Fiscal Note
H.B. 562

2024 General Session
Utah Fairpark Area Investment and Restoration District
by Wilcox, R.

General, Income Tax, and Uniform School Funds JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	$(133,900)	$56,900	$(77,000)

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

Revenues	*FY 2024*	*FY 2025*	*FY 2026*
Dedicated Credits Revenue	$0	$0	$75,000
Total Revenues	$0	$0	$75,000

Enactment of this legislation could increase revenue to the General Fund by $1.8 million ongoing beginning in the fiscal year a lease agreement is initiated between the Fairpark district and a major league sports team due to lease payments of $150,000 per month. The lease would exist for a term of 30 years (360 months).
Enactment of this legislation could increase revenue to the At-Risk Student account by $2.55 million dollars ongoing beginning when professional sports teams compete within the Fairpark District due to income tax collections deposited into the account.
Enactment of this legislation could increase dedicated credits revenue for the State Auditor''s Office by $75,000 ongoing in FY 2026 for the Fairpark District''s financial audit services.
Enactment of this legislation could forego $52.4 million in sales tax revenue over the term of stadium construction due to the tax exemption for materials used in the construction of a qualified stadium. $39.3 million of which being General Fund revenue and $13.1 million being Sales Tax Earmarks.
Enactment of this legislation could redirect $2.55 million in future ongoing income tax revenue from the Income Tax Fund to the At Risk Student Account created by this bill beginning when non-resident professional athletes earn income within the Fairpark District.

Expenditures	*FY 2024*	*FY 2025*	*FY 2026*
General Fund	$0	$133,900	$133,900
General Fund, One-time	$0	$(56,900)	$(66,900)
Dedicated Credits Revenue	$0	$0	$75,000
Total Expenditures	$0	$77,000	$142,000

Enactment of this legislation could increase current expense costs for the State Auditor''s Office by $75,000 ongoing beginning in FY 2026 for the Fairpark District''s financial audit services.
Enactment of this legislation could cost the Tax Commission $67,000 in FY 2026 and $133,900 ongoing beginning in fiscal year 2027 from the General Fund for staff costs to administer the provisions of the legislation. It could also cost the Tax Commission $77,000 one-time from the General Fund in fiscal year 2025 for system updates to administer the provisions of the legislation.

	FY 2024	*FY 2025*	*FY 2026*
Net All Funds	$0	$(77,000)	$(67,000)

Enactment of this legislation could cost the Fairpark District up to $900 million for the development and construction of a qualified stadium following the initiation of a project area plan.
Enactment of this legislation could increase revenue to the Fairpark District following the execution of a franchise agreement with a major league sports team by $6.05 million ongoing due to tax collections on short term lease and rental of vehicles; by $43.2 million ongoing due to tax collections on short term rental accommodation not exceeding 30 consecutive days.
Enactment of this legislation could increase revenue to counties of the fourth, fifth, and sixth class by $2.4 million ongoing following the execution of a franchise agreement with a major league sports team due to tax collections on short term rental accommodation not exceeding 30 consecutive days. Total revenue would be distributed to counties in proportion to their populations. This revenue may only be spent on emergency medical services and search and rescue activities.
Enactment of this legislation could increase revenue to the Fairpark district by $5.51 million ongoing beginning in fiscal year 2025 due to enhanced property tax collections.
To the extent that the Fairpark District chooses to levy an energy sales and use tax, enactment of this legislation may increase revenue to the Fairpark District by between $3,000 and $10,000 ongoing beginning in fiscal year 2025.
To the extent that the Fairpark District chooses to levy a municipal telecommunications license tax, enactment of this legislation may decrease revenue to Salt Lake City by between $3,000 and $10,000 ongoing beginning in fiscal year 2025.
Enactment of this legislation could increase revenue to the Fairpark District by an unknown amount ongoing beginning in fiscal year 2025 due to privilege tax revenue from the use of state-owned land within the district.
Enactment of this legislation could reduce revenue to the Fair Park Authority to the extent that privilege tax revenue is redirected to the Fairpark District beginning in fiscal year 2025.
To the extent that the Fairpark District chooses to levy a municipal telecommunications license tax, enactment of this legislation may increase revenue to the Fairpark District by between $10,000 and $20,000 ongoing beginning in fiscal year 2025.
To the extent that the Fairpark District chooses to levy a municipal telecommunications license tax, enactment of this legislation may decrease revenue to Salt Lake City by between $10,000 and $20,000 ongoing beginning in fiscal year 2025.
Enactment of this legislation could increase revenue to the Fairpark district by an unknown amount ongoing beginning in fiscal year 2025 due to accommodation tax collections.
Enactment of this legislation could increase revenue to the Fairpark district by an unknown amount ongoing beginning in fiscal year 2025 due to resort communities sales tax collections.
Enactment of this legislation could forego $10.8 million in sales tax revenue to Salt Lake City over the term of stadium construction due to the tax exemption for materials used in the construction of a qualified stadium.
Enactment of this legislation could forego $2.7 million in sales tax revenue to Salt Lake County over the term of stadium construction due to the tax exemption for materials used in the construction of a qualified stadium.
Enactment of this legislation could forego an aggregate of $17.8 million in sales tax revenue to restricted accounts over the term of stadium construction due to the tax exemption for materials used in the construction of a qualified stadium.
To the extent that the Division of Fleet Operations is utilized for fleet services, enactment of this legislation could increase Fairpark District costs by $10,000 annually per vehicle requested; aggregate impact unknown.
To the extent that the Division of Technology Services is utilized for information technology services, enactment of this legislation could increase Fairpark District costs by $480 per user and $2,200 per device annually; aggregate impact unknown.
To the extent that the Division of Finance is utilized for financial services, enactment of this legislation could increase Fairpark District costs by $1,958,000 ongoing in FY 2025 and $1,818,900 one-time in FY 2024 for accounting, payroll, software, and systems; aggregate impact unknown.

Individuals & Businesses

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

Enactment of this legislation could cost a major league sports team $1.8 million ongoing beginning in the fiscal year a lease agreement is initiated between the Fairpark district and a major league sports team due to lease payments of $150,000 per month. The lease would exist for a term of 30 years (360 months).
Enactment of this legislation could increase the aggregate tax paid by individuals for short term rental accommodation not exceeding 30 consecutive days by $45.6 million following the execution of a franchise agreement with a major league sports team
Enactment of this legislation could increase the aggregate tax paid by individuals for short term lease or rental of vehicles by $6.05 million ongoing following the execution of a franchise agreement with a major league sports team due to tax collections on short term lease and rental of vehicles.
Enactment of this legislation could increase the aggregate taxes paid by individuals by an unknown amount ongoing beginning in fiscal year 2025 due to accommodation tax collections.
Enactment of this legislation could increase the aggregate taxes paid by individuals by an unknown amount ongoing beginning in fiscal year 2025 due to resort communities sales tax collections.

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.