
S.B. 298 2nd Sub. (Salmon) - State Land Acquisition

Fiscal Note

2008 General Session

State of Utah

State Impact

This legislation authorizes issuance of General Obligation bonds, which are backed by the full faith and credit of the state, for purchase of land sale contracts by the Board of Business and Economic Development and the state treasurer. Provisions of the bill require any contract purchased to be discounted by an amount equal to the projected bond issuance and interest costs borne by the state. Assuming the starting value of the contract is equal to the value of the land, and assuming the land does not depreciate while the state holds the contract, the value of the land and the applied discount would be equal to the state's debt service costs. However, the state would be required to pay debt service with state fund appropriations until such time as the land is liquidated to reimburse the state.

Individual, Business and/or Local Impact

Local governments from which the state purchases land sale contracts may benefit.
