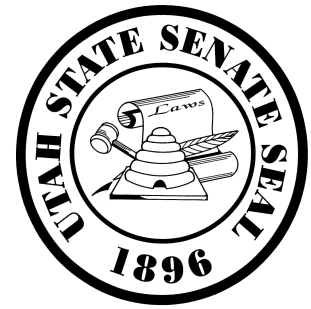




Fiscal Note

S.B. 309

2026 General Session
 Single-family Home Rental Modifications
 by Johnson, John D.



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(322,300)	\$(609,300)	\$(931,600)

State Government

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

Revenues	FY 2026	FY 2027	FY 2028
Commerce Service Account	\$0	\$153,800	\$153,800
Commerce Service Account, One-time	\$0	\$102,700	\$0
New Account Created By Bill (FN Only)	\$0	\$37,846,200	\$37,846,200
New Account Created By Bill (FN Only), One-time	\$6,300,000	\$(102,700)	\$0
Total Revenues	\$6,300,000	\$38,000,000	\$38,000,000

Enactment of this legislation could increase revenue to the Housing Transition Redevelopment Fund by \$38,000,000 ongoing beginning in FY 2027, and \$6,300,000 one-time in FY 2026 due to the new tax imposed on property owners. About \$153,800 ongoing beginning in FY 2027 and \$102,700 one-time in FY 2027 could be transferred to the Commerce Service Account to cover the Division of Real Estate's cost in administering the registration system.

Expenditures	FY 2026	FY 2027	FY 2028
Commerce Service Account	\$0	\$153,800	\$153,800
Commerce Service Account, One-time	\$0	\$102,700	\$0
General Fund	\$0	\$322,300	\$322,300
General Fund, One-time	\$19,300	\$590,000	\$0
New Account Created By Bill (FN Only)	\$0	\$38,000,000	\$38,000,000
Total Expenditures	\$19,300	\$39,168,800	\$38,476,100

Enactment of this legislation could cost the Division of Finance \$1,900 ongoing from the General Fund beginning in FY2027 and \$900 one-time from the General Fund in FY 2026 to create a new fund for the new tax to be deposited into.

This legislation could also cost the Tax Commission \$215,400 ongoing from the General Fund beginning in FY 2027, \$18,400 one-time from the General Fund in FY 2026, and \$590,000 one-time

in FY 2027 for staff support and system updates to account for the new tax and to update data on housing units.

Additionally, enactment of this legislation could cost the Department of Commerce \$153,800 ongoing from the Commerce Service Account beginning in FY 2027 and \$102,700 one-time from the Commerce Service Account in FY 2027 for staff support and system updates to monitor the new rental registration system.

Enactment of this legislation could cost the Governor's Office of Economic Opportunity (GOEO) \$38,000,000 ongoing from the newly created Housing Transition Redevelopment Fund beginning in FY 2027 as pass-through grants due to the new grant program created in this bill. Additionally, this legislation could increase costs to GOEO by \$105,000 ongoing from the General Fund beginning in FY 2027 to manage the new grant program.

	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>
Net All Funds	<u>\$6,280,700</u>	<u>\$(1,168,800)</u>	<u>\$(476,100)</u>

Local Government

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

Enactment of this legislation could cost local governments \$27,000 ongoing beginning in FY 2027 for implementation of the new required reporting to the county assessors.

Individuals & Businesses

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

Enactment of this legislation could require property owners with 25 or more single-family units to pay a per-unit tax of between \$2,000 and \$6,000. This tax is estimated to generate around \$75 million in additional revenue to the newly created Housing Transition Redevelopment Fund.

Additionally, enactment of this legislation could cause property owners who fail to register their property to pay a \$100 penalty per month that their property remains unregistered, though the aggregate amount is unknown.

Regulatory Impact

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

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