

STATE FAIR PARK REVISIONS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kevin T. Van Tassell

House Sponsor: Mike K. McKell

LONG TITLE

General Description:

This bill amends provisions related to the Utah State Fair Corporation.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ amends the powers and duties of the Utah State Fair Corporation;
- ▶ modifies the membership of the board of directors of the Utah State Fair Corporation;
- ▶ allows the board of directors of the Utah State Fair Corporation to create one or more subcommittees;
- ▶ creates the State Fair Park Advisory Committee;
- ▶ provides that the Utah State Fair Corporation shall operate and maintain the state fair park;
- ▶ provides that a person who executes a development agreement with the Utah State Fair Corporation shall pay a tax equivalent payment;
- ▶ repeals provisions related to the leasing of the state fair park; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2017:

- ▶ to the Legislature - Senate, as an ongoing appropriation:



- 28 • from the General Fund, \$15,000;
- 29 ▶ to the Legislature - House of Representatives, as an ongoing appropriation:
- 30 • from the General Fund, \$15,000;
- 31 ▶ to the Legislature - Office of Legislative Research and General Counsel, as an
- 32 ongoing appropriation:
- 33 • from the General Fund, \$40,000.

34 **Other Special Clauses:**

35 None

36 **Utah Code Sections Affected:**

37 AMENDS:

- 38 **63B-18-302**, as enacted by Laws of Utah 2009, Chapter 134
- 39 **63H-6-102**, as renumbered and amended by Laws of Utah 2011, Chapter 370
- 40 **63H-6-103**, as last amended by Laws of Utah 2012, Chapters 20 and 347
- 41 **63H-6-104**, as last amended by Laws of Utah 2014, Chapter 139
- 42 **63H-6-107**, as renumbered and amended by Laws of Utah 2011, Chapter 370

43 ENACTS:

- 44 **63H-6-104.5**, Utah Code Annotated 1953
- 45 **63H-6-108**, Utah Code Annotated 1953
- 46 **63H-6-109**, Utah Code Annotated 1953

47 REPEALS:

- 48 **63A-5-306**, as last amended by Laws of Utah 2011, Chapter 370



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

51 Section 1. Section **63B-18-302** is amended to read:

52 **63B-18-302. Authorizations to dispose of property.**

53 ~~[(1) The Legislature intends that:]~~

54 ~~[(a) the Division of Facilities Construction and Management, acting in coordination~~
55 ~~with the Utah State Fair Corporation, may negotiate with the Utah Transit Authority for a~~
56 ~~long-term lease of land, or a license for long-term use of land, to the Utah Transit Authority at~~
57 ~~the State Fairpark; and]~~

58 ~~[(b) before entering into a contract with the Utah Transit Authority, the division shall:]~~

59 ~~[(i) obtain the approval of the State Building Board; and]~~
 60 ~~[(ii) the State Building Board may approve the agreement only if the division~~
 61 ~~demonstrates that the contract terms agree with Section 63A-5-306 and will be a benefit to the~~
 62 ~~state;]~~

63 [(2)] The Legislature intends that:

64 [(a)] (1) the Department of Workforce Services may, in coordination with the Division
 65 of Facilities Construction and Management, sell a Temporary Placement Office in Salt Lake
 66 City, Utah, and three vacated buildings in Logan, Utah; and

67 [(b)] (2) sales ~~[shall]~~ be at fair market value.

68 Section 2. Section 63H-6-102 is amended to read:

69 **63H-6-102. Definitions.**

70 As used in this chapter:

71 (1) "Board" means the board of directors of the corporation.

72 (2) "Business related experience" means at least three years of professional experience
 73 in business administration, marketing, advertising, economic development, or a related field.

74 (3) "Capital developments" means the same as that term is defined in Section
 75 63A-5-104.

76 (4) "Capital improvements" means the same as that term is defined in Section
 77 63A-5-104.

78 [(2)] (5) "Corporation" means the Utah State Fair Corporation created by this chapter.

79 (6) "Division" means the Division of Facilities Construction and Management created
 80 in Section 63A-5-201.

81 (7) "Executive director" means the executive director hired by the board in accordance
 82 with Section 63H-6-105.

83 [(3)] (8) (a) "State fair park" means the property owned by the state located at:

84 (i) 155 North 1000 West, Salt Lake City, Utah[-], consisting of approximately 50 acres;

85 (ii) 1139 West North Temple, Salt Lake City, Utah, consisting of approximately 10.5
 86 acres; and

87 (iii) 1220 West North Temple, Salt Lake City, Utah, consisting of approximately two
 88 acres.

89 (b) "State fair park" includes each building and each improvement on the property

90 described in Subsection (8)(a) that is owned by the state.

91 Section 3. Section **63H-6-103** is amended to read:

92 **63H-6-103. Utah State Fair Corporation -- Legal status -- Powers.**

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

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

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

99 (4) The corporation shall~~[, subject to approval of the board]:~~

100 (a) ~~[have general management, supervision, and control over]~~ manage, supervise, and
101 control:

102 (i) all activities relating to the ~~[state fair]~~ annual exhibition described in Subsection
103 (4)(j); and [have charge of]

104 (ii) ~~except as otherwise provided by statute,~~ all state expositions [except as otherwise
105 provided by statute], including setting the time, place, and purpose of any state exposition;

106 (b) for public entertainment, displays, and exhibits or similar events:

107 (i) provide, sponsor, or arrange the events;

108 (ii) publicize and promote the events; and

109 (iii) secure funds to cover the cost of the exhibits from:

110 (A) private contributions;

111 (B) public appropriations;

112 (C) admission charges; and

113 (D) other lawful means;

114 ~~[(e) establish the time, place, and purpose of state expositions; and]~~

115 ~~[(f)]~~ (c) acquire and designate exposition sites~~[-:];~~

116 ~~[(5) (a) The corporation shall:]~~

117 ~~[(i)]~~ (d) use generally accepted accounting principles in accounting for ~~[its]~~ the
118 corporation's assets, liabilities, and operations;

119 ~~[(ii)]~~ (e) seek corporate sponsorships for the state fair park ~~[and]~~ or for individual
120 buildings or facilities within the fair park;

121 [(iii)] (f) work with county and municipal governments, the Salt Lake Convention and
 122 Visitor's Bureau, the Utah Travel Council, and other entities to develop and promote
 123 expositions and the use of the state fair park;

124 [(iv)] (g) develop and maintain a marketing program to promote expositions and the
 125 use of the state fair park;

126 ~~[(v) in cooperation with the Division of Facilities Construction and Management,]~~

127 (h) in accordance with provisions of this part, operate and maintain the state fair park,
 128 including the physical appearance and structural integrity of the state fair park and the
 129 buildings located at the state fair park;

130 (i) prepare an economic development plan for the portions of the state fair park
 131 described in Subsections [63H-6-102\(8\)\(a\)\(ii\)](#) and (iii);

132 [(vi)] (j) hold an annual exhibition that:

133 ~~[(A)]~~ (i) is called the state fair or a similar name;

134 (ii) promotes and highlights agriculture throughout the state;

135 ~~[(B)]~~ (iii) includes expositions of livestock, poultry, agricultural, domestic science,
 136 horticultural, floricultural, mineral[;] and industrial products, manufactured articles, and
 137 domestic animals that, in the corporation's opinion will best stimulate agricultural, industrial,
 138 artistic, and educational pursuits and the sharing of talents among the people of Utah;

139 ~~[(C)]~~ (iv) includes the award of premiums for the best specimens of the exhibited
 140 articles and animals;

141 ~~[(D)]~~ (v) permits competition by livestock exhibited by citizens of other states and
 142 territories of the United States; and

143 ~~[(E)]~~ (vi) is arranged according to plans approved by the board;

144 ~~[(vii)]~~ (k) fix the conditions of entry to the ~~[exposition]~~ annual exhibition described in
 145 Subsection ~~[(5)(a)(vi)](4)(j)~~; and

146 ~~[(viii)]~~ (l) publish a list of premiums that will be awarded at the annual exhibition
 147 described in Subsection ~~[(5)(a)(vi)] (4)(j)~~ for the best specimens of exhibited articles and
 148 animals.

149 ~~[(b)]~~ (5) In addition to the ~~[state fair to be held in accordance with Subsection~~
 150 ~~(5)(a)(vi)] annual exhibition described in Subsection (4)(j)~~, the corporation may hold other
 151 exhibitions of livestock, poultry, agricultural, domestic science, horticultural, floricultural,

152 mineral[.] and industrial products, manufactured articles, and domestic animals that, in [its] the
 153 corporation's opinion, will best stimulate agricultural, industrial, artistic, and educational
 154 pursuits and the sharing of talents among the people of Utah.

155 (6) The corporation may:

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

158 (b) (i) participate in the state's Risk Management Fund created under Section
 159 [63A-4-201](#); or

160 (ii) procure insurance against any loss in connection with [its] the corporation's
 161 property and other assets, including mortgage loans;

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

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

168 (e) enter into management agreements with any person or entity for the performance of
 169 [its] the corporation's functions or powers;

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

172 (g) ~~[enter into agreements for the leasing of]~~ subject to Subsection (8), lease any of the
 173 facilities at the state fair park~~[, if approved by the board, and];~~

174 (h) sponsor events as approved by the board[:]; and

175 (i) enter into one or more agreements to develop the portions of the state fair park
 176 described in Subsections [63H-6-102\(8\)\(a\)](#) ~~§~~→ (i), ←~~§~~ (ii) and (iii).

177 (7) (a) Except as provided in Subsection (7)(c), as an independent agency of Utah, the
 178 corporation is exempt from:

179 (i) Title 51, Chapter 5, Funds Consolidation Act;

180 (ii) Title 51, Chapter 7, State Money Management Act;

181 (iii) Title 63A, Utah Administrative Services Code;

182 (iv) Title 63G, Chapter 6a, Utah Procurement Code;

- 183 (v) Title 63J, Chapter 1, Budgetary Procedures Act; and
 184 (vi) Title 67, Chapter 19, Utah State Personnel Management Act.
 185 (b) The board shall adopt policies parallel to and consistent with:
 186 (i) Title 51, Chapter 5, Funds Consolidation Act;
 187 (ii) Title 51, Chapter 7, State Money Management Act;
 188 (iii) Title 63A, Utah Administrative Services Code;
 189 (iv) Title 63G, Chapter 6a, Utah Procurement Code; and
 190 (v) Title 63J, Chapter 1, Budgetary Procedures Act.
 191 (c) The corporation shall comply with the legislative approval requirements for new
 192 facilities established in Subsection [63A-5-104\(3\)](#).
 193 (8) (a) Before the corporation executes a lease described in Subsection (6)(g) with a
 194 term of 10 or more years, the corporation shall:
 195 (i) submit the proposed lease to the State Building Board for the State Building Board's
 196 approval or rejection; and
 197 (ii) if the State Building Board approves the proposed lease, submit the proposed lease
 198 to the Executive Appropriations Committee for the Executive Appropriation Committee's
 199 review and recommendation in accordance with Subsection (8)(b).
 200 (b) The Executive Appropriations Committee shall review a proposed lease submitted
 201 in accordance with Subsection (8)(a) and recommend to the corporation that the corporation:
 202 (i) execute the proposed sublease; or
 203 (ii) reject the proposed sublease.
 204 (9) In carrying out the corporation's duties under this chapter, the corporation shall
 205 cooperate with and, upon request, appear before the State Fair Park Advisory Committee
 206 created in Section [63H-6-104.5](#).
 207 Section 4. Section **63H-6-104** is amended to read:
 208 **63H-6-104. Board of directors -- Membership -- Term -- Quorum -- Vacancies.**
 209 (1) The corporation is governed by a board of directors.
 210 (2) The board is composed of [~~13~~] members as follows:
 211 (a) the director of the Division of Facilities Construction and Management or the
 212 director's designee;
 213 (b) the commissioner of agriculture and food or the commissioner's designee; [~~and~~]

214 (c) two members, appointed by the president of the Senate, who have business related
 215 experience and are not legislators;

216 (d) two members, appointed by the speaker of the House, who have business related
 217 experience and are not legislators;

218 ~~[(e) 11]~~ (e) four members appointed by the governor with the consent of the Senate as
 219 follows:

220 ~~[(i) two members of the board who are residents of Salt Lake County in which the state~~
 221 ~~fair is held;]~~

222 ~~[(ii) seven members of the board who are not residents of Salt Lake County and are~~
 223 ~~each a resident of a different county than any other member under this Subsection (2)(c)(ii);~~
 224 ~~and]~~

225 ~~[(iii) (i) two members [of the board] who represent agricultural interests[-]; and~~

226 (ii) two members who have business related experience;

227 (f) one member, appointed by the mayor of Salt Lake City with the consent of the

228 Senate, who ~~is~~ ~~→~~ ~~[represents an organization created for the purpose of advocating for and promoting~~
 229 improvements to] is a resident of ~~←~~ ~~is~~ the neighborhood located adjacent to the state fair park;

230 (g) a representative of Salt Lake County, if Salt Lake County is party to an executed
 231 lease agreement with the corporation; and

232 (h) a representative of the Days of '47 Rodeo, if the Days of '47 Rodeo is party to an
 233 executed lease agreement with the corporation.

234 (3) (a) (i) Except as provided in Subsection (3)(a)(ii), ~~[the governor shall appoint board~~
 235 ~~members to serve terms that expire]~~ a board member appointed under Subsection (2)(c), (d),
 236 (e), or (f) shall serve a term that expires on the December 1 four years after the year that the
 237 board member was appointed.

238 (ii) In making appointments to the board, the president of the Senate, the speaker of the
 239 House, the governor, and the mayor of Salt Lake City shall ensure that the terms of
 240 approximately 1/4 of the appointed board members expire each year.

241 (b) Except as provided in Subsection (3)(c), appointed board members serve until their
 242 successors are appointed and qualified.

243 (c) (i) If an appointed board member is absent from three consecutive board meetings
 244 without excuse, that member's appointment is terminated, the position is vacant, and the

245 [governor] individual who appointed the board member shall appoint a replacement.

246 (ii) The president of the Senate, the speaker of the House, the governor, or the mayor of
247 Salt Lake City, as applicable, may remove an appointed member of the board at will.

248 (d) The president of the Senate, the speaker of the House, the governor, or the mayor of
249 Salt Lake City, as appropriate, shall fill any vacancy that occurs on the board for any reason by
250 appointing [a person according to] an individual in accordance with the procedures [of]
251 described in this section for the unexpired term of the vacated member.

252 (4) The governor shall select the board's chair.

253 (5) [Seven] A majority of the members of the board [are] is a quorum for the
254 transaction of business.

255 (6) The board may elect a vice chair and any other board offices.

256 (7) The board may create one or more subcommittees to advise the board on any issue
257 related to the state fair park.

258 Section 5. Section **63H-6-104.5** is enacted to read:

259 **63H-6-104.5. State Fair Park Advisory Committee -- Creation -- Duties.**

260 (1) To assist the corporation in the execution of the corporation's duties under this
261 chapter, there is created the State Fair Park Advisory Committee consisting of the following six
262 members:

263 (a) three members of the Senate appointed by the president of the Senate, no more than
264 two of whom are from the same political party; and

265 (b) three members from the House of Representatives appointed by the speaker of the
266 House, no more than two of whom are from the same political party.

267 (2) (a) The president of the Senate shall designate a member of the Senate appointed
268 under Subsection (1)(a) as cochair of the advisory committee.

269 (b) The speaker of the House of Representatives shall designate a member of the House
270 of Representatives appointed under Subsection (1)(b) as cochair of the advisory committee.

271 (3) (a) A majority of the members of the advisory committee constitutes a quorum.

272 (b) The action of a majority of a quorum constitutes the action of the advisory
273 committee.

274 (4) The advisory committee shall meet as necessary, as determined by the cochairs of
275 the advisory committee.

276 (5) Salaries and expenses of the members of the advisory committee shall be paid in
277 accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator
278 Compensation.

279 (6) The Office of Legislative Research and General Counsel shall provide staff support
280 to the advisory committee.

281 (7) The advisory committee shall consult with and make recommendations to the
282 corporation regarding the corporation's duties under this chapter.

283 (8) A recommendation of the advisory committee is not binding upon the corporation.

284 Section 6. Section **63H-6-107** is amended to read:

285 **63H-6-107. Enterprise fund -- Creation -- Revenue -- Uses.**

286 (1) (a) There is created an enterprise fund entitled the Utah State Fair Fund.

287 (b) The executive director shall administer the fund under the direction of the board.

288 (2) The fund consists of money generated from the following revenue sources:

289 (a) lease payments from person or entities leasing the state fair park or any other
290 facilities owned by the corporation;

291 (b) [~~revenues~~] revenue received from any expositions or other events wholly or
292 partially sponsored by the corporation;

293 (c) aid or contributions of money, property, labor, or other things of value from any
294 source, including any grants or appropriations from any department, agency, or instrumentality
295 of the United States or Utah;

296 (d) appropriations made to the fund by the Legislature; [~~and~~]

297 (e) revenue received under an agreement described in Subsection 63H-6-109(2); and
298 [~~(e)~~] (f) any other income obtained by the corporation.

299 (3) (a) The fund shall earn interest.

300 (b) All interest earned on fund money shall be deposited into the fund.

301 (4) The executive director may use fund money to operate, maintain, and support the
302 Utah state fair, the state fair park, and other expositions sponsored by the corporation.

303 Section 7. Section **63H-6-108** is enacted to read:

304 **63H-6-108. Operation of the state fair park.**

305 (1) The corporation shall:

306 (a) operate and maintain the state fair park in accordance with the facility maintenance

- 307 standards approved by the State Building Board;
- 308 (b) pay for all costs associated with operating and maintaining the state fair park;
- 309 (c) obtain approval from the division before the corporation commences capital
- 310 developments on the state fair park that involve:
- 311 (i) the construction of new space that costs more than \$100,000; or
- 312 (ii) the construction of a new building that costs more than \$1,000,000;
- 313 (d) for any new construction project on the state fair park that costs \$100,000 or more:
- 314 (i) notify the division before commencing the new construction project; and
- 315 (ii) coordinate with the division regarding review of design plans and construction
- 316 management;
- 317 (e) obtain approval from the division before the corporation makes any alteration or
- 318 addition to the water system, heating system, plumbing system, air conditioning system, or
- 319 electrical system;
- 320 (f) obtain approval from the State Building Board before the corporation demolishes a
- 321 building or facility on the state fair park;
- 322 (g) keep the state fair park fully insured to protect against loss or damage by fire,
- 323 vandalism, or malicious mischief;
- 324 (h) in accordance with Subsection (3), at the corporation's expense, and for the mutual
- 325 benefit of the division, maintain general public liability insurance in an amount equal to at least
- 326 \$1,000,000 through one or more companies that are:
- 327 (i) licensed to do business in the state;
- 328 (ii) selected by the corporation; and
- 329 (iii) approved by the division and the Division of Risk Management;
- 330 (i) ensure that the division is an additional insured with primary coverage on each
- 331 insurance policy that the corporation obtains in accordance with this section;
- 332 (j) give the division notice at least 30 days before the day on which the corporation
- 333 cancels any insurance policy that the corporation obtains in accordance with this section; and
- 334 (k) if any lien is recorded or filed against the state fair park as a result of an act or
- 335 omission of the corporation, cause the lien to be satisfied or cancelled within 10 days after the
- 336 day on which the corporation receives notice of the lien.
- 337 (2) The State Building Board shall notify the State Historic Preservation Office of any

338 State Building Board meeting at which the State Building Board will consider approval to
339 demolish a facility on the state fair park.

340 (3) The general public liability insurance described in Subsection (1)(h) shall:

341 (a) insure against any claim for personal injury, death, or property damage that occurs
342 at the state fair park; and

343 (b) be a blanket policy that covers all activities of the corporation.

344 (4) The division shall administer any capital improvements on the state fair park that
345 cost more than \$100,000.

346 (5) Upon 24 hours notice to the corporation, the division may enter the state fair park
347 to inspect the state fair park and make any repairs that the division determines necessary.

348 (6) If the corporation no longer operates as an independent public nonprofit corporation
349 as described in this chapter, the state shall assume the responsibilities of the corporation under
350 any contract that is:

351 (a) in effect as of the day on which the status of the corporation changes; and

352 (b) for the lease, construction, or development of a building or facility on the state fair
353 park.

354 (7) (a) A debt or obligation contracted by the corporation is a debt or obligation of the
355 corporation.

356 (b) The state is not liable and assumes no responsibility for any debt or obligation
357 described in Subsection (7)(a), unless the Legislature expressly:

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

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

360 (8) The provisions of this section apply notwithstanding any contrary provision in Title
361 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management.

362 Section 8. Section **63H-6-109** is enacted to read:

363 **63H-6-109. Tax -- Exemption -- Tax equivalent payment.**

364 (1) The possession or beneficial use of property within the state fair park is exempt
365 from taxation under Title 59, Chapter 4, Privilege Tax.

366 (2) (a) Any agreement between the corporation and a person to develop property within
367 the state fair park shall provide that the person shall, in accordance with Title 59, Chapter 3,
368 Tax Equivalent Property Act, make a tax equivalent payment as defined in Section [59-3-102](#) to

369 the corporation each year.

370 (b) The corporation shall deposit all revenue collected under Subsection (2)(a) into the
 371 Utah State Fair Fund created in Section [63H-6-107](#).

372 Section 9. **Repealer.**

373 This bill repeals:

374 Section [63A-5-306](#), **Leasing of state fair park -- Lease -- Terms -- Demolition of**
 375 **facilities -- Limits on debt or obligations.**

376 Section 10. **Appropriation.**

377 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for
 378 the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following sums of money
 379 are appropriated from resources not otherwise appropriated, or reduced from amounts
 380 previously appropriated, out of the funds or amounts indicated. These sums of money are in
 381 addition to amounts previously appropriated for fiscal year 2017.

382 To Legislature - Senate

383 From General Fund \$15,000

384 Schedule of Programs:

385 Administration \$15,000

386 To Legislature - House of Representatives

387 From General Fund \$15,000

388 Schedule of Programs:

389 Administration \$15,000

390 To Legislature - Office of Legislative Research and General Counsel

391 From General Fund \$40,000

392 Schedule of Programs:

393 Administration \$40,000