

Utah 2026 General Session Week One Update

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by Cloe Nixon

Welcome to the 2026 General Session of the Utah Legislature. The 45-day sprint convened on Tuesday and is off to a busy start with over 600 bills filed (and more on the way). Opening remarks from Senate President Adams, House Speaker Mike Schultz, and the State of the State Address from Governor Cox set the tone for the session and made it clear that Utah will continue to invest in growth to meet our future demands.

Budget Outlook

In December, Governor Cox released his Fiscal Year 2027 Budget Recommendations, which can be described as austere. The FY 2027 budget proposal totals \$30.7 B, relative to a \$30.8B budget for FY2026 – signaling a flat budget year. Last month the Legislature’s Executive Appropriations Committee directed each of the Appropriations Subcommittees to draft recommendations for a 5% cut to their state funded budget items.

The significance: even if your business or industry will not directly be impacted by the proposed budget cuts, a tight budget year means that legislators, agencies, etc. are working with less funds and their ability to fund bold investments, initiatives, tax credits, etc. are constrained. At this pivotal inflection point for Utah, we look forward to seeing how our legislature will balance meeting the state’s growing needs while exercising necessary fiscal restraint.

Week One Bills Top 5 Bills We Are Watching

At the end of the first week of the session there have been over 600 bills filed. Below are five bills we are keeping a close eye on. A more comprehensive legislative tracker may be found on the Utah Chamber’s [website](#). Please don’t hesitate to reach out if you would like to discuss any of the proposals.

1.

- a. **HB 203 – Non-Compete Amendments** (Rep. T. Clancy). This bill would prohibit

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employers from enforcing a non-compete agreement if the employee is: nonexempt, a full-time student engaging in an internship or other short-term employment, eighteen years or younger, their total earnings are less than \$155,000 per year, or if the agreement would restrict an employee's ability to work more than 25 miles from a specific geographic location. It would: prohibit non-compete agreements for independent contractors; require that an employer intending to enforce a non-compete agreement to give advance notice and include the agreement with the offer of employment and imposes requirements, and outlines that the offer should include a garden leave clause; imposes at \$10,000 fee for violating this section; specifies that an employee has a right of action against a person if a violation occurs.

- b. **HB 161 – Property Tax Modifications** (Rep. J. Koford). This bill would increase the percentage of the fair market value of primarily residential property that is exempt from property tax from 45% to 60%. In other words, it would shift a greater burden of property tax to commercial properties. This policy change is contingent on the passage of a proposed constitutional amendment, proposed in HJR 7
- c. **HB 175 – Public Funds and Political Activities Amendments** (Rep. T. Lee). This bill prohibits an entity from receiving a government contract or state grant if they: participate in a political campaign, devote more than an insubstantial part of the entity's activities to attempting to influence legislation, or if their primary objective can only be attained by legislative action or inaction. It would prohibit a current or prospective government contractor or grant recipient from making a contribution to a political entity or to another person for a political purpose.
- d. **HB 286 – Artificial Intelligence Transparency Amendments.** This bill Requires a large frontier developer to write, implement, comply with, and publish a public safety plan, and a child safety plan if they operate a covered chat bot with more than a million subscribers; establishes requirements for the public safety plans; requires the large frontier developer to publish any material modification to the plan; requires large frontiers to publish risk assessments for covered chatbots; prohibits a frontier developer from making a false or misleading statement or omission about covered risks; allows a frontier developer to redact proprietary information or information that is integral to public safety or national security, and must describe the justification of the redaction; enacts civil penalties of \$1,000,000 to \$3,000,000, dependent on previous violations; requires developers to report certain safety incidents to the Office of Artificial Intelligence Policy and gives a timeframe based on severity of incident; requires this office to provide annual assessments and legislative recommendations regarding regulation of certain artificial intelligence, such as covered chatbots; establishes remedies for employees who suffer adverse action for whistleblower activity; provides a severability clause.
- e. **HB 68 – Housing Amendments.** This bill aims to consolidate existing state housing programs into one entity housed under the Governor's Office of Economic Opportunity – in an effort to streamline and coordinate investments in housing development throughout the state.

Speaker of Utah's House of Representatives Opening Remarks: ([full remarks here](#)).

Speaker Schultz opened the session for the House by reminding Representatives that the decisions they make today will affect families, businesses, and our state for generations to come. Investments in meeting our future needs may not be popular, headline grabbing, or glorious – but leadership is about responsibility, not comfort,” nor

credit.

The future is worth fighting for... Today, Utah is thriving. Our economy is resilient. Our communities are strong.

So this session, we'll focus on decisions that strengthen Utah not just for today, but for the Utahns who will live here decades from now.

Future success demands that we think carefully about water, plan for smarter growth, safe and efficient transportation, and build an economy that works for working families.

Senate President Adams' Opening Remarks (full remarks [here](#)). President Adams highlighted Utah's economic strength and the need and opportunity for our state to become global leaders in energy production (nuclear energy in particular) and critical minerals extraction and processing (more about [Mission Critical](#)).

Together, we are:

Creating national laboratories.

Securing critical minerals essential to everyday life and advanced technology.

Solving global energy challenges while strengthening national security.

Tackling our water crisis with long-term, resilient solutions.

Accelerating medical research that saves lives.

Lowering the cost of living for families (Apartment rents are softening and we are building more first homes)

Driving innovation, from space exploration to air taxis.

Setting regulatory policies that support families and businesses.

Creating smart AI policies, protecting children online, reinvigorating civic education and ensuring Utahns' voices are protected and heard.

Strengthening education and workforce readiness while raising teachers' salaries to the highest in the region.

And we've done all this while cutting taxes – again, again, again, again, again and we hope to do it again.”

If your company would like to discuss legislative proposals or trends with our Law & Policy Team, please don't hesitate to reach out.