

1 **ECONOMIC DEVELOPMENT THROUGH SPORTS PROMOTION**

2 2012 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Brad L. Dee**

5 Senate Sponsor: Wayne L. Niederhauser

7 **LONG TITLE**

8 **General Description:**

9 This bill establishes an account for lapsed appropriations from the Economic Incentive
10 Restricted Account to be available for use by a sports organization.

11 **Highlighted Provisions:**

12 This bill:

13 ▶ creates a restricted account known as the Sports Promotion Restricted Account and
14 provides for the administration of the account;

15 ▶ provides for deposits into the account from lapsed appropriations from the
16 Economic Incentive Restricted Account remaining after partial rebates are paid or
17 encumbered; and

18 ▶ provides for money from the account to be paid to the Governor's Office of
19 Economic Development for use by a sports organization.

20 **Money Appropriated in this Bill:**

21 None

22 **Other Special Clauses:**

23 None

24 **Utah Code Sections Affected:**

25 AMENDS:

26 **63M-1-2408**, as last amended by Laws of Utah 2010, Chapters 164, 323, and 391



28 *Be it enacted by the Legislature of the state of Utah:*

29 Section 1. Section **63M-1-2408** is amended to read:

30 **63M-1-2408. Transition clause -- Renegotiation of agreements -- Payment of**
31 **partial rebates.**

32 (1) As used in this section, "partial rebate" means an agreement between the office and
33 a business entity under which the state agrees to pay back to the business entity a portion of
34 new state revenues generated by a business entity's new commercial project.

35 (2) (a) Unless modified or renegotiated as provided in Subsection (2)(b), the Division
36 of Finance shall make partial rebate payments due under agreements entered into by the office
37 before May 5, 2008, as provided in this section.

38 (b) By January 1, 2009, the office shall:

39 (i) contact each business entity with whom the office entered into an agreement under
40 former Section 63-38f-1304 or 63-38f-1704; and

41 (ii) subject to the limits established in Subsection 63M-1-2404(3)(c), seek to modify
42 those agreements for the sole purpose of providing the incentives in the form of tax credits
43 under this part rather than partial rebates.

44 (c) The office shall:

45 (i) for each modified agreement granting tax credits, follow the procedures and
46 requirements of Section 63M-1-2405; and

47 (ii) for each agreement that still requires the state to pay partial rebates to the business
48 entity, follow the procedures and requirements of this section.

49 (3) (a) There is created a restricted account in the General Fund known as the
50 Economic Incentive Restricted Account.

51 (b) The account shall consist of money transferred into the account by the Division of
52 Finance from the General Fund as provided in this section.

53 (c) The Division of Finance shall make payments from the account as required by this
54 section.

55 (4) (a) Each business entity seeking a partial rebate shall follow the procedures and
56 requirements of this Subsection (4) to obtain a partial rebate.

57 (b) Within 90 days of the end of each calendar year, a business entity seeking a partial
58 rebate shall:

59 (i) provide the office with documentation of the new state revenues that the business
60 entity generated during the preceding calendar year; and

61 (ii) ensure that the documentation includes:

62 (A) the types of taxes and corresponding amounts of taxes paid directly to the State
63 Tax Commission; and

64 (B) the sales taxes paid to Utah vendors and suppliers that were indirectly paid to the
65 State Tax Commission.

66 (c) The office shall:

67 (i) audit or review the documentation for accuracy;

68 (ii) based upon its analysis of the documentation, determine the amount of partial
69 rebates that the business entity earned under the agreement; and

70 (iii) submit to the Division of Finance:

71 (A) a request for payment of partial rebates to the business entity;

72 (B) the name and address of the payee; and

73 (C) any other information requested by the Division of Finance.

74 (5) Upon receipt of a request for payment of partial rebates from the office, the
75 Division of Finance shall:

76 (a) transfer from the General Fund to the restricted account the amount contained in the
77 request for payment of partial rebates after reducing the amount transferred by any
78 unencumbered balances in the restricted account; and

79 (b) notwithstanding Subsections 51-5-3(23)(b) and 63J-1-104(3)(c), after receiving a
80 request for payment of partial rebates and making the transfer required by Subsection (5)(a),
81 the Division of Finance shall pay the partial rebates from the account.

82 (6) (a) (i) There is created a restricted account in the General Fund known as the Sports
83 Promotion Restricted Account.

84 (ii) The Sports Promotion Restricted Account consists of money that the Legislature
85 appropriates to the account and money that the Division of Finance transfers into the account
86 under Subsection (6)(b).

87 (iii) Any interest or earnings from money in the account shall be deposited into the
88 account.

89 (iv) The Legislature may appropriate money from the account to the Governor's Office

90 of Economic Development for distribution to a sports organization, as defined in Section
91 63M-1-1406, for advertising, marketing, branding, and promoting the state in attracting
92 sporting events into the state.

93 (b) For each fiscal year beginning July 1, 2012, the Division of Finance shall transfer
94 into the account lapsed funds appropriated from the Economic Incentive Restricted Account for
95 partial rebates under this section, in an amount that:

96 (i) except as provided in Subsection (6)(b)(ii), equals the difference between:

97 (A) \$7,230,200 or the amount appropriated for partial rebates, whichever is less; and

98 (B) the total of all partial rebates paid or encumbered for that fiscal year; and

99 (ii) does not exceed \$2,500,000 per year.

Legislative Review Note
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Office of Legislative Research and General Counsel