition to the Bill.

Yeas: 5

Nays: 0

N/V: 2

**Outcome: 1<sup>st</sup> substitute HB 494 passed out of the Committee with a favorable recommendation.**

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**Bill: 3<sup>rd</sup> substitute HB 112 – Political Advertising Amendments**

Sponsor: Representative Hayes

Floor Sponsor: Senator Winterton

**UASD Position: Track**

This Bill amends provisions related to political advertising.

Discussion: The sponsor explained that the Bill expands the definition of political advertising to include certain forms of digital communication, including social media and paid influencer marketing, and establishes a schedule of fines for violations of political advertising disclosure requirements. The sponsor clarified that a fine may be imposed only once per advertisement.

Senator Brammer asked what changes the Bill makes beyond establishing a fine schedule. The sponsor responded that during the previous election cycle there were instances in which advertisements disparaging political opponents were distributed without including a “paid for by” disclosure. The sponsor explained that the Bill addresses those situations by requiring disclosure when compensation is exchanged for political promotion on digital platforms.

Senator Brammer asked whether campaign signs that clearly support a candidate would be required to include a “paid for by” notice. The sponsor clarified that such signs would not be required to include the notice. The sponsor further explained that if a candidate pays for support or promotion on a digital platform, the communication would be required to include a disclosure.

Senator Escamilla spoke in support of the Bill, noting that the legislation could improve transparency in political advertising. One member of the public expressed concerns regarding the Bill.

Yeas: 2

Nays: 3

N/V: 2

**Outcome: 3<sup>rd</sup> substitute HB 112 failed to pass out of the Committee.**