Fiscal Note
2nd Sub. H.B. 596 (Gray)

2026 General Session
Homelessness Amendments
by Eliason, Steve

General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	$(5,700)	$(4,800)	$(10,500)

State Government

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

Revenues	*FY 2026*	*FY 2027*	*FY 2028*
Homeless Shelter Cities Mitigation Restricted Account (GFR)	$0	$5,754,000	$5,754,000
Homeless Shelter Cities Mitigation Restricted Account (GFR), One-time	$0	$(5,754,000)	$(4,979,000)
Total Revenues	$0	$0	$775,000

Enactment of this legislation modifies the local sales tax contribution to the Homeless Shelter Cities Mitigation Restricted Account by increasing both the percentage of certain sales tax revenues deducted and the maximum deduction cap. Impacts on state revenues will not begin until CY 2028, as calendar year deductions are calculated using data from the prior fiscal year. It is estimated that this bill will increase state sales tax revenue distributed to the Homeless Shelter Cities Mitigation Restricted Account by approximately $775,000 in FY 2028 and $5,754,000 in FY 2029.

Expenditures	*FY 2026*	*FY 2027*	*FY 2028*
General Fund	$0	$5,700	$5,700
General Fund, One-time	$4,800	$0	$0
Total Expenditures	$4,800	$5,700	$5,700

Enactment of this legislation could cost the Tax Commission $3,900 one-time from the General Fund in FY 2026 for system updates and testing. Enactment of this legislation could also cost the Department of Government operations $900 one-time in FY 2026 and $1,900 ongoing beginning in FY 2027 from the General Fund to set up and maintain a new restricted account. Finally, enactment of this legislation could cost the Department of Health and Human Services $3,800 ongoing from the General Fund beginning in FY 2027 to support operations related to homelessness.

	FY 2026	*FY 2027*	*FY 2028*
Net All Funds	$(4,800)	$(5,700)	$769,300

Local Government

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

Enactment of this legislation modifies the local sales tax contribution to the Homeless Shelter Cities Mitigation Restricted Account by increasing both the percentage of certain sales tax revenues deducted and the maximum deduction cap. Impacts on local distributions will not begin until CY 2028, as calendar year deductions are calculated using data from the prior fiscal year. It is estimated that this bill will reduce sales tax revenue distributed to local governments by approximately $775,000 in FY 2028 and $5,754,000 in FY 2029. While impacts vary by municipality, the maximum estimated annual reduction for a single locality is $241,000.

Individuals & Businesses

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

Enactment of this legislation likely will not result in direct expenditures from tax or fee changes for Utah residents and businesses.

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.