Housing, News

Critics say Utah law gives unelected developers too much taxing power

April 28, 2026 By Eric Peterson 0 1

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New home construction in Lehi. A little publicized law gives unelected developers the power to issue bonds and pass taxes onto homebuyers in public infrastructure districts. Such taxes can amount to second mortgages paid off for decades. (Aubrey Shafer, KSL)

The following story was reported by the Utah Investigative Journalism Project in partnership with [KSL.com](#).

SALT LAKE CITY — When a city decides to issue a bond and increase property taxes or other fees on residents, it's a big deal in Utah.

Notices go out, articles are written and people line up at microphones to give their two cents about the proposals at city and county council meetings. If a bond passes, a council member knows they might pay for it at the ballot box come next election if it's not popular.

Utah politicians don't even like to say the "T" word, let alone vote for one.

But what if a board could impose a tax without worrying about angry calls and emails from voters? And certainly not worry about getting kicked out of office?

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A little-publicized law passed in 2019 allows local gove
to the board of special public infrastructure districts. Th
developers, have the power to issue bonds and pass thos
the new districts. These taxes can amount to second mo
decades on top of the existing mortgage.

Jen Brown is a director of the advocacy group Utah Citi
remembers being startled when she heard how public in

“Wait a minute,” she recalled thinking. “We can’t have t
nonelected board. That is taxation without representatio

She’s not the only one with concerns. The state treasure
public infrastructure districts (PIDs) closely and have ra
explosive amount of debt they’ve taken on, all while lac
accountability that traditionally come with municipal bo

Since public infrastructure districts were allowed by sta
these districts has skyrocketed. There are now hundreds
issued more than $3.8 billion in bond debt — more than
entire state of Utah.

Public infrastructure districts have another unusual featu
cities, cities don’t consider the bonds as PID debt. So th
the project tanking and bringing down their budget num

That’s the hope, at least.

‘That’s not how money works’

Public infrastructure district power was a lot stronger be
session. Lawmakers reformed the original law in key wa

Rep. Calvin Roberts, R-Draper, who co-chairs the Utah
Affordability, passed major reforms with his HB507.

Previously, public infrastructure districts could keep issu
finished paying off their original project. Now they diss
project is complete. A PID formed by one city or county
and county lines and acquire new property in a different
the local government in the new location. That’s also be

back against plans to scrub public data

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infrastructure districts. Previously, such districts were n
homebuyers of PID taxes before closing on a property.

“My bill was really trying to rein PIDs in,” Roberts said

But the bill also did something else, meant to help prote
concerns State Auditor Tina Cannon.

The bill tries to put distance between a public infrastruc
financial statements of the city or county that created it.
accounting standards, local government can keep a publ
off its balance sheet so long as there is no benefit to the

HB507 was written into law that when a PID develops p
transfers that property back to the local government, the
that infrastructure.

“That’s not how money works,” Cannon said. Her offic
bulletin in March to clarify that such a transaction “cons
regardless of assertions in statute to the contrary.”

Whether that’s a legal obligation or not is unclear.

State Auditor Tina Cannon (Photo: Greg Anderson, KSL)

Matt Ence is an attorney and shareholder at the firm of S
serves as legal counsel for a number of public infrastruc

As for the legal question about whether a city or county
a "creating entity" — can be held liable for the public ir
something goes wrong, he says the accounting standard
standard.

"I'm not aware of any case where one (creating) entity h
accounting standard because of the debt of another entit

Cannon is still wary.

She points out that it's not Utah that gets to decide who
but the federal government through the Securities and E

"I have cautioned legislators," Cannon said. "'Watch yo
you're not going to do the state any favors if you create
financially viable under SEC rules.'"

How could it run afoul of the SEC?

There are two main concerns. One is the "zero benefit"
legislation. Municipal bonds are popular investments be
they are completely safe because the debt is backed by a
will pay it off no matter what.

"These bonds are high on the market because there's a p
because of that municipal financing," Cannon said.

But Utah legislation seeks to remove that possibility. No
public infrastructure districts, but then just disown them

Developers running the boards of PIDs, meanwhile, get
bonds that investors assume are as safe as any other mu

It's a having-the-cake, eating-it-and-pretending-it's-fat-f
the SEC looks closer at the arrangement and decides oth

The other concern that might cause the SEC to question is considering the “public” in public infrastructure distri

That’s because PID projects often contain private comp
as being paid with separate funding sources like membe
But they are wrapped up in projects receiving the major
municipal bonds for public infrastructure.

A Utah County PID, for example, issued a $40 million b
project was also using other loans and private membersl
in private improvements like a “surf lake park, event ce

Does a project that is primarily funded by municipal bo
leverage to add in massive private attractions and featur
unknown that Cannon worries about local government f

Are they constitutional?

In 2019, Sen. Dan McCay, R-Riverton, and employed i
development, introduced SB228 to create public infrast
time. He made it clear to the Senate Business and Labor
are created only with everyone’s buy-in.

“First off, if there’s any registered votes, 100% have to
there’s any property owners, they have to consent as we
require the discretionary consent of the county or city to

Brown, with Utah Citizens for the Constitution, says tha
Democratic until you realize how it plays out in real life

“One thing that is said is that 100% of homeowners hav
true, but there’s one very important piece that gets overl
PIDs are being created, they are developing land from s
homeowners. And so, who makes up the PID board? We
designates. So it could be him, his wife and maybe one
full PID board.”

Sen. Dan McCay, R-Riverton, speaks at the Capitol in Salt Lake City on Ja
Deseret News)

For Brown, giving the power of the purse strings to une
how Utah and America work.

“With a constitutional republic, taxation cannot be deleg

But she says developers have a strong lobby presence w
really need one. As it stands, nearly a quarter of lawmak
estate industry either through construction, property ma
legal representation of the industry. That also includes t
powerful members, House Speaker Mike Schultz and Se
both of whom are real estate developers.

Ence, however, says public infrastructure districts are fa

He says not all programs are perfect and the industry ha
sense reforms like those passed in the recent legislative
interesting that public infrastructure districts are catchin
entities in the state, such as special service districts that
districts or districts that fund utility projects.

“It’s interesting that PIDs are being targeted because the
that can do similar things,” he said.

According to the Utah Association of Special Districts,
districts have more oversight by the local government e
reality, special service districts are still ultimately under
entities,” the association’s website notes.

While Ence cautions that he’s not an expert on affordab
infrastructure districts as a way to address Utah’s boomi
potentially help bring housing costs down.

“If you want to have cheaper housing, you need to have

Brown, however, sees the affordable housing argument
that is not only unconstitutional but a perversion of the

Previously, a developer’s project had to succeed becaus

“They had to pay those upfront costs and on those upfro
potential to make a tremendous amount of money, and t
was,” Brown said. But now, thanks to developers and th
‘Let’s move the risk, but all the profits stay the same to

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Dan McCay, Housing, PID, Public Infrastructure Distric
Citizens for the Constitution

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In your articles about PID's, I keep looking for some mention of the Inland Port or UIPA. The Port has been enriching developers since 2018 and using the PID mechanism to the tune of millions of dollars. The unelected board has built enormous warehouses, most of which are virtually empty, but that's OK because the developers have made their money. The executive secretary is paid close to $400,00 a year. Not only that, but the Port has also created very few new jobs despite the expenditure of millions of dollars. You and the auditor, Ms. Cannon, need to investigate the UIPA. Don't be deceived by their glossy

brochures about how much they' doing for Utah.
James King

May 6, 2026 James King [Reply]

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