



**Fiscal Note**  
**2nd Sub. H.B. 438 (Gray)**  
 2026 General Session  
 Artificial Intelligence Amendments  
 by Fiefia, Doug



**General, Income Tax, and Uniform School Funds**

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(146,200)	\$(41,600)	\$(187,800)

**State Government**

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

Revenues	FY 2026	FY 2027	FY 2028
Dedicated Credits Revenue	\$0	\$62,700	\$62,700
Commerce Service Account	\$0	\$146,200	\$146,200
Commerce Service Account, One-time	\$0	\$41,600	\$0
General Fund	\$0	\$(146,200)	\$(146,200)
General Fund, One-time	\$0	\$(41,600)	\$0
Consumer Protection Education & Training Fund	\$0	\$5,000	\$5,000
<b>Total Revenues</b>	<b>\$0</b>	<b>\$67,700</b>	<b>\$67,700</b>

Enactment of this legislation could increase dedicated credits revenue to the Attorney General's Internal Service Fund by \$62,700, ongoing beginning in FY 2027, paid by the Department of Commerce for enforcement of the bill's provisions. Enactment could also reduce revenue to the General Fund by \$41,600 one-time in FY 2026 and \$146,200 ongoing beginning in FY 2027, due to increased spending from the Commerce Service Account, as shown below. Spending from the Commerce Service Account reduces the year-end transfer to the General Fund. Enactment could increase revenue to the Consumer Protection Education and Training Fund by \$5,000, ongoing beginning in FY 2027, as a result of fines.

Expenditures	FY 2026	FY 2027	FY 2028
Dedicated Credits Revenue	\$0	\$62,700	\$62,700
Commerce Service Account	\$0	\$146,200	\$146,200
Commerce Service Account, One-time	\$0	\$67,600	\$0
Consumer Protection Education & Training Fund	\$0	\$5,000	\$5,000
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$281,500</b>	<b>\$213,900</b>

Enactment of this legislation could cost the Department of Commerce \$67,600 one-time in FY 2027 from the Commerce Service Account, \$83,500 ongoing beginning in FY 2027 from the Commerce Service Account, and \$5,000 ongoing beginning in FY 2027 from the Consumer Protection Education and Training Fund, to investigate potential violations of the bill's provisions. Enactment could also cost

the Department of Commerce \$62,700 from the Commerce Service Account to pay Attorney General Internal Service Fund costs for enforcement of the bill's provisions, and could cost the Attorney General's Office \$62,700 from Dedicated Credits collected from the Department of Commerce.

	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>
<b>Net All Funds</b>	<u>\$0</u>	<u>\$(213,800)</u>	<u>\$(146,200)</u>

**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)

Businesses that violate the bill's provisions could pay additional fines of up to \$2,500 per instance per day or \$50,000 per violation of an administrative or court order. Assuming two fines of \$2,500 each year, this bill could cost businesses \$5,000 ongoing beginning in FY 2027.

**Regulatory Impact**

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

Enactment of this legislation could result in a large 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.