
H.B. 497 - Revenue Bond Authorization for State Fair Park

Fiscal Note

2008 General Session

State of Utah

State Impact

Enactment of this bill will require \$858,000 to pay the annual debt service on a twenty year tax-exempt bond with one year of capitalized interest; and would generate \$11,090,000 in revenue from the issuance of bonds: \$10,500,000 for building construction, \$370,000 for capitalized interest, and \$220,000 for costs of issuance. Actual debt service will depend on the term of the bonds, the number of years of capitalized interest, and whether the bonds qualify for tax-exempt status. The State Fair Park estimates that the construction of this arena will generate sufficient revenue to pay the operating costs and debt service on the new building by the third year of operation. The State Fair Park anticipates funding the revenue shortfall needed to pay the debt service in the first three years out of their operating budget. If actual revenue is less than estimated due to inclement weather, lower than anticipated ticket sales, or for any other reason; the State may be required to fund the difference so as not to default on the bond.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
Dedicated Credits	\$0	\$370,000	\$858,000	\$0	\$0	\$858,000
Total	\$0	\$370,000	\$858,000	\$0	\$0	\$858,000

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs for individuals, businesses, or local governments; though certain individuals, businesses, and local governments may benefit from a new arena.