

Katy Hall proposes the following substitute bill:

Vehicle Registration Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Katy Hall

Senate Sponsor: Daniel McCay

LONG TITLE

General Description:

This bill allows the cancellation of vehicle registration and the refund of certain taxes and fees on a pro rata basis.

Highlighted Provisions:

This bill:

- allows the owner of certain vehicles to cancel the registration of the vehicle;
- allows the owner of a vehicle that cancels the registration of the vehicle to receive a refund of the registration fees and uniform fees in lieu of ad valorem tax on a pro rata basis;
- provides an additional penalty for operating a vehicle for which the registration has been canceled by the vehicle owner;
- requires reporting on data related to refunds issued; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

41-1a-201, as last amended by Laws of Utah 2024, Chapter 459

41-1a-209, as last amended by Laws of Utah 2021, Chapter 135

53-8-209, as last amended by Laws of Utah 2020, Chapters 345, 351

59-2-405.1, as last amended by Laws of Utah 2025, Chapter 279

63I-2-241, as enacted by Laws of Utah 2024, Third Special Session, Chapter 5

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

Section 1. Section **41-1a-201** is amended to read:

41-1a-201 . Function of registration -- Registration required -- Penalty.

(1) Unless exempted, a person or automated driving system may not operate and an owner may not engage an automated driving system, give another person permission to engage an automated driving system, or give another person permission to operate a motor vehicle, combination of vehicles, trailer, semitrailer, vintage vehicle, restored-modified vehicle, off-highway vehicle, vessel, or park model recreational vehicle in this state unless it has been registered in accordance with this chapter, Chapter 22, Off-highway Vehicles, Chapter 27, Novel Vehicle Registration, or Title 73, Chapter 18, State Boating Act.

(2)(a) Subject to Subsection 53-8-209(3), a violation of this section is an infraction.

(b) In addition to a penalty under Subsection (2)(a), a vehicle owner is subject to an additional \$100 fine if the vehicle owner:

(i) cancels a vehicle's registration as provided in Section 41-1a-209; and

(ii) violates Subsection (1).

(3)(a) In the event that materials are temporarily unavailable for registration items required under Section 41-1a-402, the commission may delay initial vehicle registration or renewal of vehicle registrations.

(b) In a circumstance described in Subsection (3)(a), a person does not violate Subsection (1) for failure to register a vehicle during a delay period described in Subsection (3)(a).

Section 2. Section **41-1a-209** is amended to read:

41-1a-209 . Application for registration -- Contents.

(1) An owner of a vehicle subject to registration under this part shall apply to the division for registration on forms furnished by the division.

(2) The application for registration shall include:

(a) the signature of an owner of the vehicle to be registered;

(b) the name, bona fide residence and mailing address of the owner, or business address of the owner if the owner is a firm, association, or corporation;

(c) a description of the vehicle including the make, model, type of body, the model year as specified by the manufacturer, the number of cylinders, and the identification number of the vehicle;

(d) other information required by the division to enable it to determine whether the

owner is lawfully entitled to register the vehicle; and

(e) an indication if the applicant is applying for automatic registration renewal as described in Section 41-1a-216.

(3)(a) A vehicle owner may cancel registration of the vehicle electronically in the manner prescribed by the division.

(b) A cancellation of registration described in Subsection (3)(a) does not obviate the requirement for registration described in Section 41-1a-201.

(4)(a) Subject to Subsections (4)(c), (d), and (e), if an owner of a motor vehicle cancels the registration of a motor vehicle that is 14,000 pounds or less gross laden weight and subject to registration under this part, the owner is entitled to a refund of the following fees for the portion of the year remaining since the date the fees were due for that year:

(i) fees described in Section 41-1a-1206;

(ii) fees described in Section 41-1a-1222; and

(iii) fees described in Section 41-1a-1223.

(b) The division shall refund the registration fee on a pro rata monthly basis for any whole month remaining in the registration period after the date of the cancellation.

(c) The division may withhold five dollars from the refund amount for the mailing and administrative costs of administering the refund.

(d) If the amount of a refund under this section, when added to the refund amount described in Section 59-2-405.1, does not exceed \$40, the vehicle owner is not eligible for a refund.

(e) The following motor vehicles are not eligible for a refund under this Subsection (4):

(i) a motorcycle;

(ii) a motor vehicle with a gross laden weight of 14,001 pounds or more;

(iii) a roadable aircraft;

(iv) an off-highway vehicle;

(v) an all-terrain vehicle type I vehicle, all-terrain vehicle type II vehicle, or all-terrain vehicle type III vehicle;

(vi) an off-highway implement of husbandry;

(vii) a street-legal all-terrain vehicle;

(viii) a recreational vehicle; or

(ix) a vintage vehicle.

(5)(a) The division shall provide a report to the Transportation Interim Committee

regarding refunds issued as described in this section, including:

(i) the number of refunds issued;

(ii) the average refund amount;

(iii) the total amount of revenue refunded; and

(iv) any other data the division finds relevant.

(b) The division shall:

(i) provide one report on or before November 1, 2027, using data from the time period between January 1, 2027, and June 30, 2027; and

(ii) provide one report on or before November 1, 2028, using data from the time period between July 1, 2027, and June 30, 2028.

Section 3. Section **53-8-209** is amended to read:

53-8-209 . Inspection by officers -- Certificate of inspection.

(1) A peace officer may stop, inspect, and test a vehicle at any time upon reasonable cause to believe that:

(a) a vehicle is unsafe or not equipped as required by law;

(b) the vehicle's equipment is not in proper adjustment or repair; or

(c) the vehicle has been in an accident and a post accident investigation is necessary.

(2)(a)(i) If a vehicle is found to be in unsafe condition or any required part or equipment is not present or is not in proper repair and adjustment, the officer may give a written notice to the driver and shall send a copy to the division.

(ii) The notice shall:

(A) require that the vehicle be placed in safe condition and the vehicle's equipment in proper repair and adjustment;

(B) specify the repairs and adjustments needed; and

(C) require that a safety inspection certificate be obtained within 14 days.

(b) If a vehicle is, in the reasonable judgment of the peace officer, hazardous to operate, the peace officer may require that the vehicle:

(i) not be operated under its own power; or

(ii) be driven to the nearest garage or other place of safety.

(c)(i) If the owner or driver does not comply with the notice requirements and secure a safety inspection certificate within 14 days, the vehicle may not be operated on the highways of this state.

(ii) A violation of Subsection (2)(c)(i) is an infraction.

(3)(a) ~~[An]~~ Except as provided in Subsection (3)(b), an owner or driver of a vehicle is not

guilty of an infraction and is not required to pay a fee or fine if the citation was issued for:

~~[(a)]~~ (i) expired registration in violation of Section 41-1a-201 or 41-1a-1303, and:

~~[(i)]~~ (A) the citation was issued within two months after the expiration of the vehicle's registration; and

~~[(ii)]~~ (B) the owner or driver registers the vehicle within 14 days after the citation was issued; or

~~[(b)]~~ (ii) a violation of Section 41-1a-205, 41-6a-1601, or 53-8-205 or any other equipment related infraction under Title 41, Chapter 6a, Part 16, Vehicle Equipment, and the owner or driver obtains a safety inspection, emissions inspection, or proof of repair, as applicable, within 14 days after the citation was issued.

(b) Subsection (3)(a) does not apply to a vehicle owner who is operating a vehicle after canceling the vehicle registration as provided in Section 41-1a-209.

Section 4. Section **59-2-405.1** is amended to read:

59-2-405.1 . Uniform fee on certain vehicles with a gross vehicle weight rating of 14,000 pounds or less -- Distribution of revenues -- Appeals.

(1) The property described in Subsection (2) is exempt from ad valorem property taxes pursuant to Utah Constitution, Article XIII, Section 2, Subsection (6).

(2)(a) Except as provided in Subsection (2)(b), there is levied as provided in this part a statewide uniform fee in lieu of the ad valorem tax on:

(i) motor vehicles as defined in Section 41-1a-102 that:

(A) are required to be registered with the state; and

(B) have a gross vehicle weight rating of 14,000 pounds or less; and

(ii) state-assessed commercial vehicles required to be registered with the state that have a gross vehicle weight rating of 14,000 pounds or less.

(b) The following tangible personal property is exempt from the statewide uniform fee imposed by this section:

(i) aircraft;

(ii) tangible personal property subject to a uniform fee imposed by:

(A) Section 59-2-405;

(B) Section 59-2-405.2; or

(C) Section 59-2-405.3; and

(iii) tangible personal property that is exempt from state or county ad valorem

property taxes under the laws of this state or of the federal government.

(3)(a) Except as provided in Subsections (3)(b) and (c), beginning on January 1, 1999, the uniform fee for purposes of this section is as follows:

Age of Vehicle	Uniform Fee
12 or more years	\$10
9 or more years but less than 12 years	\$50
6 or more years but less than 9 years	\$80
3 or more years but less than 6 years	\$110
Less than 3 years	\$150

(b) For registrations under Section 41-1a-215.5, the uniform fee for purposes of this section is as follows:

Age of Vehicle	Uniform Fee
12 or more years	\$7.75
9 or more years but less than 12 years	\$38.50
6 or more years but less than 9 years	\$61.50
3 or more years but less than 6 years	\$84.75
Less than 3 years	\$115.50

(c) Notwithstanding Subsections (3)(a) and (b), beginning on September 1, 2001, for a motor vehicle issued a temporary sports event registration certificate in accordance with Section 41-3-306, the uniform fee for purposes of this section is \$5 for the event period specified on the temporary sports event registration certificate regardless of the age of the motor vehicle.

(d)(i) Subject to Subsection (3)(d)(ii), for a vehicle registered for a 24-month period as provided in Section 41-1a-215.5, the uniform statewide fee amounts imposed by this section are double the amounts due for the same vehicle registered for a 12-month period.

(ii) For a vehicle registered for a 24-month period as provided in Section 41-1a-215.5, if the 24-month term extends from one age bracket to another age bracket as described in this section, the person shall pay the sum of:

(A) the uniform statewide fee amount for the first year corresponding to the age bracket applicable for the first 12 months of the registration period; and

- (B) the uniform statewide fee amount for the second year corresponding to the age bracket applicable for the second 12 months of the registration period.
- (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is brought into the state and is required to be registered in ~~[Utah]~~ the state shall, as a condition of registration, be subject to the uniform fee unless all property taxes or uniform fees imposed by the state of origin have been paid for the current calendar year.
- (5)(a) The revenues collected in each county from the uniform fee shall be distributed by the county to each taxing entity in which the property described in Subsection (2) is located in the same proportion in which revenue collected from ad valorem real property tax is distributed.
- (b) Each taxing entity shall distribute the revenues received under Subsection (5)(a) in the same proportion in which revenue collected from ad valorem real property tax is distributed.
- (6)(a) If the owner of a vehicle subject to the uniform fee in lieu of the ad valorem tax described in this section cancels the registration of the vehicle and is eligible for a refund of fees as described in Section 41-1a-209, the owner is entitled to a refund of the uniform fee in lieu of the ad valorem tax paid under this section for the portion of the year remaining since the date the uniform fee in lieu of the ad valorem tax was paid.
- (b) The division shall refund the uniform fee in lieu of the ad valorem tax on a pro rata monthly basis for any whole month remaining in the registration period after the date of the cancellation.
- (c) The commission may account for the costs to administer a refund as described in this Subsection (6) by withholding from the refund as described in Subsection 41-1a-209(4)(c).
- (d) If the amount of a refund under this section, when added to the refund amount described in Section 41-1a-209, does not exceed \$40, the vehicle owner is not eligible for a refund.

Section 5. Section **63I-2-241** is amended to read:

63I-2-241 . Repeal dates: Title 41.

[Reserved.]

Subsection 41-1a-209(5), regarding reports from the Motor Vehicle Division on data related to vehicle registration refunds, is repealed on January 1, 2029.

Section 6. **Effective Date.**

230 This bill takes effect on January 1, 2027.