

**Public Safety Funding Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor:

**LONG TITLE****General Description:**

This bill modifies provisions related to funding for public safety employees.

**Highlighted Provisions:**

This bill:

- changes the amount of revenue transferred to the Utah State Retirement Office (office) from the insurance premiums tax and used to pay for certain firefighter retirement programs;
- clarifies and amends the purposes for which the office must use the revenue;
- directs the office to inform the Executive Appropriations Committee when the Legislature can further reduce the amount of insurance premiums tax revenue the office receives;
- provides that the Division of Finance will annually transfer a specified amount of insurance premiums tax revenue into the Motor Vehicle Safety Impact Restricted Account to be used to hire new Highway Patrol troopers;
- provides that the Legislature may appropriate additional money from the Transportation Fund to the Department of Public Safety for the purpose of hiring new Highway Patrol troopers;
- repeals obsolete language; and
- makes technical and conforming changes.

**Money Appropriated in this Bill:**

This bill appropriates \$5,000,000 in operating and capital budgets for fiscal year 2027, all of which is from the various sources as detailed in this bill.

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**49-11-901.5**, as enacted by Laws of Utah 2011, Chapters 290, 439

**53-8-214**, as last amended by Laws of Utah 2025, Chapter 271

31 **59-9-101**, as last amended by Laws of Utah 2025, First Special Session, Chapter 9  
 32 **72-2-103**, as last amended by Laws of Utah 2017, Chapter 96

33 REPEALS:

34 **49-11-902**, as last amended by Laws of Utah 2011, Chapters 290, 439  
 35 **49-11-903**, as last amended by Laws of Utah 2022, Chapter 451

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37 *Be it enacted by the Legislature of the state of Utah:*

38 Section 1. Section **49-11-901.5** is amended to read:

39 **49-11-901.5 . Premium tax revenues -- Distribution.**

40 (1)~~(a) In~~ Beginning fiscal year 2027 and in accordance with this section, there shall be  
 41 paid to the office:

42 ~~[(i) (a) [50% of] the first \$4,000,000 collected from the annual tax levied, assessed, and~~  
 43 ~~collected under Title 59, Chapter 9, Taxation of Admitted Insurers, upon premiums~~  
 44 ~~for property insurance, as defined under Section 31A-1-301, and as applied to fire~~  
 45 ~~and allied lines insurance collected by insurance companies within the state; and~~

46 ~~[(ii) (b) [10% of all money assessed and] the first \$1,000,000 collected under Title 59,~~  
 47 ~~Chapter 9, Taxation of Admitted Insurers, upon premiums for life insurance, as~~  
 48 ~~defined in Section 31A-1-301, within the state.~~

49 ~~[(b) Payments to the fund shall be made annually until the service liability under this~~  
 50 ~~part is liquidated, after which the tax revenue provided in this Subsection (1) ceases.]~~

51 ~~[(2) The office shall distribute the premium tax revenue paid under Subsection (1) as~~  
 52 ~~follows:]~~

53 ~~[(a) an amount determined by the office to fully fund the long-term disability program~~  
 54 ~~provided for firefighters under Section 49-23-601;]~~

55 ~~[(b) an amount determined by the office to the Firefighters' Retirement Trust Fund~~  
 56 ~~created under Section 49-16-104 equal to the amount when calculated as a percentage~~  
 57 ~~of the certified contribution rate for members in Divisions A and B, as defined under~~  
 58 ~~Section 49-16-301, that is the percentage of the certified contribution rate paid to the~~  
 59 ~~Firefighters' Retirement Trust Fund on July 1, 2004; and]~~

60 ~~[(c) any remaining amount in accordance with Section 49-11-902.]~~

61 (2)(a) The office shall use the revenue described in Subsection (1) to fund:

62 (i) the long term disability program provided for firefighters under Section 49-23-601,  
 63 until the program is fully funded; and

64 (ii) the Firefighters' Retirement Trust Fund created in Section 49-16-104 until the

65 actuarial funded ratio of the Firefighters' Retirement System created in Section  
 66 49-16-103 reaches and can be maintained at 110%, as determined by the board's  
 67 actuary using assumptions adopted by the board.

68 (b) The office shall annually determine the amount distributed for each purpose under  
 69 Subsection (2)(a), including, for the distribution under Subsection (2)(a)(i), the  
 70 apportionment between Division A and B as defined in Section 49-16-301.

71 (3) The office shall inform the Executive Appropriations Committee when the office:

72 (a) determines that the amounts described in Subsection (1) exceed the amount needed  
 73 for the purposes described in Subsection (2)(a); and

74 (b) recommends the Legislature reduce one or both of the amounts described in  
 75 Subsection (1).

76 Section 2. Section **53-8-214** is amended to read:

77 **53-8-214 . Creation of the Motor Vehicle Safety Impact Restricted Account.**

78 (1) There is created a restricted account within the General Fund known as the Motor  
 79 Vehicle Safety Impact Restricted Account.

80 (2) The account includes:

81 (a) deposits made to the restricted account from registration fees as described in  
 82 Subsection 41-1a-1201(7);

83 (b) deposits into the account as described in Section 41-1a-1211;

84 (c) amounts transferred in accordance with Subsection 59-9-101(10);

85 ~~[(e)]~~ (d) donations or deposits made to the account; and

86 ~~[(d)]~~ (e) any interest earned on the account.

87 (3)(a) ~~[Upon]~~ Subject to Subsection (3)(b), upon appropriation, the division may use  
 88 funds in the account to improve motor vehicle safety, mitigate impacts, and enforce  
 89 safety provisions, including the following:

90 ~~[(a)]~~ (i) hiring new Highway Patrol troopers;

91 ~~[(b)]~~ (ii) payment of overtime for Highway Patrol troopers; and

92 ~~[(e)]~~ (iii) acquisition of equipment to improve motor vehicle safety impacts and  
 93 enforcement.

94 (b) The division may not use money transferred into the account in accordance with  
 95 Subsection 59-9-101(10) for a purpose other than the purpose described in  
 96 Subsection (3)(a)(i).

97 (4) The division shall annually report to the Criminal Justice Appropriations Subcommittee  
 98 to justify expenditures and use of funds in the account.

99 Section 3. Section **59-9-101** is amended to read:

100 **59-9-101 . Tax basis -- Rates -- Exemptions -- Rate reductions.**

101 (1)(a) Except as provided in Subsection (1)(b), (1)(d), or (5), an admitted insurer shall  
102 pay to the commission on or before March 31 in each year, a tax of 2.25% of the total  
103 premiums received by admitted insurer during the preceding calendar year from  
104 insurance covering property or risks located in this state.

105 (b) This Subsection (1) does not apply to:

106 (i) workers' compensation insurance, assessed under Subsection (2);

107 (ii) title insurance premiums taxed under Subsection (3);

108 (iii) annuity considerations;

109 (iv) insurance premiums paid by an institution within the state system of higher  
110 education as specified in Section 53H-1-102; and

111 (v) ocean marine insurance.

112 (c) The taxable premium under this Subsection (1) shall be reduced by:

113 (i) the premiums returned or credited to policyholders on direct business subject to  
114 tax in this state;

115 (ii) the premiums received for reinsurance of property or risks located in this state;  
116 and

117 (iii) the dividends, including premium reduction benefits maturing within the year:

118 (A) paid or credited to policyholders in this state; or

119 (B) applied in abatement or reduction of premiums due during the preceding  
120 calendar year.

121 (d)(i) For purposes of this Subsection (1)(d):

122 (A) "Utah variable life insurance premium" means an insurance premium paid:

123 (I) by:

124 (Aa) a corporation; or

125 (Bb) a trust established or funded by a corporation; and

126 (II) for variable life insurance covering risks located within the state.

127 (B) "Variable life insurance" means an insurance policy that provides for life  
128 insurance, the amount or duration of which varies according to the investment  
129 experience of one or more separate accounts that are established and  
130 maintained by the insurer pursuant to Title 31A, Insurance Code.

131 (ii) Notwithstanding Subsection (1)(a), beginning on January 1, 2006, the tax on that  
132 portion of the total premiums subject to a tax under Subsection (1)(a) that is a

- 133 Utah variable life insurance premium shall be calculated as follows:
- 134 (A) 2.25% of the first \$100,000 of Utah variable life insurance premiums:
- 135 (I) paid for each variable life insurance policy; and
- 136 (II) received by the admitted insurer in the preceding calendar year; and
- 137 (B) .08% of the Utah variable life insurance premiums that exceed \$100,000:
- 138 (I) paid for the policy described in Subsection (1)(d)(ii)(A); and
- 139 (II) received by the admitted insurer in the preceding calendar year.
- 140 (2)(a) An admitted insurer writing workers' compensation insurance in this state shall
- 141 pay to the tax commission, on or before March 31 in each year, a premium
- 142 assessment on the basis of the total workers' compensation premium income received
- 143 by the insurer from workers' compensation insurance in this state during the
- 144 preceding calendar year as follows:
- 145 (i) on or before December 31, 2010, an amount of equal to or greater than 1%, but
- 146 equal to or less than 5.75% of the total workers' compensation premium income
- 147 described in this Subsection (2);
- 148 (ii) on and after January 1, 2011, but on or before December 31, 2022, an amount of
- 149 equal to or greater than 1%, but equal to or less than 4.25% of the total workers'
- 150 compensation premium income described in this Subsection (2); and
- 151 (iii) on and after January 1, 2023, an amount equal to 1.25% of the total workers'
- 152 compensation premium income described in this Subsection (2).
- 153 (b) Total workers' compensation premium income means the net written premium as
- 154 calculated before any premium reduction for any insured employer's deductible,
- 155 retention, or reimbursement amounts and also those amounts equivalent to premiums
- 156 as provided in Section 34A-2-202.
- 157 (c) The percentage of premium assessment applicable for a calendar year shall be
- 158 determined by the Labor Commission under Subsection (2)(d). The total premium
- 159 income shall be reduced in the same manner as provided in Subsections (1)(c)(i) and
- 160 (1)(c)(ii), but not as provided in Subsection (1)(c)(iii). The commission shall
- 161 promptly remit from the premium assessment collected under this Subsection (2):
- 162 (i) income to the state treasurer for credit to the Employers' Reinsurance Fund created
- 163 under Subsection 34A-2-702(1) as follows:
- 164 (A) on or before December 31, 2009, an amount of up to 5% of the total workers'
- 165 compensation premium income;
- 166 (B) on and after January 1, 2010, but on or before December 31, 2010, an amount

- 167 of up to 4.5% of the total workers' compensation premium income;
- 168 (C) on and after January 1, 2011, but on or before December 31, 2022, an amount
- 169 of up to 3% of the total workers' compensation premium income; and
- 170 (D) on and after January 1, 2023, 0% of the total workers' compensation premium
- 171 income;
- 172 (ii) an amount equal to .25% of the total workers' compensation premium income to
- 173 the state treasurer for credit to the Workplace Safety Account created by Section
- 174 34A-2-701;
- 175 (iii) an amount of up to .5% and any remaining assessed percentage of the total
- 176 workers' compensation premium income to the state treasurer for credit to the
- 177 Uninsured Employers' Fund created under Section 34A-2-704; and
- 178 (iv) beginning on January 1, 2010, .5% of the total workers' compensation premium
- 179 income to the state treasurer for credit to the Industrial Accident Restricted
- 180 Account created in Section 34A-2-705.
- 181 (d)(i) The Labor Commission shall determine the amount of the premium assessment
- 182 for each year on or before each October 15 of the preceding year. The Labor
- 183 Commission shall make this determination following a public hearing. The
- 184 determination shall be based upon the recommendations of a qualified actuary.
- 185 (ii) The actuary shall recommend a premium assessment rate sufficient to provide
- 186 payments of benefits and expenses from the Employers' Reinsurance Fund and to
- 187 project a funded condition with assets greater than liabilities by no later than June
- 188 30, 2025.
- 189 (iii) The actuary shall recommend a premium assessment rate sufficient to provide
- 190 payments of benefits and expenses from the Uninsured Employers' Fund and to
- 191 maintain it at a funded condition with assets equal to or greater than liabilities.
- 192 (iv) At the end of each fiscal year the minimum approximate assets in the Employers'
- 193 Reinsurance Fund shall be \$5,000,000 which amount shall be adjusted each year
- 194 beginning in 1990 by multiplying by the ratio that the total workers' compensation
- 195 premium income for the preceding calendar year bears to the total workers'
- 196 compensation premium income for the calendar year 1988.
- 197 (v) The requirements of Subsection (2)(d)(iv) cease when the future annual
- 198 disbursements from the Employers' Reinsurance Fund are projected to be less than
- 199 the calculations of the corresponding future minimum required assets. The Labor
- 200 Commission shall, after a public hearing, determine if the future annual

- 201 disbursements are less than the corresponding future minimum required assets  
202 from projections provided by the actuary.
- 203 (vi) At the end of each fiscal year the minimum approximate assets in the Uninsured  
204 Employers' Fund shall be \$2,000,000, which amount shall be adjusted each year  
205 beginning in 1990 by multiplying by the ratio that the total workers' compensation  
206 premium income for the preceding calendar year bears to the total workers'  
207 compensation premium income for the calendar year 1988.
- 208 (e) A premium assessment that is to be transferred into the General Fund may be  
209 collected on premiums received from Utah public agencies.
- 210 (3) An admitted insurer writing title insurance in this state shall pay to the commission, on  
211 or before March 31 in each year, a tax of .45% of the total premium received by either  
212 the insurer or by its agents during the preceding calendar year from title insurance  
213 concerning property located in this state. In calculating this tax, "premium" includes the  
214 charges made to an insured under or to an applicant for a policy or contract of title  
215 insurance for:
- 216 (a) the assumption by the title insurer of the risks assumed by the issuance of the policy  
217 or contract of title insurance; and
- 218 (b) abstracting title, title searching, examining title, or determining the insurability of  
219 title, and every other activity, exclusive of escrow, settlement, or closing charges,  
220 whether denominated premium or otherwise, made by a title insurer, an agent of a  
221 title insurer, a title insurance producer, or any of them.
- 222 (4) Beginning July 1, 1986, a former county mutual and a former mutual benefit association  
223 shall pay the premium tax or assessment due under this chapter. Premiums received  
224 after July 1, 1986, shall be considered in determining the tax or assessment.
- 225 (5) The following insurers are not subject to the premium tax on health care insurance that  
226 would otherwise be applicable under Subsection (1):
- 227 (a) an insurer licensed under Title 31A, Chapter 5, Domestic Stock and Mutual  
228 Insurance Corporations;
- 229 (b) an insurer licensed under Title 31A, Chapter 7, Nonprofit Health Service Insurance  
230 Corporations;
- 231 (c) an insurer licensed under Title 31A, Chapter 8, Health Maintenance Organizations  
232 and Limited Health Plans;
- 233 (d) an insurer licensed under Title 31A, Chapter 9, Insurance Fraternal;
- 234 (e) an insurer licensed under Title 31A, Chapter 11, Motor Clubs; and

- 235 (f) an insurer licensed under Title 31A, Chapter 14, Foreign Insurers.
- 236 (6)(a) As used in this Subsection (6):
- 237 (i) "Cancellation fee waiver" means the same as that term is defined in Section
- 238 31A-23a-902.
- 239 (ii) "Primary certificate holder" means an individual who elects and purchases travel
- 240 insurance under a group policy.
- 241 (iii) "Primary policyholder" means an individual who elects and purchases individual
- 242 travel insurance.
- 243 (iv) "Travel assistance service" means the same as that term is defined in Section
- 244 31A-23a-902.
- 245 (v) "Travel insurance" means the same as that term is defined in Section 31A-23a-902.
- 246 (b) A travel insurer shall:
- 247 (i) pay a premium tax required under Subsection (1) on a travel insurance premium
- 248 that:
- 249 (A) an individual primary policyholder pays, if the policyholder is a resident of
- 250 this state;
- 251 (B) a primary certificate holder pays, if the certificate holder is a resident of this
- 252 state and elects coverage under a group travel insurance policy; or
- 253 (C) subject to any apportionment rules that apply to the insurer across multiple
- 254 taxing jurisdictions or permit the insurer to allocate the premium on an
- 255 apportioned basis in a reasonable and equitable manner across multiple
- 256 jurisdictions, a blanket travel insurance policyholder pays for eligible blanket
- 257 group members, if the policyholder is a resident in this state, has the
- 258 policyholder's principal place of business in this state, or has the principal place
- 259 of business of an affiliate or subsidiary that has purchased blanket travel
- 260 insurance in this state;
- 261 (ii) document the state of residence or principal place of business of each
- 262 policyholder and certificate holder; and
- 263 (iii) report as a premium only the amount allocable to travel insurance and not an
- 264 amount received for:
- 265 (A) a cancellation fee waiver; or
- 266 (B) a travel assistance service.
- 267 (7) A captive insurer, as provided in Section 31A-3-304, that pays a fee imposed under
- 268 Section 31A-3-304 is not subject to the premium tax under this section.

- 269 (8) An insurer issuing multiple policies to an insured may not artificially allocate the  
 270 premiums among the policies for purposes of reducing the aggregate premium tax or  
 271 assessment applicable to the policies.
- 272 (9) The retaliatory provisions of Title 31A, Chapter 3, Department Funding, Fees, and Taxes,  
 273 apply to the tax or assessment imposed under this chapter.
- 274 (10) Beginning fiscal year 2027, the Division of Finance shall annually transfer into the  
 275 Motor Vehicle Safety Impact Restricted Account created in Section 53-8-214  
 276 \$3,000,000 of the total revenue collected from the taxes levied under this section.

277 Section 4. Section **72-2-103** is amended to read:

278 **72-2-103 . Limitations on Transportation Fund appropriations to agencies not a**  
 279 **part of the Department of Transportation -- Exceptions.**

- 280 (1) Except as provided under Subsection (2), the amount appropriated or transferred from  
 281 the Transportation Fund each year may not exceed a combined total of \$11,600,000 to:  
 282 (a) the Department of Public Safety;  
 283 (b) the State Tax Commission;  
 284 (c) the Division of Finance; and  
 285 (d) any other state agency that is not a part of the Department of Transportation.
- 286 (2) The following amounts are exempt from the appropriation and transfer limitations of  
 287 Subsection (1):  
 288 (a) amounts deposited in the Department of Public Safety Restricted Account created  
 289 under Section 53-3-106;  
 290 (b) revenue generated by the uninsured motorist identification fee under Section  
 291 41-1a-1218;  
 292 (c) revenue generated by the motor carrier fee under Section 41-1a-1219;[-and]  
 293 (d) revenue generated by the Motorcycle Rider Education Program under Section [  
 294 53-3-905.] 53-3-905; and  
 295 (e) up to \$2,000,000 appropriated to the Department of Public Safety to be used for  
 296 hiring new Highway Patrol troopers.

297 Section 5. **Repealer.**

298 This bill repeals:

299 Section **49-11-902, Premium tax revenues -- Formula -- Deposits.**

300 Section **49-11-903, State appropriation funding offset -- Proportionate share**  
 301 **determination and reporting.**

302 Section 6. **FY 2027 Appropriations.**

303 The following sums of money are appropriated for the fiscal year beginning July 1,  
304 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for  
305 fiscal year 2027.

306 Subsection 6(a). **Operating and Capital Budgets**

307 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the  
308 Legislature appropriates the following sums of money from the funds or accounts indicated for  
309 the use and support of the government of the state of Utah.

310	ITEM 1	To Department of Public Safety - Programs &; Operations	
311		From Transportation Fund	2,000,000
312		From Motor Vehicle Safety Impact Restricted Account	3,000,000
313		Schedule of Programs:	
314		Highway Patrol - Field Operations	5,000,000

315 The Legislature intends that the appropriations  
316 under this item be used to hire new Highway Patrol  
317 troopers for the enforcement of state motor vehicle and  
318 traffic laws.

319 Section 7. **Effective Date.**

320 This bill takes effect on May 6, 2026.