

DMV CLEAN-UP ISSUES

**TRANSPORTATION INTERIM COMMITTEE
OCTOBER 2025**

**DEPUTY EXECUTIVE DIRECTOR JASON GARDNER
UTAH STATE TAX COMMISSION**

Transferring License Plates

Sections 41-1a-401 & 41-1a-701

Authorizes a seller to transfer their license plates along with the vehicle to the buyer.

Plate Transferring is Problematic:

- License plates are being transferred repeatedly beyond the useful life and they are becoming damaged and unreadable.
- Buyers are illegally operating vehicles on the previous owner's plates without obtaining registration in their own name.
 - We have numerous reports of toll violations and parking tickets while the vehicle was still in the name of the seller.

Special Interest Vehicles

Section 41-1a-102

"Special interest vehicle" means a vehicle used for general transportation purposes and that is:

- (i) 20 years or older from the current year; **or**
- (ii) a make or model of motor vehicle recognized by the division director as having unique interest or historic value.



The only benefit of a Special Interest Vehicle registration is this plate.

Impound Yard Fencing

Subsection 41-1a-1101(7)(d)

Requires a state impound yard to have opaque fencing on any side that has frontage with a highway.

Current Application:

We have been enforcing this to mean any State Highway, U.S. Highway, or Interstate.

Subsection 41-1a-102

"Highway" or "street" means the entire width between property lines of every way or place of whatever nature when any part of it is open to the public, as a matter of right, for purposes of vehicular traffic.

Fuel Tax Calculation

Title 59, Chapter 13

Requires the Tax Commission to calculate the fuel tax based on the statewide average rack price. “Statewide average rack price” is not defined in statute.

Historically, there have only been 2 racks in Utah.

1. Salt Lake City
2. Cedar City

Fuel Tax revenue forecasts have been based on these being the only 2 racks in Utah.



Fuel Tax Calculation

A new rack was recently opened in Cisco, Utah.

- Very small proportion of total fuel in the state
- Mostly serves Colorado
- Only one supplier
- Only unbranded fuel

Was not included in the 2026 fuel tax calculation

Including this rack in the statewide average rack price calculation would skew fuel tax rate so that revenue does not match forecasts.

We recommend defining “statewide average rack price”

Limiting definition to SLC and Cedar will maintain accuracy of forecasts.

Electronic Title Fee

Section 41-1a-1210

There is a required \$6 fee for all original or duplicate titles.

Current paper titles allow dealers to reassign a title one time so that the dealer can hold the vehicle in inventory without titling the vehicle in the dealer's name.

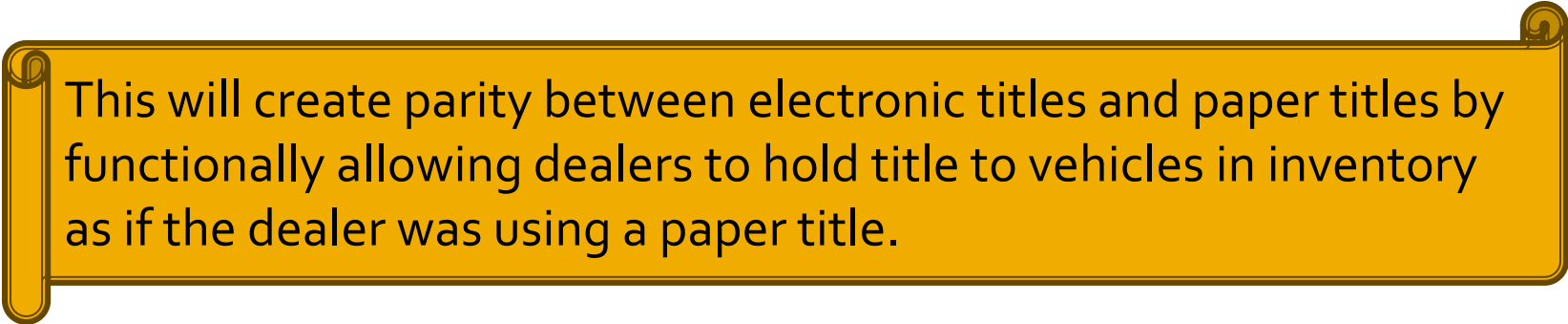
Section 41-1a-523

Requires the division to develop an electronic titling system for the use of dealers by December 31, 2025.

The electronic title system does not allow for reassignments because each time the vehicle is transferred a new title is issued to maintain a clear and continuous chain of title.

Electronic Title Fee

The Legislature may wish to modify the statute to allow the dealer to title a vehicle in the dealer's name while the vehicle is held in inventory without being subject to the \$6 title fee.



This will create parity between electronic titles and paper titles by functionally allowing dealers to hold title to vehicles in inventory as if the dealer was using a paper title.

QUESTIONS?

