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Utah Legislative Update: Summer 2021

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The state of Utah found itself in a strong financial position as it closed the books on its latest fiscal year.

According to the Utah Tax Commissions TC-23 reports, the state ended FY2021 showing a 30.5% increase in revenues compared to the previous year. The increase exceeds projections given by state economists and displays that Utah has withstood the economic struggles of the COVID-19 pandemic fairly well.

While the increase in funds is welcome news (as it shows Utah's economy continues to be strong), the new revenue also comes with uncertainty. It is unclear right now if that new revenue is sustainable into the future or merely a reflection of the stimulus money given by the federal government. There is some concern that the state numbers look strong because those who received the stimulus dollars spent them, but since it is unlikely that there will be more similar stimulus programs, there will be less money to pump into the economy in the future. For this reason, even though some are calling for tax cuts, lawmakers appear to be in a "wait and see" mode for what Utah's budget will look like in years to come to determine if the large revenue increase is a one-time gain or the new normal for the state.

What will likely happen is some of the new revenue will be stocked away in Utah's "Rainy Day Funds" and much of the remainder will be spent to fund "one-time" projects in the 2022 session. There's a lot of time between now and the 2022 session, and how these revenues look at that time will be interesting to see.

Much like the rest of the state, Utah's legislature has taken an extended 2021 summer vacation. While the legislature traditionally has taken one month off to give staff and legislators a summer break, leadership opted to take two months off this year.

The main reason for this extended break is the unused time off legislative staff has accrued during the last year and half. During the COVID-19 pandemic, legislative staff has been tasked with overseeing the operations of an unprecedented amount of special sessions, a general legislative session, and numerous state budget adjustments. Staff has had little time off available to them. The time off is meant to give the crew at the Capitol a bit of down time to catch their breath, get to know their families again, and gear up for the final push of 2021 when lawmakers return to the Capitol in September.

There is at least one additional special session expected in 2021 that is slated to focus mostly on redrawing Utah's elected official district boundaries.

Throughout the fall, much of Utah's political discussion will focus on how Utah will redraw the boundaries for its elected officials. The redistricting process will redraw the boundaries for Utah's four U.S. Congressional House seats, the districts for the legislature, and the districts for the state school board. The redraw is to ensure that each district is equally represented at the various levels of government based on population.

During this process, two separate committees will be hosting public meetings to discuss Utah's new boundaries. There will be an independent redistricting commission which will hold public meetings and then send a final recommendation of boundaries to the legislature to consider. There will also be a legislative redistricting committee which will also hold public meetings to take input on how Utah's new boundaries should look and, in the end, will also make a recommendation to the legislature to consider.

In late fall, the legislature will meet in a special session to adopt new boundaries for these elected positions. The legislature is not bound to take the legislative committee's recommendation or the independent commissions recommendation. The final maps that will be approved will be the ones that garner enough support to pass the House, Senate, and be approved by the governor. It sounds simple and it should be, but ten years ago (when this was last done), the legislature met in a special session to adopt the new boundaries and ended up going into a recess for multiple weeks because the votes weren't there to approve the maps being considered at the time. Once new boundaries were drawn, the lawmakers came back into session and approved the current boundaries we have now.

Redistricting takes place once every ten years. The boundaries are redrawn following the every-ten-year counting process by the federal government known as the census. This year's redistricting process has been slowed down due to the pandemic and slowing the federal government's ability to release the census data needed to begin the process.