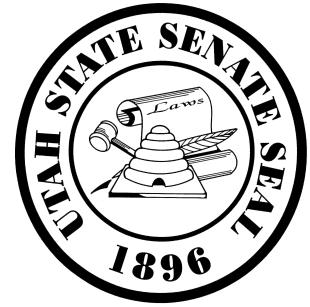




Fiscal Note
1st Sub. H.B. 507 (Buff)
2026 General Session
State Coordination of Regional and
Local Economic Development Projects
Amendments
by Roberts, Calvin



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(182,000)	\$(173,700)	\$(355,700)

State Government

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

Revenues	FY 2026	FY 2027	FY 2028
Waste Tire Recycling Fund	\$0	\$(31,000)	\$(31,000)
Marda Dillree Corridor Preservation Fund	\$0	\$(77,000)	\$(77,000)
Used Oil Administration (GFR)	\$0	\$(5,000)	\$(5,000)
New Account Created By Bill (FN Only)	\$0	\$21,258,000	\$21,258,000
Total Revenues	\$0	\$21,145,000	\$21,145,000

To the extent that local government funds may be deposited into state accounts, enactment of this legislation could increase administrative fee revenue from existing levies to the State Reinvestment Restricted Account by \$21,258,000 ongoing beginning in FY 2027 from increasing the rate assessed to administer tax collections to 1.5%. Increasing the administrative fee rate could decrease revenues to 1) the Marda Dillree Corridor Preservation Fund by \$77,000 ongoing beginning in FY 2027, 2) the Waste Tire Recycling Fund by \$31,000 ongoing beginning in FY 2027, and 3) the Used Oil Collection Administration Account by \$5,000 ongoing beginning in FY 2027.

To the extent counties levy an energy excise tax of up to 6% on the delivered value of energy to a large load consumer or qualified data center, enactment of this legislation could affect state revenues from energy excise tax in three ways: 1) administrative charge fee revenue to the Tax Commission could increase by 0.80% of both the county and state portions (100%) of energy excise tax revenue ongoing; however, the aggregate amount of this administrative fee revenues to the Tax Commission from the energy excise tax is unknown, 2) administrative fee revenue to the State Reinvestment Restricted Account could increase by 0.70% of the county portion (90%) of energy excise tax revenue ongoing, and 3) the remaining state portion (99.2%) of the state portion (10%) of the energy excise tax revenue ongoing; the aggregate amount of administrative charge revenue as well as the state portion to the State Reinvestment Restricted Account revenue from the energy excise tax is unknown.

To the extent that property tax differential occurs within a Utah Inland Port Authority project area adopted after September 30, 2026, enactment of this legislation could increase contributions to the State Reinvestment Restricted Account by an unknown amount ongoing beginning in FY 2027 from Utah Inland Port Authority tax increment revenue being contributed; the aggregate amount is

unknown. To the extent that private entities rely on Utah Inland Port Authority funding or remediated land for development, this bill could increase contributions to the State Reinvestment Restricted Account as a flat amount or percentage of profits paid to the Utah Inland Port Authority.

To the extent the increment authorization committee authorizes increments for a regionally significant development zone, enactment of this legislation could increase contribution revenue to the State Reinvestment Restricted Account by an unknown amount ongoing beginning in FY 2027 from a regionally significant development zone where the increment financing committee authorized a contribution rate of 5% to 25% of property tax increment received. The aggregate amount of these contributed revenues to the account is unknown.

To the extent that bonds are issued by an infrastructure financing district or community reinvestment agency for a regionally significant development zone, enactment of this legislation could result in forgone revenue to the Income Tax Fund to the extent interest on the bonds and income from the bonds would otherwise be taxable, and to the extent investors in these bonds would otherwise have invested in taxable securities. The aggregate impact is unknown and would be dependent on the amount of bonds issued, bond terms, interest rates, when the bonds are bought and sold, and other factors.

Expenditures	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>
State Tax Commission	\$0	\$106,100	\$106,100
Administrative Charge Account (GFR)			
State Tax Commission	\$19,700	\$31,000	\$0
Administrative Charge Account (GFR), One-time			
General Fund	\$0	\$182,000	\$182,000
General Fund, One-time	\$25,900	\$140,000	\$140,000
Income Tax Fund, One-time	\$0	\$7,800	\$0
Total Expenditures	\$45,600	\$466,900	\$428,100

Enactment of this legislation could cost the Governor's Office of Economic Opportunity \$172,300 ongoing from beginning in FY 2027, \$25,000 one-time in FY 2026, and \$140,000 one-time in FY 2027 and FY 2028 from the General Fund for personnel and support costs.

Enactment of this legislation could cost the Tax Commission \$106,100 ongoing beginning in FY 2027, \$2,600 one-time in FY 2026, and \$31,000 one-time in FY 2027 from the State Tax Commission Administrative Charge Account as well as \$7,800 one-time in FY 2027 from the Income Tax Fund for personnel services.

Enactment of this legislation could cost the Department of Government Operations \$1,900 ongoing beginning in FY 2027 and \$900 one-time in FY 2026 from the General Fund for account creation and maintenance.

Enactment of this legislation could cost the Senate \$1,000, the House of Representatives \$1,000, and the Office of the Legislative Fiscal Analyst \$5,800, all ongoing from the General Fund beginning in FY 2027, for reimbursement of members of increment authorization committees and staff support. The Office of the Legislative Fiscal Analyst can absorb the \$5,800 cost.

	FY 2026	FY 2027	FY 2028
Net All Funds	\$(45,600)	\$20,678,100	\$20,716,900

Local Government

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

To the extent that property tax differential occurs within a Utah Inland Port Authority project area adopted after September 30, 2026, this bill may result in forgone tax differential revenue of 1% to 5% to Utah Inland Port Authority from contributions to the State Reinvestment Restricted Account. To the extent that private entities rely on Utah Inland Port Authority funding or remediated land for development, this bill may result in forgone revenue as a flat amount or percentage of profits paid to the Utah Inland Port Authority from contributions to the State Reinvestment Restricted Account.

To the extent a county levies an energy excise tax of up to 6% on the delivered value of energy to a large load consumer or qualified data center, enactment of this legislation could increase excise tax revenue to a county by 90% of the excise tax revenue generated. Additionally, enactment of this legislation could reduce counties' portion of energy excise tax revenue by 1.5% ongoing for the Tax Commission's administrative charge. The aggregate amount of these revenues is unknown.

Enactment of this legislation could decrease tax revenue to local governments by \$21,145,000 ongoing beginning in FY 2027 from increasing the rate assessed to administer tax collections to 1.5% on existing levies, which excludes the Energy Excise Tax impacts discussed prior to this.

To the extent the increment authorizing committee authorizes increments for a regionally significant development zone, enactment of this legislation could increase increment revenue from property taxes to a community reinvestment agency managing the zone, while other taxing entities forgo up to 70% of the increment property taxes and all personal property tax revenue; the aggregate amount of these revenues is unknown.

To the extent a creating entity proposes a regionally significant development zone, enactment of this legislation could cost a creating entity an unknown amount one-time per zone proposal to analyze the proposal's impact, and if authorized, track and report on revenue collections; the aggregate amount of these costs is unknown.

To the extent a creating entity approves a regionally significant development zone, enactment of this legislation could cost a community redevelopment agency an unknown ongoing amount from regionally significant development zone funds for administration, reporting, financing, audit services, development, reimbursements, financing district cost, and remittance of tax increment to the State Reinvestment Restricted Account; the aggregate amount of these costs is unknown.

To the extent that a public infrastructure district is dissolved, revenues and costs could increase to its creating entity as project assets that were developed and maintained are transferred from the public infrastructure district; the aggregate impact of these transfers is unknown.

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Individuals & Businesses

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

To the extent a county levies an energy excise tax, this bill could cost a large load customer or qualifying data center up to an additional 6% on the delivered value of energy received. This amount could be reduced by the amount of a municipal energy sales and use tax levied by a regional economic development authority.

To the extent that bonds are issued by an infrastructure financing district or community reinvestment agency for a regionally significant development zone, and to the extent that investors invest in these bonds, enactment of this legislation exempts bonds issued by the agency from state taxes and could result in investors paying less tax on their investment. The aggregate impact is unknown and would depend on the amount of bonds issued, bond terms, interest rates, when the bonds are bought and sold, and other factors.

Regulatory Impact

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

Enactment of this legislation could result in a small increase in 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.