

FAIRPARK LEASING AUTHORIZATION REVISIONS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gage Froerer

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to leasing of the state fair park.

Highlighted Provisions:

This bill:

► requires the approval of the Infrastructure and General Government Appropriations Subcommittee and the Legislative Management Committee before:

• the Division of Facilities Construction and Management may lease the state fair park to the Utah State Fair Corporation; and

• the Utah State Fair Corporation may sublease the state fair park for 10 years or more; and

► makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63A-5-306, as last amended by Laws of Utah 2011, Chapter 370

63H-6-103, as last amended by Laws of Utah 2012, Chapters 20 and 347



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

29 Section 1. Section **63A-5-306** is amended to read:

30 **63A-5-306. Leasing of state fair park -- Lease -- Terms -- Demolition of facilities**
31 **-- Limits on debt or obligations.**

32 (1) As used in this section:

33 (a) "Corporation" means the Utah State Fair Corporation created in Section [63H-6-103](#).

34 (b) "Division" means the Division of Facilities Construction and Management.

35 (c) "State fair park" means the property and buildings owned by the state located at 155

36 North 1000 West, Salt Lake City, Utah.

37 (2) The division:

38 (a) may lease the state fair park to the corporation for a period not to exceed 50 years:

39 (i) subject to the corporation satisfying the requirements of Subsection (5)(b)(i); and

40 (ii) except that on June 30, 2017, that portion of the state fair park known as the White

41 Ball Field located on the south side of North Temple Street shall revert to the division and not

42 be a part of any continuing lease agreement between the division and the corporation, unless

43 otherwise agreed upon by the division and the corporation prior to June 30, 2017;

44 (b) shall ensure that any lease entered into under Subsection (2)(a):

45 (i) defines which party is responsible for repairs and maintenance to the grounds and

46 buildings;

47 (ii) defines any restrictions on the use of the property or buildings, including the

48 construction of any new buildings or facilities at the state fair park;

49 (iii) requires that for each year under the lease the corporation holds a state fair meeting

50 the requirements of Subsection [63H-6-103\(5\)\(a\)\(vi\)](#); and

51 (iv) provides for the renegotiation or termination of the lease if the corporation:

52 (A) no longer operates as an independent public nonprofit corporation as provided in

53 Title 63H, Chapter 6, Utah State Fair Corporation Act; or

54 (B) engages in any activity inconsistent with Title 63H, Chapter 6, Utah State Fair

55 Corporation Act;

56 (c) may:

57 (i) require that any lease entered into under Subsection (2)(a) grants the division the

58 right to unilaterally terminate the lease at its discretion; and

59 (ii) provide a process to determine compensation, if any, the division shall pay the
60 corporation for termination of the lease under Subsection (2)(c)(i); and

61 (d) if the lease described in Subsection (2)(a) is amended or renewed after the effective
62 date of this act and except as provided in Subsection (3), shall require the corporation under the
63 lease to:

64 (i) provide notice and obtain the approval of the State Building Board, the
65 Infrastructure and General Government Appropriations Subcommittee, and the Legislative
66 Management Committee before demolishing a facility at the state fair park; and

67 (ii) include the approval requirement described in Subsection (2)(d)(i) in any sublease
68 entered into, renewed, or amended after the effective date of this act.

69 (3) (a) The approval required under Subsection (2)(d) does not apply to a facility
70 demolished in accordance with a contract entered into but not amended before the effective
71 date of this act.

72 (b) Notwithstanding Subsection (3)(a), before a facility described in Subsection (3)(a)
73 is demolished, the corporation shall notify the division concerning any demolishing of the
74 facility.

75 (4) The State Building Board shall notify the state historic preservation office of any
76 State Building Board meeting at which consideration will be given to a proposal to demolish
77 facilities at the state fair park.

78 (5) (a) Notwithstanding Subsection (2), the division may review and adjust the amount
79 of any payments made by the corporation under the lease every three years beginning July 1,
80 2000.

81 (b) (i) The division may lease the state fair park to the corporation for a period not to
82 exceed 50 years, if the corporation:

83 (A) provides notice and obtains the approval of the Infrastructure and General
84 Government Appropriations Subcommittee and the Legislative Management Committee; and

85 (B) demonstrates to the satisfaction of the division that the lease period will result in
86 significant capital improvements at the state fair park by a private or public entity.

87 (ii) The corporation may enter into a sublease of up to 50 years, [~~subject to satisfying~~]
88 if the corporation:

89 (A) satisfies the requirements of Subsections (2)(d)(i) and (5)(b)(i)[-]; and

90 (B) for a sublease of 10 years or more, provides notice and obtains the approval of the
91 Infrastructure and General Government Appropriations Subcommittee and the Legislative
92 Management Committee.

93 (6) The state shall assume the responsibilities of the corporation under any contract that
94 is in effect on the day a lease between the division and the corporation terminates if:

95 (a) the contract is for the lease or construction of a building or facility at the state park;
96 and

97 (b) the lease between the division and the corporation is terminated in accordance with
98 Subsection (2)(b)(iv).

99 (7) (a) Payments made by the corporation under a lease with the division shall be
100 deposited into the Capital Project Fund.

101 (b) If, in accordance with Subsection (5), the payments made by the corporation under
102 a lease with the division are increased from the amount paid on July 1, 1997, the lease
103 payments made by the division shall be dedicated to capital improvements at the state fair park
104 unless, as part of the capital budget, the Legislature directs that the money be used for other
105 capital improvements.

106 (8) (a) A debt or obligation contracted by the corporation is a debt or obligation of the
107 corporation.

108 (b) The state is not liable for and assumes no legal or moral responsibility for any debt
109 or obligation described in Subsection (8)(a), unless the Legislature through statute or an
110 appropriation act specifically:

111 (i) authorizes the corporation to contract for that debt or obligation; and

112 (ii) accepts liability for or assumes responsibility for the debt or obligation.

113 Section 2. Section **63H-6-103** is amended to read:

114 **63H-6-103. Utah State Fair Corporation -- Legal status -- Powers.**

115 (1) There is created an independent public nonprofit corporation known as the "Utah
116 State Fair Corporation."

117 (2) The board shall file articles of incorporation for the corporation with the Division
118 of Corporations and Commercial Code.

119 (3) The corporation, subject to this chapter, has all powers and authority permitted
120 nonprofit corporations by law.

- 121 (4) The corporation shall, subject to approval of the board:
- 122 (a) have general management, supervision, and control over all activities relating to the
- 123 state fair and have charge of all state expositions except as otherwise provided by statute;
- 124 (b) for public entertainment, displays, and exhibits or similar events:
- 125 (i) provide, sponsor, or arrange the events;
- 126 (ii) publicize and promote the events; and
- 127 (iii) secure funds to cover the cost of the exhibits from:
- 128 (A) private contributions;
- 129 (B) public appropriations;
- 130 (C) admission charges; and
- 131 (D) other lawful means;
- 132 (c) establish the time, place, and purpose of state expositions; and
- 133 (d) acquire and designate exposition sites.
- 134 (5) (a) The corporation shall:
- 135 (i) use generally accepted accounting principles in accounting for its assets, liabilities,
- 136 and operations;
- 137 (ii) seek corporate sponsorships for the state fair park and for individual buildings or
- 138 facilities within the fair park;
- 139 (iii) work with county and municipal governments, the Salt Lake Convention and
- 140 Visitor's Bureau, the Utah Travel Council, and other entities to develop and promote
- 141 expositions and the use of the state fair park;
- 142 (iv) develop and maintain a marketing program to promote expositions and the use of
- 143 the state fair park;
- 144 (v) in cooperation with the Division of Facilities Construction and Management,
- 145 maintain the physical appearance and structural integrity of the state fair park and the buildings
- 146 located at the state fair park;
- 147 (vi) hold an annual exhibition that:
- 148 (A) is called the state fair or a similar name;
- 149 (B) includes expositions of livestock, poultry, agricultural, domestic science,
- 150 horticultural, floricultural, mineral, and industrial products, manufactured articles, and
- 151 domestic animals that, in the corporation's opinion will best stimulate agricultural, industrial,

152 artistic, and educational pursuits and the sharing of talents among the people of Utah;

153 (C) includes the award of premiums for the best specimens of the exhibited articles and
154 animals;

155 (D) permits competition by livestock exhibited by citizens of other states and territories
156 of the United States; and

157 (E) is arranged according to plans approved by the board;

158 (vii) fix the conditions of entry to the exposition described in Subsection (5)(a)(vi); and
159 (viii) publish a list of premiums that will be awarded at the exhibition described in
160 Subsection (5)(a)(vi) for the best specimens of exhibited articles and animals.

161 (b) In addition to the state fair to be held in accordance with Subsection (5)(a)(vi), the
162 corporation may hold other exhibitions of livestock, poultry, agricultural, domestic science,
163 horticultural, floricultural, mineral, and industrial products, manufactured articles, and
164 domestic animals that, in its opinion, will best stimulate agricultural, industrial, artistic, and
165 educational pursuits and the sharing of talents among the people of Utah.

166 (6) The corporation may:

167 (a) employ advisers, consultants, and agents, including financial experts and
168 independent legal counsel, and fix their compensation;

169 (b) (i) participate in the state's Risk Management Fund created under Section
170 [63A-4-201](#); or

171 (ii) procure insurance against any loss in connection with its property and other assets,
172 including mortgage loans;

173 (c) receive and accept aid or contributions of money, property, labor, or other things of
174 value from any source, including any grants or appropriations from any department, agency, or
175 instrumentality of the United States or Utah;

176 (d) hold, use, loan, grant, and apply that aid and those contributions to carry out the
177 purposes of the corporation, subject to the conditions, if any, upon which the aid and
178 contributions were made;

179 (e) enter into management agreements with any person or entity for the performance of
180 its functions or powers;

181 (f) establish whatever accounts and procedures as necessary to budget, receive, and
182 disburse, account for, and audit all funds received, appropriated, or generated;

- 183 (g) subject to the provisions of Section 63A-5-306, enter into agreements for the
184 leasing of any of the facilities at the state fair park, if approved by the board; and
185 (h) sponsor events as approved by the board.
- 186 (7) (a) Except as provided in Subsection (7)(c), as an independent agency of Utah, the
187 corporation is exempt from:
- 188 (i) Title 51, Chapter 5, Funds Consolidation Act;
 - 189 (ii) Title 51, Chapter 7, State Money Management Act;
 - 190 (iii) Title 63A, Utah Administrative Services Code;
 - 191 (iv) Title 63G, Chapter 6a, Utah Procurement Code;
 - 192 (v) Title 63J, Chapter 1, Budgetary Procedures Act; and
 - 193 (vi) Title 67, Chapter 19, Utah State Personnel Management Act.
- 194 (b) The board shall adopt policies parallel to and consistent with:
- 195 (i) Title 51, Chapter 5, Funds Consolidation Act;
 - 196 (ii) Title 51, Chapter 7, State Money Management Act;
 - 197 (iii) Title 63A, Utah Administrative Services Code;
 - 198 (iv) Title 63G, Chapter 6a, Utah Procurement Code; and
 - 199 (v) Title 63J, Chapter 1, Budgetary Procedures Act.
- 200 (c) The corporation shall comply with the legislative approval requirements for new
201 facilities established in Subsection 63A-5-104(3).

Legislative Review Note
as of 2-26-15 10:49 AM

Office of Legislative Research and General Counsel