

**Senator Dennis E. Stowell** proposes the following substitute bill:

**STATE FAIR PARK AMENDMENTS**

2010 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: James R. Gowans**

Senate Sponsor: Dennis E. Stowell

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**LONG TITLE**

**General Description:**

This bill amends Title 63A, Chapter 5, Part 3, Division of Facilities Construction and Management Leasing, regarding the leasing of the state fair park by the division to the Utah State Fair Corporation.

**Highlighted Provisions:**

This bill:

- ▶ provides that the division may lease the state fair park to the Utah State Fair Corporation for a period not to exceed 50 years beginning July 1, 2010, premised on significant capital improvements to the fair park during the lease term; and

- ▶ provides that the White Ball Field portion of the state fair park lease shall lapse back to the division on June 30, 2017.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill takes effect on July 1, 2010.

**Utah Code Sections Affected:**

AMENDS:

**63A-5-306**, as last amended by Laws of Utah 2004, Chapter 170



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

Section 1. Section **63A-5-306** is amended to read:

**63A-5-306. Leasing of state fair park -- Lease -- Terms -- Demolition of facilities  
-- Limits on debt or obligations.**

(1) As used in this section:

(a) "Corporation" means the Utah State Fair Corporation created in Section 9-4-1103.

(b) "Division" means the Division of Facilities Construction and Management.

(c) "State fair park" means the property and buildings owned by the state located at 155 North 1000 West, Salt Lake City, Utah.

(2) The division ~~shall~~:

(a) may lease the state fair park to the corporation for a period [~~beginning July 1, 1997, and ending June 30, 2017, at which time the lease may be renewed~~] not to exceed 50 years:

~~[(i) at the discretion of the division; and]~~

~~[(ii) for any time period negotiated with the corporation;]~~

(i) subject to the corporation satisfying the requirements of Subsection (5)(b)(i); and

(ii) except that on June 30, 2017, that portion of the state fair park known as the White Ball Field located on the south side of North Temple Street shall revert to the division and not be a part of any continuing lease agreement between the division and the corporation, unless otherwise agreed upon by the division and the corporation prior to June 30, 2017;

(b) shall ensure that ~~the~~ any lease entered into under Subsection (2)(a):

(i) defines which party is responsible for repairs and maintenance to the grounds and buildings;

(ii) defines any restrictions on the use of the property or buildings, including the construction of any new buildings or facilities at the state fair park;

(iii) requires that for each year under the lease the corporation holds a state fair meeting the requirements of Subsection 9-4-1103(5)(a)(vi); and

(iv) provides for the renegotiation or termination of the lease if the corporation:

(A) no longer operates as an independent public nonprofit corporation as provided in Title 9, Chapter 4, Part 11, Utah State Fair Corporation Act; or

(B) engages in any activity inconsistent with Title 9, Chapter 4, Part 11, Utah State Fair

57 Corporation Act; ~~and~~

58 (c) may:

59 (i) require that any lease entered into under Subsection (2)(a) grants the division the  
60 right to unilaterally terminate the lease at its discretion; and

61 (ii) provide a process to determine compensation, if any, the division shall pay the  
62 corporation for termination of the lease under Subsection (2)(c)(i); and

63 ~~(c)~~ (d) if the lease described in Subsection (2)(a) is amended or renewed after the  
64 effective date of this act and except as provided in Subsection (3), ~~requires~~ shall require the  
65 corporation under the lease to:

66 (i) obtain the approval of the State Building Board before demolishing a facility at the  
67 state fair park; and

68 (ii) include the approval requirement described in Subsection (2)~~(c)~~(d)(i) in any  
69 sublease entered into, renewed, or amended after the effective date of this act.

70 (3) (a) The approval required under Subsection (2)~~(c)~~(d) does not apply to a facility  
71 demolished in accordance with a contract entered into but not amended before the effective  
72 date of this act.

73 (b) Notwithstanding Subsection (3)(a), before a facility described in Subsection (3)(a)  
74 is demolished, the corporation shall notify the division concerning any demolishing of the  
75 facility.

76 (4) The State Building Board shall notify the state historic preservation office of any  
77 State Building Board meeting at which consideration will be given to a proposal to demolish  
78 facilities at the state fair park.

79 (5) (a) Notwithstanding Subsection (2), the division may review and adjust the amount  
80 of any payments made by the corporation under the lease every three years beginning July 1,  
81 2000.

82 (b) (i) ~~[Beginning July 1, 2004, and notwithstanding Subsection (2)(a), the]~~ The  
83 division may lease the state fair park to the corporation for a period [of up to] not to exceed 50  
84 years, if the corporation demonstrates to the satisfaction of the division that the [extension of  
85 the] lease period will result in significant capital improvements at the state fair park by a  
86 private or public entity.

87 (ii) The corporation may enter into a sublease of up to 50 years, subject to satisfying

88 the requirements of Subsections (2)[~~(e)~~](d)(i) and (5)(b)(i).

89 (6) The state shall assume the responsibilities of the corporation under any contract that  
90 is in effect on the day a lease between the division and the corporation terminates if:

91 (a) the contract is for the lease or construction of a building or facility at the state park;  
92 and

93 (b) the lease between the division and the corporation is terminated in accordance with  
94 Subsection (2)(b)(iv).

95 (7) (a) Payments made by the corporation under a lease with the division shall be  
96 deposited into the Capital Project Fund.

97 (b) If, in accordance with Subsection [~~(3)~~] (5), the payments made by the corporation  
98 under a lease with the division are increased from the amount paid on July 1, 1997, the lease  
99 payments made by the division shall be dedicated to capital improvements at the state fair park  
100 unless, as part of the capital budget, the Legislature directs that the monies be used for other  
101 capital improvements.

102 (8) (a) A debt or obligation contracted by the corporation is a debt or obligation of the  
103 corporation.

104 (b) The state is not liable for and assumes no legal or moral responsibility for any debt  
105 or obligation described in Subsection (8)(a), unless the Legislature through statute or an  
106 appropriation act specifically:

107 (i) authorizes the corporation to contract for that debt or obligation; and

108 (ii) accepts liability for or assumes responsibility for the debt or obligation.

109 Section 2. **Effective date.**

110 This bill takes effect on July 1, 2010.

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**H.B. 406 1st Sub. (Buff) - State Fair Park Amendments**

**Fiscal Note**

2010 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

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