



Fiscal Note
2nd Sub. H.B. 385 (Gray)

2026 General Session
 Specialized Product Sales Amendments
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General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(2,100)	\$(400)	\$(2,500)

State Government

UCA 36-12-13(2)(c)

Revenues	FY 2026	FY 2027	FY 2028
Qualified Patient Enterprise Fund	\$0	\$1,680,000	\$1,680,000
Total Revenues	\$0	\$1,680,000	\$1,680,000

Enactment of this bill could generate \$1,680,000 ongoing from tobacco specialty business licenses into the Qualified Patient Enterprise Fund beginning in FY 2027.

Expenditures	FY 2026	FY 2027	FY 2028
General Fund	\$0	\$2,100	\$2,100
General Fund, One-time	\$400	\$0	\$0
Qualified Patient Enterprise Fund	\$0	\$1,680,000	\$1,680,000
Total Expenditures	\$400	\$1,682,100	\$1,682,100

Enactment of this legislation could cost the Department of Health and Human Services \$168,000 ongoing in FY 2027 from the Qualified Patient Enterprise Fund for nicotine and tobacco prevention. Additionally, it could cost \$400 one-time in FY 2026 and \$2,100 ongoing beginning in FY 2027 from the General Fund to manage additional workload managing the new funds. Enactment could also cost the Utah Department of Agriculture and Food \$1,512,000 ongoing in FY 2027 from the Qualified Patient Enterprise Fund for issuing the licenses, additional enforcement of specialized product regulation, and to expand and improve testing services.

	FY 2026	FY 2027	FY 2028
Net All Funds	\$(400)	\$(2,100)	\$(2,100)

Local Government

UCA 36-12-13(2)(c)

Enactment of this legislation likely will not result in direct, measurable costs for local governments.

Individuals & Businesses

UCA 36-12-13(2)(c)

Enactment of this bill may require business entities who are a retail tobacco specialty business to obtain a license from the Utah Department of Health and Human Services in the amount of \$600 annually; the aggregate estimated impact for businesses is \$1,680,000.

Regulatory Impact

UCA 36-12-13(2)(d)

Enactment of this legislation could result in a medium increase in the regulatory burden for Utah residents or businesses.

Performance Evaluation

JR1-4-601

This bill creates a new program or significantly expands an existing program. For a list of questions lawmakers might ask to improve accountability for the proposed program, please see: <https://budget.utah.gov/newprogram>

Notes on Notes

Fiscal explanations estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal explanation is not an appropriation. The Legislature decides appropriations separately.