



Fiscal Note
1st Sub. H.B. 505 (Buff)
 2026 General Session
 Vehicle Tax and Fee Amendments
 by Thurston, Norman K



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(1,900)	\$(64,500)	\$(66,400)

State Government

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

Revenues	FY 2026	FY 2027	FY 2028
Transportation Investment Fund of 2005	\$0	\$(431,000)	\$(431,000)
Transportation Investment Fund of 2005, One-time	\$0	\$216,000	\$0
Transportation Fund	\$0	\$(27,341,000)	\$(27,341,000)
Transportation Fund, One-time	\$0	\$14,180,000	\$0
Dept. of Public Safety Rest. Acct.	\$0	\$(2,000)	\$(2,000)
Dept. of Public Safety Rest. Acct., One-time	\$0	\$1,000	\$0
Motor Vehicle Safety Impact Restricted Account	\$0	\$(3,000)	\$(3,000)
Motor Vehicle Safety Impact Restricted Account, One-time	\$0	\$2,000	\$0
New Account Created By Bill (FN Only)	\$0	\$25,770,000	\$25,770,000
New Account Created By Bill (FN Only), One-time	\$0	\$(13,010,000)	\$0
Rural Transportation Infrastructure Fund	\$0	\$(83,000)	\$(83,000)
Rural Transportation Infrastructure Fund, One-time	\$0	\$41,000	\$0
Total Revenues	\$0	\$(660,000)	\$(2,090,000)

Enactment of this legislation could shift approximately \$259,000 one-time in FY 2027 and \$519,000 ongoing beginning in FY 2028 from various restricted accounts to the Transportation Fund due to the distribution structure for 24-month registration fee revenue. Impacted funds are the Rural Transportation Infrastructure Fund (FY 27: -\$42,000, FY 28: -\$83,000), the Transportation Investment Fund of 2005 (FY 27: -\$215,000, FY 28: -\$431,000), the Public Safety Restricted Account (FY 27: -\$1,000, FY 28: -\$2,000), and the Motor Vehicle Safety Impact Restricted Account (FY27: -\$1,000, FY28: -\$3,000).

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Enactment of this legislation could reduce registration fee revenue to the Transportation Fund by \$1.12 million one-time in FY 2027 and \$2.56 million ongoing beginning in FY 2028 due to the revised amounts for additional alternative fuel registration fees.

This bill could increase revenue to the newly created Motor Vehicle Division Restricted Account by \$12.76 million one-time in FY 2027 and \$25.77 million ongoing beginning in FY 2028 from regulatory fee revenue. Additionally, this bill could decrease revenue to the Transportation Fund by \$12.3 million one-time in FY 2027 and \$25.3 million ongoing beginning in FY 2028 from decreased regulatory fee revenue.

In aggregate, enactment of this legislation could reduce state revenues by \$660,000 one-time in FY 2027 and \$2.09 million ongoing beginning in FY 2028.

Expenditures	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>
Transportation Fund	\$0	\$(24,000,000)	\$(24,000,000)
Transportation Fund, One-time	\$0	\$12,000,000	\$0
General Fund	\$0	\$1,900	\$1,900
General Fund, One-time	\$25,700	\$38,800	\$0
New Account Created By Bill (FN Only)	\$0	\$24,000,000	\$24,000,000
New Account Created By Bill (FN Only), One-time	\$0	\$(12,000,000)	\$0
Total Expenditures	\$25,700	\$40,700	\$1,900

Enactment of this legislation could increase General Fund expenditures by \$900 one-time in FY 2026 and \$1,900 ongoing beginning in FY 2027 for the Department of Government Operations to create and maintain the Motor Vehicle Division Restricted Account. Enactment could increase expenditures for the Tax Commission by \$24,800 one-time in FY 2026 and \$38,800 one-time in FY 2027 to implement programming changes.

Enactment of this legislation decreases the ongoing Tax Commission appropriations by \$19.8 million from the General Fund and \$4.2 million from the Transportation Fund beginning in FY 2028. Additionally, this bill appropriates \$24 million ongoing from the newly created Motor Vehicle Division Restricted Account to the Tax Commission beginning in FY 2028 and \$19.8 million ongoing from the General Fund to the Transportation Investment Fund to offset the revenue loss to the Transportation Fund from the fee changes.

	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>
Net All Funds	\$(25,700)	\$(700,700)	\$(2,091,900)

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 legislation could decrease fees paid at registration by vehicle owners by approximately \$660,000 in FY 2027 and \$2.09 million ongoing beginning in FY 2028.

Regulatory Impact

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

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

Performance Evaluation

JR1-4-601

This bill does not create a new program or significantly expand an existing program.

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.