



Fiscal Note
S.B. 187 1st Sub. (Green)
 2023 General Session
 State Fair Park Amendments
 by Sandall, S. (Sandall, Scott.)



General, Income Tax, and Uniform School Funds

JR4-4-101

| | Ongoing | One-time | Total |
|----------------------------|---------|----------|-------|
| Net GF/ITF/USF (rev.-exp.) | \$0 | \$0 | \$0 |

State Government

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

| Revenues | FY 2023 | FY 2024 | FY 2025 |
|---------------------------|---------|---------------|---------------|
| Dedicated Credits Revenue | \$0 | \$(6,138,400) | \$(6,138,400) |
| Total Revenues | \$0 | \$(6,138,400) | \$(6,138,400) |

Enactment of this legislation could decrease Dedicated Credit revenue to the Department of Agriculture and Food by \$6,138,400 which would instead be accrued to the newly created State Fair Park Authority, an independent political subdivision of the state. Additionally, this bill provides that bonds issued by State Fair Park Authority are exempt from state taxes. This could forgo revenues to the Income Tax Fund to the extent that interest and income from the bonds would otherwise be taxable, and to the extent investors in these bonds would otherwise have invested in taxable securities.

| Expenditures | FY 2023 | FY 2024 | FY 2025 |
|---------------------------|---------|---------------|---------------|
| Dedicated Credits Revenue | \$0 | \$(6,138,400) | \$(6,138,400) |
| Total Expenditures | \$0 | \$(6,138,400) | \$(6,138,400) |

Enactment of this legislation would reduce expenditures from Dedicated Credits for the Department of Agriculture and Food's Utah Stat Fair Corporation line item by \$6,138,400.

| | FY 2023 | FY 2024 | FY 2025 |
|----------------------|------------|------------|------------|
| Net All Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

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Local Government

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

Enactment of this legislation would allow the State Fair Park Authority to collect privilege tax revenues. (It is unclear if concessions are exempt.) This bill also authorizes the authority to impose a State Fair Park Rental Facility Tax of up to 15%, which would replace future local sales tax and transient room taxes. Should the authority have eligible charges and choose to impose this tax, future revenues to the authority would increase by up to \$150,000 for every \$1,000,000 in taxable rental charges. Salt Lake City would forgo a like amount of new revenue. This bill also provides that the State Fair Park Authority may impose a 1.1% resort communities sales tax on transactions that occur on state park land. Should the authority impose this tax, taxpayers making purchases on state park land would be subject to an additional sales tax rate of 1.1%, estimated to be \$43,600 in aggregate. Finally, this legislation would increase revenues to the newly created State Fair Park Authority by an estimated \$6,138,400 from events and other various revenue generating activities throughout the year which were previously categorized as Dedicated Credits going to the Utah State Fair Corporation.

Individuals & Businesses

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

Businesses that are currently exempt from privilege tax for operating at the state fair park will now be subject to privilege tax. It is unclear which businesses may still be exempt as concessions. This bill also provides that the State Fair Park Authority may impose a 1.1% resort communities sales tax on transactions that occur on state park land. Should the authority impose this tax, taxpayers making purchases on state park land would be subject to an additional sales tax rate of 1.1%, estimated to be \$43,600 in aggregate.

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.