



**Fiscal Note**  
**H.B. 562 2nd Sub. (Gray)**  
 2024 General Session  
 Utah Fairpark Area Investment and  
 Restoration District  
 by Wilcox, R. (Wilcox, Ryan.)



**General, Income Tax, and Uniform School Funds**

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(133,900)	\$(10,100)	\$(144,000)

**State Government**

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

Revenues	FY 2024	FY 2025	FY 2026
Dedicated Credits Revenue	\$0	\$3,776,900	\$2,033,000
Total Revenues	\$0	\$3,776,900	\$2,033,000

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 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. Further, it could forego an unknown amount of sales tax revenue to the General Fund beginning in fiscal year 2025 due to the state sales tax revenue from sales within the District being redirected to the District.

Enactment of the bill could increase dedicated credits revenue for the State Auditor's Office by \$75,000 ongoing beginning in fiscal year (FY) 2026 for the Fairpark District's financial audit services. It could increase dedicated credits revenue to the Department of Government Operations Division of Finance by \$1,818,900 one-time and \$1,958,000 ongoing beginning in FY 2025.

Expenditures	FY 2024	FY 2025	FY 2026
General Fund	\$0	\$133,900	\$133,900
General Fund, One-time	\$0	\$10,100	\$0
Dedicated Credits Revenue	\$0	\$3,776,900	\$2,033,000
Total Expenditures	\$0	\$3,920,900	\$2,166,900

Enactment of this legislation could cost the Department of Government Operations Division of Finance \$1,818,900 one-time and \$1,958,000 ongoing in dedicated credits beginning in FY 2025 for financial systems and services. It could increase current expense costs for the State Auditor's Office by \$75,000 ongoing from dedicated credits beginning in FY 2026 for the Fairpark District's financial audit services. It could cost the Tax Commission \$67,000 in FY 2025 and \$133,900 ongoing beginning in fiscal year 2026 from the General Fund for staff costs to administer the provisions of the legislation. The bill 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.

	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>
<b>Net All Funds</b>	<u>\$0</u>	<u>\$(144,000)</u>	<u>\$(133,900)</u>

**Local Government**

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

Enactment of this legislation could cost the Fairpark District an estimated \$600 for per diem and travel reimbursement per board or loan committee meeting; aggregate amount unknown.

The legislation could cost the District \$1,818,900 one-time and \$1,958,000 ongoing beginning in FY 2025 for accounting, payroll, software, and systems from the Division of Finance. It could cost the District \$75,000 ongoing beginning in FY 2026 for current expenses related to financial audit services from the Utah State Auditor.

To the extent that the Fairpark District uses services from the Department of Government Operations, it could cost the District:

1. \$10,000 annually per vehicle requested for fleet services from the Division of Fleet Operations;
2. \$480 per user and \$2,200 per device annually for computer and network services from the Division of Technology Services;
3. \$1,000 annually per full time equivalent employee for personnel management services from the Division of Human Resource Management.

The aggregate amount of these costs is unknown.

The bill 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 and to Salt Lake County by unknown amounts ongoing beginning in fiscal year 2025 due to enhanced property tax collections.

Further, it could increase revenue to the District by an unknown amount in sales tax revenue beginning in fiscal year 2025 due to the state sales tax revenue from sales within the District being redirected to the District from the General Fund.

To the extent that the District chooses to levy these taxes, enactment of this legislation could increase revenue to the Fairpark District and decrease revenue to Salt Lake City ongoing beginning in fiscal year 2025 by:

1. between \$3,000 and \$10,000 from energy sales and use taxes;
2. between \$10,000 and \$20,000 from municipal telecommunications license taxes.

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, accommodation tax collections, and resort communities sales tax collections.

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.

Due to the legislation, Salt Lake City and County could over the term of stadium construction forgo the following due to the tax exemption for materials used in the construction of a qualified stadium:

1. \$10.8 million (Salt Lake City) and \$2.7 million (Salt Lake County) in sales tax revenue;
2. an aggregate of \$17.8 million in sales tax revenue to restricted accounts.

To the extent that the Salt Lake County Sheriff opens and operates all sections of jail facilities within the county, enactment of this legislation could increase costs for the Salt Lake County Sheriff's Office by up to \$10 million ongoing beginning in fiscal year 2025 due to increased personnel and operating costs.

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**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 lease or rental of vehicles by \$6.05 million ongoing beginning on the transition date 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.