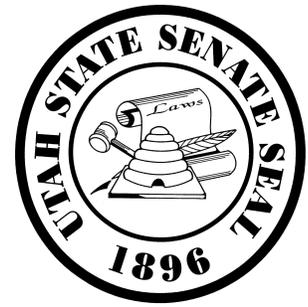




Fiscal Note

S.B. 65

2026 General Session
 Minimum Basic Tax Rate Amendments
 by Fillmore, Lincoln



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(886,888,000)	\$(900)	\$(886,888,900)

State Government

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

Revenues	FY 2026	FY 2027	FY 2028
New Account Created By Bill (FN Only)	\$0	\$886,842,700	\$886,842,700
Total Revenues	\$0	\$886,842,700	\$886,842,700

Enactment of this legislation creates the Minimum Basic Tax Special Revenue Fund for deposits of property tax revenues from school districts, as outlined in the bill. Estimates for FY 2027 indicate that the fund will likely receive \$886,842,700 in property tax revenue deposits.

Expenditures	FY 2026	FY 2027	FY 2028
Uniform School Fund	\$0	\$886,842,700	\$886,842,700
General Fund	\$0	\$45,300	\$45,300
General Fund, One-time	\$900	\$0	\$0
Total Expenditures	\$900	\$886,888,000	\$886,888,000

Enactment of this bill may cost the State Board of Education \$886,842,700 ongoing from the Uniform School Fund beginning in FY 2027 to school districts through the Minimum School Program - Basic School Program as outlined in the bill. Further, enactment of this bill may cost the Department of Government Operations - Division of Finance \$900 one-time in FY 2026 and \$1,900 ongoing beginning in FY 2027 from the General Fund to establish and maintain the expendable revenue fund created in the bill. The Office of the State Auditor may see costs of \$43,400 from the General Fund beginning in FY 2027 to set up and maintain audit procedures with school districts.

	FY 2026	FY 2027	FY 2028
Net All Funds	\$(900)	\$(45,300)	\$(45,300)

Local Government

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

Assuming monthly transfer of property tax revenue to the state and subsequent allocation of funding to the school districts occur within 35 days as outlined in the bill, enactment of this legislation likely will not result in direct, measurable costs for most school districts. A school district that generates more revenue from its basic property tax levy than the cost of its weighted pupil units may see reduced interest earnings because it will no longer retain excess funds for the remaining months of the fiscal

year. This amount will vary depending on the excess amount generated, often called "recapture", and the length of time the district would have otherwise earned interest on the funds. Assuming an excess revenue amount of \$25 million, the estimated monthly loss of interest revenue is approximately \$85,000.

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 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.