



Fiscal Note

S.B. 188

2022 General Session
 Energy Efficiency Amendments
 by Cullimore, K.



General, Education, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$ (1,800,000)	\$ (7,500)	\$ (1,807,500)

State Government

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

Revenues	FY 2022	FY 2023	FY 2024
General Fund	\$0	\$ (1,800,000)	\$ (1,800,000)
Restricted Accounts (FN Only)	\$0	\$ (600,000)	\$ (600,000)
Total Revenues	\$0	\$ (2,400,000)	\$ (2,400,000)

Enactment of this bill could impact state sales tax revenues if qualifying facilities make certain leases and/or purchase of tangible personal property used to make the facility operational to the point of interconnection with an existing transmission grid. These impacts are unknown, but may be significant if large infrastructure expenses are incurred in qualifying projects. For example, if \$50 million in exempted purchases or leases are made, state sales tax revenues would be reduced by approximately \$2.4 million. Approximately 75% of any state sales tax revenue impacts would be to the General Fund and the remaining 25% to sales tax earmarks.

Expenditures	FY 2022	FY 2023	FY 2024
General Fund, One-time	\$0	\$7,500	\$0
Clean Fuel Conversion Fund	\$0	\$34,200	\$34,200
Total Expenditures	\$0	\$41,700	\$34,200

Enactment of this legislation could cost the Point of the Mountain State Land Authority approximately \$7,500 one-time from the General Fund in FY2023 to conduct a feasibility study. Enactment of this legislation could also cost the Department of Environmental Quality approximately \$34,200 ongoing from the Clean Fuel Conversion Fund beginning in FY2023 to support the Clean Fuels and Vehicle Technology Program; this cost can be absorbed.

	FY 2022	FY 2023	FY 2024
Net All Funds	\$0	\$ (2,441,700)	\$ (2,434,200)

Local Government

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

Enactment of this legislation likely will not result in direct, measurable costs for local governments. Enactment of this bill may impact local sales tax revenues if qualifying facilities make certain leases and/or purchase of tangible personal property used to make the facility operational to the point of interconnection with an existing transmission grid. These impacts are unknown, but may be significant if large infrastructure expenses are incurred in qualifying projects. For example, if \$50 million in exempted purchases or leases are made, local sales tax revenues would be reduced by approximately \$1.2 million. Impacts will vary by locality depending on the amount of transactions in each locality that would become exempt under this bill.

Individuals & Businesses

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

Enactment of this bill may reduce sales tax liability for qualifying facilities that make certain leases and/or purchase of tangible personal property used to make the facility operational to the point of interconnection with an existing transmission grid. These impacts are unknown, but may be significant if large infrastructure expenses are incurred in qualifying projects. For example, if \$50 million in exempted purchases or leases are made, sales tax liability for these taxpayers would be reduced by approximately \$3.6 million.

Regulatory Impact

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

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

Performance Evaluation

JR1-4-601

This bill does not create a new program or significantly expand an existing program.

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.