



Fiscal Note
2nd Sub. S.B. 164 (Salmon)
 2026 General Session
 School Construction Amendments
 by Wilson, Chris H.



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(1,900)	\$(900)	\$(2,800)

State Government

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

Revenues	FY 2026	FY 2027	FY 2028
New Account Created By Bill (FN Only)	\$0	\$1,400,900	\$1,400,900
Total Revenues	\$0	\$1,400,900	\$1,400,900

Enactment of this legislation could generate ongoing revenue beginning in FY 2027 to the Public School Construction Oversight Restricted Account created in this bill from fees or penalties paid by school districts to the Division of Facilities Construction and Management (DFCM) for their services. The bill directs DFCM to develop and set these fees according to rule and subject to approval by a rate committee. The proposed rates would be as follows: (1) Projects with a budget of \$0 - \$99,999, 2% (max \$2,000); (2) Projects with a budget of \$100,000 - \$499,999, \$2,000 + .18% over \$100,000 (\$2,700 max); (3) Projects with a budget of \$500,000 - \$2,499,999, \$2,700 + .18% over \$500,000 (\$6,300 max); (4) Projects with a budget of \$2,500,000 - \$9,999,999, \$6,300 + .15% over \$2,500,000 (\$21,300 max); (5) Projects with a budget of \$10,000,000 - \$49,999,999, \$21,300 + .13% over \$10,000,000 (\$52,000 max); and (6) Projects with a budget of greater than \$50,000,000, \$52,000 + .11% over \$50,000,000 (\$107,000 max). Revenues collected by DFCM for managing projects will vary based on the size of the project and the services provided. Based on prior construction expenditures for school districts, revenue to the new fund could be \$1,400,900 in FY 2027.

Expenditures	FY 2026	FY 2027	FY 2028
General Fund	\$0	\$1,900	\$1,900
General Fund, One-time	\$900	\$0	\$0
New Account Created By Bill (FN Only)	\$0	\$1,400,900	\$1,400,900
Total Expenditures	\$900	\$1,402,800	\$1,402,800

Enactment of this legislation could cost the Department of Government Operations \$900 one-time in FY 2026 and \$1,900 ongoing in FY 2027, both from the General Fund, for costs related to creating and maintaining the restricted account proposed in this bill. Enactment of this legislation could also cost the Division of Facilities and Construction Management \$1,400,900 ongoing beginning in FY 2027 from the Public School Construction Oversight Restricted Account for costs related to oversight of local school district building projects.

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	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>
Net All Funds	<u>\$ (900)</u>	<u>\$ (1,900)</u>	<u>\$ (1,900)</u>

Local Government

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

Enactment of this legislation could increase costs for Local Education Agencies (LEAs) to the extent they use Division of Facilities Construction and Management project managers for their construction projects and pay construction oversight fees set by the division based on the level of services used, which in aggregate could be \$1,400,900 beginning in FY 2027. Penalties in the legislation range from \$1,000 to \$25,000.

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 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.