



**Fiscal Note**  
**S.B. 136 2nd Sub. (Salmon)**  
2018 General Session  
Transportation Governance Amendments  
by Harper, W. (Dabakis, Jim.)



**General, Education, and Uniform School Funds**

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$651,995,500	\$(18,407,600)	\$633,587,900

If enacted this legislation would increase the general state sales tax to 4.85% and remove the Transportation Investment Fund and Water Infrastructure Restricted Account Earmarks. These changes could increase the General Fund by \$633,639,900 in FY 2019 and \$652,002,500 in FY 2020, decrease the Transportation Investment Fund by \$617,478,200 in FY 2019 and \$626,665,000 in FY 2020, increase the Transit Transportation Investment Fund by \$69,516,200 in FY 2019 and \$87,173,300 in FY 2020, and decrease the Water Infrastructure Restricted Account by \$16,161,700 in FY 2019 and \$25,337,500 in FY 2020. If enacted this legislation increases the motor fuel and special fuel tax rates and earmarks additional revenue that exceeds \$0.294 per gallon of the motor fuel tax collected to the Transportation Investment Fund. This could decrease the Transportation Fund by \$6,860,900 in FY 2019 and \$21,216,300 in FY 2020, increase the Transportation Investment Fund by \$269,043,100 in FY2019 and \$664,953,000 in FY 2020, increase the General Fund Restricted Boat Fuel Tax by \$1,589,700 in FY 2019 and \$3,900,500 in FY 2020, and increase the General Fund Restricted Off-Highway Vehicle Fuel Tax by \$896,500 in FY 2019 and \$2,236,900 in FY 2020. The table below is a net impact by fund.

Revenues	FY 2018	FY 2019	FY 2020
General Fund	\$0	\$652,002,500	\$652,002,500
General Fund, One-Time	\$0	\$(18,362,600)	\$0
Transportation Fund	\$0	\$(21,216,300)	\$(21,216,300)
Transportation Fund, One-Time	\$0	\$14,355,400	\$0
Transportation Investment Fund of 2005	\$0	\$(348,435,100)	\$38,288,100
GFR - Boating	\$0	\$1,589,700	\$3,900,500
GFR - Off-highway Vehicle	\$0	\$896,546	\$2,236,846
GFR - Water Infrastructure Restricted Account	\$0	\$(16,161,700)	\$(25,337,500)
New Account Created By Legislation	\$0	\$69,516,200	\$87,173,300
<b>Total Revenues</b>	<b>\$0</b>	<b>\$334,184,646</b>	<b>\$737,047,446</b>

Enactment of this legislation could cost the Tax Commission \$45,000 one-time in FY 2018 for the creation of bulletins to inform sales tax accounts of the new state sales tax rate (90,000 accounts x \$0.50 a mailing = \$45,000) and \$7,000 ongoing beginning in FY 2019 to purchase additional program software functionality in order to lookup expanded vehicle identification information. Enactment of this legislation could cost the Department of Transportation \$1.975 million ongoing from the Transportation Fund for an additional 16 FTEs to carry out the additional work required by the bill. This includes an additional deputy director and assistant, 3 additional FTEs in Economic Development Division, 6 FTEs in Strategic Initiatives, and 5 FTEs in Transit Project Development. Additionally, enactment of this legislation could cost the department \$697,500 ongoing from the Transportation Fund for current expenses and corridor planning studies for the new Rules and Standards Division, and \$850,000 one-time from the Transportation Fund in FY 2019 for rules and standards development. Enactment of this legislation could lead to efficiencies due to coordination between stakeholders and projects.

Expenditures	FY 2018	FY 2019	FY 2020
General Fund	\$0	\$7,000	\$7,000
General Fund, One-Time	\$45,000	\$0	\$0
Transportation Fund	\$0	\$2,672,500	\$2,672,500
Transportation Fund, One-Time	\$0	\$850,000	\$0
<b>Total Expenditures</b>	<b>\$45,000</b>	<b>\$3,529,500</b>	<b>\$2,679,500</b>

**Local Government**

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

Enactment of this legislation could impact revenues for local governments that choose to impose the new county, city, or town option sales and use tax to fund public transit or highways of up to 0.25% tax on non-food taxable sales. Enactment would also allow cities or towns of second class counties to impose the County option sales and use tax for highways and public transit of 0.1% if the county has not already imposed this tax. If enacted this legislation could cost large transportation districts that currently have volunteer board members \$1.2 million to hire three permanent board members and support staff. There may be significant costs associated with renaming large public transit districts in existence to Transit District Utah. There may be costs associated with the feasibility studies mentioned in the bill.

**Individuals & Businesses**

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

Enactment of this legislation would increase the state general sales tax by 0.15%. This increase would amount to an additional \$1.50 in tax for every \$1,000 spent on goods tax at the general rate. This could be an additional \$69.5 million in FY 2019 and \$87.1 million in FY 2020 in taxes paid by businesses and individuals. Enactment of this legislation would also create a new local option sales tax of 0.25% on non-grocery taxable sales. This increase would amount to an additional \$2.50 for every \$1,000 spent on non-grocery taxable sales. Impacts of this new local option tax would depend on when and which localities impose this tax and at what rate. Individuals and businesses could pay an additional \$144.4 million in FY 2020 due to the increased tax rate. Businesses and individuals could pay an additional \$988,000 in FY 2020 in additional registration fees due to the CPI adjustment to registration fees for specified light vehicles. Businesses and individuals could pay an additional \$264.7 million in FY 2019 and \$649.9 million in FY 2020 due to the increased tax rate of 36.5% of the average rack price of a gallon of motor fuel per gallon upon all motor fuel that is sold, used, or received for sale or used in the state..

**Regulatory Impact**

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

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

**Performance Note**

JR4-2-404

No performance note required for this bill

**Notes on Notes**

Fiscal notes 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 note is not an appropriation. The Legislature decides appropriations separately.