



Local “Taxation by Citation” in Utah

The Beehive State has adopted reforms intended to prevent local government from using law enforcement and courts to raise revenue, but opportunities for improvement remain.

The fundamental duties of law enforcement are to protect public safety and promote the fair administration of justice. Local government reliance on law enforcement and courts to generate revenue creates inappropriate incentives that undermine these core responsibilities.

Utah currently caps traffic fine revenue at 25% of a municipality’s general fund revenues, but the cap is high and too narrow.

- Any revenue collected above the cap must be remitted to the Utah Department of Transportation to fund improvements to locally maintained roads, and the State Auditor’s office reviews compliance annually.
- However, the cap applies narrowly to traffic fine revenue. It does not extend to non-traffic fines, court fees, forfeitures, or other monetary penalties. Capping fines and for features at 25% is also too permissive given that most local governments collect less than 1% of their budgets from fines and forfeitures.

Utah’s ban on police quotas lacks teeth.

- Utah banned formal police ticket quotas in 2018 (Utah Code § 77-7-27). In 2025, Senate Bill 243 extended it to cover promotion, compensation, discipline, and transfer decisions beyond direct orders to write more tickets. The 2025 reforms also created a complaint channel through the State Commission on Criminal and Juvenile Justice.
- However, Utah’s quota ban does not require investigations following complaints nor does it specify consequences or penalties for imposing quotas.

Lawmakers should address the weaknesses of the state’s current laws.

- Current policy could be improved upon by expanding the traffic fine revenue cap to cover all local government fines and forfeitures, lowering the threshold to 10% of general revenues, and attaching clear consequences for local governments that impose quotas on officers.

Local governments collecting more than 10% of general fund revenues from fines and forfeitures

Entity	General Fund Revenue	Fines & Forfeitures	Fines & Forfeitures as % of General Fund Revenue
Sunset City	3,335,654	500,634	15.01%
Mantua Town	1,653,836	215,204	13.01%
Nibley City	7,528,224	935,245	12.42%
Wellsville City	3,663,337	438,567	11.97%
Monticello City	2,691,014	276,395	10.27%

Source: Reason Foundation analysis of local government FY 2023 financial statements.

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