Bond Case Briefs

Municipal Finance Law Since 1971

UTILITY FEES - UTAH

Utah Sage, Inc. v. Pleasant Grove City

Supreme Court of Utah - February 23, 2023 - P.3d - 2023 WL 2172352 - 2023 UT 2

Property owners brought action against city, seeking to block implementation of a three-tiered transportation utility fee, dedicated to roadway repair and maintenance, under which property owners would be charged a monthly fee corresponding to the intensity with which they used city roads.

Property owners and city filed cross-motions for summary judgment. The Fourth District Court entered judgment that city had authority to enact fee but that fee was a tax. Property owners and city both appealed.

The Supreme Court held that:

- City had authority under general welfare statute to enact transportation utility fee, and
- Purpose of the transportation utility fee was characteristic of a service fee.

City had authority under general welfare statute to enact transportation utility fee dedicated to roadway repair and maintenance, under which property owners would be charged a monthly fee corresponding to the intensity with which they used city roads; although transportation utility was not listed in statute giving cities right to construct utility and telecommunications services, or in other statute defining "utility," those statutory lists were not exhaustive, and it was undisputed that city had right to repair and maintain roads.

Purpose of transportation utility fee, which city charged property owners corresponding to the intensity with which they used city roads, was characteristic of a service fee, for purposes of whether fee was a service fee or a tax, even if service provided also benefited the general public; purpose of the fee to generate funds for the repair and maintenance of city roads by charging a three-tiered fee that correlated with the fee payer's "intensity of use" of those roads, fee related to specific service of the use of city roadways, and funds generated by the fee could only be used to compensate the city for the repair and maintenance of its roadways.

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com