SB 258: A city with no people

Utah Code Title 10, Chapter 2a, Part 5, the preliminary municipality law. SB 258 created it in 2024 as a pilot. Utah Code 63I-1-210 repeals it on January 1, 2031.

What the law does

- Up to three owners of land can ask the state to make it a preliminary municipality. *10-2a-502*
- A state consultant runs a budget test that treats the land as a town of 100 people. Revenue must beat costs by more than 5%. *10-2a-504*
- The public can speak at a hearing. Neither the public nor the county votes on whether it is created. *10-2a-506 to 508*
- Its board gets the zoning power of a city. The owners name four of the five members, who do not have to live there. *10-2a-507 and 509*
- Residents elect a mayor and council only after more than 99 people live there. *10-2a-510*

The five headings of the Wasatch County report, with the text of the law

1. **"Regional infrastructure is not a statutory consideration."** The study counts the cost of public services, such as sewer and roads, at the level that the area around the land gets today, and the fiscal impact on other governments. It asks whether there will be enough water, with no standard for enough. It does not require a finding that wastewater can be treated, a traffic study, or an evacuation plan.
2. **"The process can worsen, not improve, affordable housing availability."** The owners must intend that 10% of the housing is affordable. Part 5 does not say when, where, or how, and it has no step that checks that the homes get built.
3. **"Perverse incentives cloud regulatory oversight."** Until residents elect a mayor and council, the owners name four of the five board members. Before the petition for its first election, the board selects the independent third-party engineer who reviews and approves all building permit applications.
4. **"The feasibility study cannot test the plan it approves."** The budget test treats the land as a town of 100 people, with inflation and growth. The study does not ask whether the project can be built as planned. The study approves nothing itself. It decides whether the process can go on.
5. **"The law creates self-entitlement with no enforceable backstop."** If residents do not elect a mayor and council in time, the roads and infrastructure of the preliminary municipality go to the county. The owners are liable to the county for damages that the dissolution causes. The report says that this backstop is hard to enforce against a limited liability company. The bond is in favor of the preliminary municipality, not the county.

Who has asked for repeal: Wasatch County Council (7 to 0), Kane County Commission (3 to 0), Wallsburg Town Council (5 to 0), Summit County Council (unanimous). In 2026, a reform bill, HB 510, passed the House 68 to 0 and failed in the Senate, 14 to 12.

The request in the Wasatch County resolution and report: repeal Part 5, end the pilot, and convene counties, cities, service districts, and the development community to design a better framework.

Sources: le.utah.gov, Utah Code Title 10, Chapter 2a, Part 5. Requests: ltgovernor.utah.gov/incorporations. Report: Wasatch County Resolution 26-11, September 2, 2026. Facts checked on October 26, 2026. This summary is not legal advice.