

Week 4 Update - Utah Legislature 2026 General Session

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by Cloe Nixon

Week 4 of the 2026 Utah General Session marks two important milestones: 1) the session is past the halfway point and policy trends are becoming clearer; and 2) the appropriations subcommittees have concluded their meetings and have shared their ranked priorities and appropriations proposals with the Executive Appropriations Committee (EAC). The EAC has the final say on who gets what and how much for State Agencies, incentives and credits, programs, initiatives, etc. for the remainder of Fiscal Year 2026, Fiscal Year 2027, and beyond in some cases.

The halfway point of the session is significant for a number of reasons, but we find it often sheds light on which ideas have burnt out and been kicked down the road to interim, the priority proposals that will receive attention moving forward, and legislative trends become more defined.

Update on Priority Legislation & Proposals

As discussed in previous updates, there are a number of proposals of concern that we have been tracking closely and actively playing defense on, in coordination with industry associations. This week we learned that a number of proposals of concern are likely to be tabled for the remainder of the session. What is **not** moving forward signals a positive message: the legislature remains willing to listen and work as partners with the business community on key issues. Below we have highlighted updates on a few key proposals from this week.

- **HB 203 (S1) – Noncompete Amendments** (Rep. T. Clancy) – **Update:** the bill was pulled from the House 3rd Reading Calendar and returned to the Rules Committee for the remainder of the session. The Sponsor has signaled that he has heard the concerns of the business community and will engage over the interim (May – November) with industry members to draft a proposal that protects workers from overreach and overenforcement.
- **HB 441 – Property Transaction Amendments** (Rep. J. Koford) – **Update:** the sponsor has indicated that she will likely not be pursuing this proposal this session.

Related People

- Cloe Nixon

Related Capabilities

- Mergers & Acquisitions
- Securities & Financial Services Litigation & Enforcement
- Government Enforcement & Corporate Investigations

- **HB 161 Property Tax Modifications – Update**: the sponsor has shared that she will not be pursuing this bill this session and would like to engage with industry over the interim to determine a feasible approach to adjusting property taxes moving forward.
- **R&D Decoupling – Update**: we have heard that the analysis of the revenue the state might expect from decoupling the state R&D expensing from the federal R&D expensing may not be as significant as proponents of the proposal had initially believed, making it a less attractive option. We will continue to monitor these discussions.

Legislative Trend: Regulating Online Commerce in the AI Age

Among other emerging legislative trends this session, we are closely tracking several bills that aim to establish regulations in the fast-evolving online commerce landscape targeting consumer data, online pricing, and the use of AI. Below we have highlighted several of the bills in this issue area. Below we have highlighted several of the bills on this issue.

- **HB 29 - Unfair and Deceptive Pricing Amendments** (Rep. T. Clancy | Sen. E. Vickers) – This bill: defines terms; prohibits hidden fees by requiring the clear and conspicuous disclosure of the total price in an offer or an advertisement for a product; directs the Division of Consumer Protection to administer and enforce the chapter; and grants the Division of Consumer Protection the power to impose a fine and seek court relief.
- **HB 438 – Artificial Intelligence Amendments** (Rep. D Fiefia) – This bill enacts the Companion Chatbot Safety Act to regulate operators of companion chatbots and protect consumers. This bill: defines terms; requires operators of companion chatbots to comply with the Utah Consumer Privacy Act; establishes disclosure and data protection requirements for operators; establishes additional safety requirements for operators serving minor users; authorizes rulemaking for age assurance and safe harbor standards; requires annual reporting by operators to the Office of Artificial Intelligence Policy; grants enforcement authority to the Division of Consumer Protection; provides for administrative fines and civil penalties; establishes safe harbor provisions for operators; and provides a severability clause.
- **SB 177 (S1) – Product Pricing Amendments** (Sen. S. Pitcher | Rep. T. Clancy) – This bill enacts provisions relating to algorithmic pricing. This bill: defines terms; provides that a supplier shall display disclaimer language when a supplier sues algorithmic pricing to set or display the price of a good or service; provides that disclaimer language does not apply to a loyalty, rewards, or promotional program; provides that the Division of Consumer Protection shall enforce the provisions this bill enacts; and makes technical changes.
- **SB 293 – Consumer Pricing Data Amendments** (Sen. H. Balderree | Rep. T. Clancy) – This bill: This bill: defines terms; enacts Title 13, Chapter 82, Consumer Pricing Act; provides that the Division of Consumer Protection (division) shall administer and enforce Title 13, Chapter 82, Consumer Pricing Act; subject to certain exceptions, provides that a supplier may not use a consumer's data to set the price of a good or a service; provides that a supplier may use a consumer's data to operate a loyalty program or offer discounts to the customer; provides that if a supplier uses an automatic pricing system, the supplier shall retain the data the automatic pricing system uses to set prices for at least three years; provides the enforcement mechanisms the division may use; and makes technical changes.

Other Bills We Are Watching

- **SB 280 – Damages Amendments (Sen. R. Winterton)** – This bill is viewed by some business and industry associations as a “responsible alternative” to **SB 211** – Tort Amendments (Sen. K. Cullimore), that addresses medical damages without undermining transparency.
- **SB 287 – Targeted Advertising Tax** (Sen. M. McKell) – this bill creates a new statewide tax on targeted digital advertising delivered in Utah by large advertising platforms and establishes a dedicated revenue stream to fund specified youth and community programs.
- **SB 254 – Critical Minerals Amendments** (Sen. A. Millner | Rep. D. Shallenberger) – This bill: facilitates faster permitting by the Department of Environmental Quality and the Division of Oil, Gas, and Mining; provides for the diversion of new growth from the mineral severance tax; defines terms; establishes the state critical minerals objectives and policy, including providing for annual reviews; creates the Critical Minerals Council (council), including establishing the council's operations, powers, and duties; addresses areas of coordination by certain council members; establishes a process to designate critical mineral zones, including providing for property tax differential revenue; provides for the creation of a clearinghouse of data to be known as the "Critical Minerals Atlas"; addresses the creation of the Minerals for Industrial, National, and Economic Security Center; creates the Critical Minerals Development Account; and makes technical and conforming amendments.

As always, we'd love to hear from you. Please reach out if you'd like to discuss any of the proposals we have highlighted or other bills that your company is tracking.