



Fiscal Note
2nd Sub. S.B. 242 (Salmon)
 2026 General Session
 Transportation Amendments
 by Harper, Wayne A.



General, Income Tax, and Uniform School Funds

JR4-4-101

| | Ongoing | One-time | Total |
|----------------------------|---------|-----------|-----------|
| Net GF/ITF/USF (rev.-exp.) | \$0 | \$(7,800) | \$(7,800) |

State Government

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

| Revenues | FY 2026 | FY 2027 | FY 2028 |
|---|------------|----------------------|------------------|
| County of First Class Highway Projects Fund | \$0 | \$(19,550,000) | \$(19,550,000) |
| County of First Class Highway Projects Fund, One-time | \$0 | \$19,550,000 | \$19,550,000 |
| Transportation Fund | \$0 | \$1,006,000 | \$1,006,000 |
| Transportation Fund, One-time | \$0 | \$(816,000) | \$(522,000) |
| Transit Transportation Investment Fund | \$0 | \$(27,950,000) | \$(27,950,000) |
| Transit Transportation Investment Fund, One-time | \$0 | \$325,950,000 | \$27,950,000 |
| Total Revenues | \$0 | \$298,190,000 | \$484,000 |

Enactment of this legislation could increase revenues to the Transportation Fund by \$190,000 in FY 2027, \$484,000 in FY 2028, \$619,000 in FY 2029, \$788,000 in FY 2030, and \$1,006,000 in FY 2031 due to the increase in the Road Usage Charge Program cap for commercial electric vehicles over 6,001 pounds.

This bill could also decrease revenues to the County of the First Class Highway Projects Fund by \$19,550,000 ongoing beginning in FY 2031 due to the reallocation of local option sales tax funding. The bill could decrease revenues to the Transit Transportation Investment Fund by \$27,950,000 ongoing beginning in FY 2031 due to reallocation of local option sales tax funding.

This could also deposit into the Transit Transportation Investment Fund \$298,000,000 one-time in FY 2027 from general obligation bond proceeds for FrontRunner double tracking.

| Expenditures | FY 2026 | FY 2027 | FY 2028 |
|--|---------|-------------|-------------|
| Transportation Investment Fund of 2005 | \$0 | \$(225,000) | \$(225,000) |
| State Tax Commission Administrative Charge Account (GFR), One-time | \$3,900 | \$0 | \$0 |
| Transportation Fund | \$0 | \$(75,000) | \$(75,000) |

| | | | |
|--|----------------|--------------------|--------------------|
| Transportation Fund, One-time | \$0 | \$310,000 | \$0 |
| General Fund, One-time | \$0 | \$7,800 | \$0 |
| Transit Transportation Investment Fund | \$0 | \$9,467,000 | \$9,467,000 |
| Transit Transportation Investment Fund, One-time | \$0 | \$(6,467,000) | \$0 |
| Total Expenditures | \$3,900 | \$3,017,800 | \$9,167,000 |

Enactment of this legislation could increase the Tax Commission's expenditures by \$3,900 one-time from the State Tax Commission Administrative Charge Account in FY 2026 and \$7,800 one-time from the General Fund in FY 2027 for tax system updates.

This bill could decrease the Department of Transportation's expenditures from the Transportation Fund by \$50,000 ongoing beginning in FY 2027 due to the repeal of the Salt Lake City study. This bill could also increase the Department of Transportation's expenditures from the Transportation Fund by \$250,000 one-time in FY 2027 to review three traffic mitigation studies.

This bill could also increase the Department of Transportation's expenditures from the Transportation Fund by \$60,000 one-time in FY 2027 for registration system updates for the Road Usage Charge program.

This bill could also decrease the Department of Transportation's expenditures from the Transportation Investment Fund by \$225,000 ongoing beginning in FY 2027 and \$25,000 ongoing from the Transportation Fund beginning in FY 2027 due to affidavit exemptions.

This bill could increase the Department of Transportation's expenditures from the Transit Transportation Investment Fund by up to \$3.0 million one-time beginning in FY 2027 for public transit bus replacements.

This could also increase the Department of Transportation's expenditures from the County of the First Class Highway Projects Fund by \$2,750,000 one-time in FY 2027 for a grant to the City of Midvale for improvements to Center Street between State Street and Bingham Junction Boulevard and a grant to the City of Taylorsville and \$2,250,000 one-time in FY 2027 for a grant to the City of Taylorsville for improvements to 5313 South to lift station and corresponding improvements between Bangerter Highway and 4015 West. This bill could also decrease the Department of Transportation's expenditures from the County of the First Class Highway Projects Fund by \$5,000,000 one-time in FY 2027 by eliminating the loan to the City of Herriman for mitigation and replacement of impacted soils, making this net neutral.

Enactment of this legislation authorizes the Department of Transportation to increase issuance of general obligation bonds from \$232,000,000 to \$530,000,000 (plus direct issue costs) for double tracking of FrontRunner. Assuming equal annual payments, interest rates of around 3 percent, and a single bond maturity of 15 years, enactment could increase currently authorized debt service costs by about \$9,467,000 annually for 15 years beginning in FY 2028 from the Transit Transportation Investment Fund, backed out one-time in FY 2027.

| | <i>FY 2026</i> | <i>FY 2027</i> | <i>FY 2028</i> |
|----------------------|------------------|----------------------|----------------------|
| Net All Funds | \$(3,900) | \$295,172,200 | \$(8,683,000) |

Local Government

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

Enactment of this legislation could increase local option sales tax revenue to Utah County by \$8,400,000 ongoing beginning in FY 2027 and to Salt Lake County by \$39,100,000 ongoing beginning in FY 2031 due to the reallocation of local option sales tax. This could also increase expenditures for counties of the second class which impose a sales and use tax by an unknown amount, beginning in FY 2027, to be used for public safety purposes. This could increase revenues to the City of Midvale by \$2,750,000 for improvements to Center Street between State Street and Bingham Junction Boulevard, and to the City of Taylorsville by \$2,250,000 for improvements to 5313 South to lift station and corresponding improvements between Bangerter Highway and 4015 West. This bill could also decrease revenue to the City of Herriman by \$5,000,000 one-time in FY 2027 by eliminating the loan for mitigation and replacement of impacted soils.

Individuals & Businesses

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

Enactment of this legislation could increase the Road Usage Charge Program cap for businesses by \$321.25 per commercial electric vehicle over 6,001 pounds beginning in FY 2027, generating an aggregate of approximately \$190,000 in FY 2027 and \$484,000 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.