



Fiscal Note
H.B. 509

2024 General Session
Utah Permanent Fund
by Alison, J.



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$ (15,101,100)	\$ 9,999,250	\$ (5,101,850)

State Government

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

Revenues	FY 2024	FY 2025	FY 2026
Beginning Nonlapsing	\$0	\$0	\$5,000,000
Restricted Accounts (FN Only)	\$0	\$5,000,000	\$15,000,000
Closing Nonlapsing	\$0	\$(5,000,000)	\$(20,000,000)
Total Revenues	\$0	\$0	\$0

Enactment of this legislation could transfer \$15 million ongoing and (\$10 million) one-time in FY 2025 from the General and Income Tax Funds into the new permanent trust fund created by this legislation. Over a 10 year period, deposits would grow by around \$10 million per year until reaching an ongoing total of \$130 million in year 10. These out-year deposits would be from future General and Income Tax revenue growth and could result in a nearly \$600 million trust fund balance by the end of year 10. Beginning in 2040, half of investment earnings on the new fund will be deposited into the General Fund.

Expenditures	FY 2024	FY 2025	FY 2026
General Fund	\$0	\$4,901,100	\$4,901,100
General Fund, One-time	\$750	\$(2,500,000)	\$0
Income Tax Fund	\$0	\$10,200,000	\$10,200,000
Income Tax Fund, One-time	\$0	\$(7,500,000)	\$0
Total Expenditures	\$750	\$5,101,100	\$15,101,100

Enactment of this legislation could deposit \$15 million ongoing and (\$10 million) one-time from the General Fund and Income Tax Fund into the new permanent trust fund created by this bill beginning in FY 2025. Deposits will grow incrementally as future revenue grows, forgoing newly available General Fund and Income Tax Fund revenue. After 10 years, ongoing transfers to the trust fund could be as much as \$160 million per year.

The bill could cost the Department of Government Operations \$1,100 ongoing from the General Fund beginning in FY 2025 and \$750 one-time in FY 2024 for staff support. The Department of Government Operations has indicated that they can absorb the one-time costs.

Finally, this legislation could cost the State Treasurer \$100,000 ongoing from the General Fund beginning in FY 2025 for staff support and administrative oversight.

	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>
Net All Funds	<u>\$(750)</u>	<u>\$(5,101,100)</u>	<u>\$(15,101,100)</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)
 Enactment of this legislation likely will not result in direct expenditures from tax or fee changes for Utah residents and businesses.

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.