



Fiscal Note
H.B. 373 3rd Sub. (Cherry)
 2024 General Session
 Environmental Quality Amendments
 by Snider, C. (Snider, Casey.)



General, Income Tax, and Uniform School Funds

JR4-4-101

| | Ongoing | One-time | Total |
|----------------------------|-------------|------------|-------------|
| Net GF/ITF/USF (rev.-exp.) | \$(452,500) | \$(16,800) | \$(469,300) |

State Government

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

| Revenues | FY 2024 | FY 2025 | FY 2026 |
|-----------------------|------------|--------------------|--------------------|
| General Fund | \$0 | \$(485,000) | \$(485,000) |
| Total Revenues | \$0 | \$(485,000) | \$(485,000) |

Enactment of this legislation is expected to impact state sales tax revenues. On average, sales tax revenue would be reduced \$485,000 for every additional \$10,000,000 in pollution control purchases. The aggregate annual dollar amount of purchases from all pollution control devices regulated by the Department of Natural Resources is unknown at this time.

| Expenditures | FY 2024 | FY 2025 | FY 2026 |
|--|-----------------|------------------|------------------|
| General Fund | \$0 | \$(32,500) | \$(32,500) |
| General Fund, One-time | \$16,800 | \$0 | \$0 |
| Division of Oil, Gas, and Mining (GFR) | \$0 | \$160,000 | \$150,000 |
| Total Expenditures | \$16,800 | \$127,500 | \$117,500 |

Enactment of this legislation could cost the Department of Environmental Quality \$16,800 one-time from the General Fund in FY 2024 for rule changes related to repealing the Air Quality Advisory Board, which the Department can absorb. This legislation could also reduce General Fund expenditures for the Division of Air Quality by \$32,500 ongoing beginning in FY 2025 from repealing the Air Quality Policy Advisory Board. Finally, this legislation could cost the Department of Natural Resources' Division of Oil, Gas, and Mining \$10,000 one-time and \$150,000 ongoing from the Division of Oil, Gas, and Mining Restricted Account for rule making costs and staff to process applications and certify property for sales and use tax exemption related to pollution control facilities.

| | FY 2024 | FY 2025 | FY 2026 |
|----------------------|-------------------|--------------------|--------------------|
| Net All Funds | \$(16,800) | \$(612,500) | \$(602,500) |

H.B. 373 3rd Sub. (Cherry)

Local Government

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

Enactment of this legislation is expected to impact sales tax revenues. On average, sales tax revenue would be reduced \$280,000 for every additional \$10,000,000 in pollution control purchases. The aggregate annual impact will vary by municipality and cannot be estimated at this time.

Individuals & Businesses

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

Enactment of this legislation could decrease the sales tax burden for certain businesses who are required to own and use pollution control devices which would be exempt from sales tax. The aggregate annual impact of this decreased tax burden is unknown.

Regulatory Impact

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

Enactment of this legislation could result in a small reduction in 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.