



Fiscal Note
H.B. 364 3rd Sub. (Cherry)
 2023 General Session
 Housing Affordability Amendments
 by Whyte, S. (Whyte, Stephen.)



General, Income Tax, and Uniform School Funds

JR4-4-101

| | Ongoing | One-time | Total |
|----------------------------|----------------|--------------|---------------|
| Net GF/ITF/USF (rev.-exp.) | \$(89,977,100) | \$80,568,400 | \$(9,408,700) |

State Government

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

| Revenues | FY 2023 | FY 2024 | FY 2025 |
|---------------------------|------------|--------------------|---------------------|
| General Fund | \$0 | \$(2,611,000) | \$(2,611,000) |
| General Fund, One-time | \$0 | \$2,347,000 | \$2,083,000 |
| Income Tax Fund | \$0 | \$(87,025,600) | \$(87,025,600) |
| Income Tax Fund, One-time | \$0 | \$78,221,400 | \$69,438,700 |
| Federal Funds | \$0 | \$35,000,000 | \$35,000,000 |
| Federal Funds, One-time | \$0 | \$(26,231,200) | \$0 |
| Total Revenues | \$0 | \$(299,400) | \$16,885,100 |

Enactment of this bill may reduce revenue to the Income Tax Fund and General Fund over the next twenty years. Revenue to the Income Tax Fund may decline incrementally by approximately \$8.7 million each year over the next ten years with an approximate cumulative total of \$87,025,600 in lost revenue in year ten. Revenue to the General Fund may be reduced annually by approximately \$260,000 annually with an approximate cumulative total of \$2.6 million in lost revenue in year ten.

Enactment of this bill would also draw down \$8,768,800 in federal funds in Fiscal Year 2024, and \$35,000,000 in federal funds in Fiscal Year 2025.

| Expenditures | FY 2023 | FY 2024 | FY 2025 |
|---------------------------|------------|---------------------|---------------------|
| General Fund | \$0 | \$340,500 | \$340,500 |
| Federal Funds | \$0 | \$35,000,000 | \$35,000,000 |
| Federal Funds, One-time | \$0 | \$(26,231,200) | \$0 |
| Medicaid Expansion Fund | \$0 | \$981,300 | \$3,900,000 |
| Total Expenditures | \$0 | \$10,090,600 | \$39,240,500 |

Enactment of this bill could cost the Department of Workforce Services \$340,500 ongoing, starting in Fiscal Year 2024, for three full-time employees to administer the program.

Enactment of this bill could cost the Department of Health and Human Services one-time in Fiscal Year 2024, and \$38,900,000 ongoing in Fiscal Year 2025, for providing services to adult expansion members experiencing homelessness.

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| | <i>FY 2023</i> | <i>FY 2024</i> | <i>FY 2025</i> |
|----------------------|----------------|-----------------------|-----------------------|
| Net All Funds | <u>\$0</u> | <u>\$(10,390,000)</u> | <u>\$(22,355,400)</u> |

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

Enactment of this legislation likely will not result in direct, measurable costs for local governments.

Individuals & Businesses UCA 36-12-13(2)(c)

This bill increases the maximum aggregate annual low-income housing tax credit that the Utah Housing Corporation may allocate. Enactment of this legislation could result in more taxpayers qualifying for the tax credit or for higher tax credit amounts. The aggregate benefit to all individuals who receive the credit is an estimated \$8.8 million in FY 2024; \$17.6 million in FY 2025, with the benefit increasing each year through FY 2033, reaching \$87 million in FY 2033.

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 creates a new program or significantly expands an existing program. For a list of questions lawmakers might ask to improve accountability for the proposed program, please see: <https://budget.utah.gov/newprogram>

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.