

## HB0562S02 compared with HB0562S01

~~deleted text~~ shows text that was in HB0562S01 but was deleted in HB0562S02.

inserted text shows text that was not in HB0562S01 but was inserted into HB0562S02.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Ryan D. Wilcox proposes the following substitute bill:

### UTAH FAIRPARK AREA INVESTMENT AND RESTORATION DISTRICT

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Ryan D. Wilcox**

Senate Sponsor: Lincoln Fillmore

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#### LONG TITLE

##### General Description:

This bill enacts and modifies provisions relating to the Utah Fairpark Area Investment and Restoration District.

##### Highlighted Provisions:

This bill:

- ▶ creates the Utah Fairpark Area Investment and Restoration District;
- ▶ provides for the district's powers and duties;
- ▶ defines the district boundary;
- ▶ creates a board to govern the district and provides for board membership;
- ▶ authorizes the district to levy:

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- an energy sales and use tax;
- a telecommunications license tax;
- a transient room tax;
- a resort communities sales and use tax;
- an additional resort communities sales and use tax; and
- an accommodations and services tax;

~~{ → provides for an increase in a transient room tax if a franchise agreement is executed and changes how transient room tax revenue is to be spent;~~

- ‡ ▶ provides for an increase in a car rental tax and provides for how the additional revenue is to be spent;
- ▶ provides for state-owned land within the district boundary to be subject to a privilege tax;
- ▶ expands a prohibition on the imposition of certain impact fees;
- ▶ provides for enhanced property tax revenue to be paid to the district and to the host municipality;
- ▶ specifies the use of district funds;
- ▶ authorizes the district to adopt one or more project area plans, including a project area, with the consent of the property owner, for the development and construction of a qualified stadium;
- ▶ provides for the district to own the land on which a qualified stadium is ~~{built}~~build and to own the qualified stadium;
- ▶ provides a maximum for district contributions for the development and construction of a qualified stadium;
- ▶ provides for the district to receive certain state sales tax revenues generated from transactions within the district sales tax area;
- ▶ provides a sales tax exemption for construction materials used for the construction of a qualified stadium;
- ~~{ → provides for income tax on nonresident professional athletes generated from within the district to be used for at-risk students;~~
- ‡ ▶ modifies provisions relating to the State Fair Park Authority;
- ▶ authorizes the district board to approve loans from an infrastructure loan fund;‡

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~~and~~

- ▶ makes technical and conforming changes ~~{.}~~; and
- ▶ encourages the use of a jail facility.

### Utah Fairpark Area Investment and Restoration District Boundary Information:

The boundary information for the Utah Fairpark Area Investment and Restoration District boundary:

- ▶ is delineated in a shapefile that:
  - is enacted as part of this bill in electronic form;
  - may be found at: [https://le.utah.gov/~2024/documents/HB0562\\_shapefile.zip](https://le.utah.gov/~2024/documents/HB0562_shapefile.zip);
  - and
  - has the following electronic file security code:  
cf4d4953297c3ea4c936028b7c89e3c0; and
- ▶ is also depicted in a format that:
  - is intended to be more accessible to the general public and is provided for informational purposes only;
  - shows the boundary as delineated in the shapefile, but is not enacted as part of this bill; and
  - may be found at:  
[https://www.google.com/maps/d/edit?mid=140hCtPp\\_tbgfo4lm2PFBCipH5bJmFTs](https://www.google.com/maps/d/edit?mid=140hCtPp_tbgfo4lm2PFBCipH5bJmFTs).

### Money Appropriated in this Bill:

None

### Other Special Clauses:

~~{None}~~ This bill provides a special effective date.

### Utah Code Sections Affected:

AMENDS:

- 10-1-203**, as last amended by Laws of Utah 2022, Chapter 306
- 10-1-303**, as last amended by Laws of Utah 2021, Chapter 210
- 10-1-304**, as last amended by Laws of Utah 2022, Chapter 237
- 10-1-310**, as enacted by Laws of Utah 1996, Chapter 280
- 10-1-403**, as last amended by Laws of Utah 2021, Chapter 414

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11-36a-202, as last amended by Laws of Utah 2023, Chapter 502

11-68-201, as renumbered and amended by Laws of Utah 2023, Chapter 502

11-68-202, as renumbered and amended by Laws of Utah 2023, Chapter 502

11-68-403, as renumbered and amended by Laws of Utah 2023, Chapter 502

11-68-502, as enacted by Laws of Utah 2023, Chapter 502

~~{17C-1-407}~~ 17-22-5.5, as last amended by Laws of Utah 2022, Chapter ~~{307}~~ 115

17D-4-102, as last amended by Laws of Utah 2023, Chapter 15

59-2-924, as last amended by Laws of Utah 2023, Chapter 502

59-4-101, as last amended by Laws of Utah 2023, Chapter 502

~~{59-10-544}~~ 59-12-103 (Contingently Superseded 01/01/25), as last amended by Laws of Utah ~~{2022, Chapter 456}~~ 2023, Chapters 22, 213, 329, 361, and 471

59-12-103 (Contingently Effective 01/01/25), as last amended by Laws of Utah 2023, Chapters 22, 213, 329, 361, 459, and 471

59-12-104, as last amended by Laws of Utah 2023, Chapters 213, 518

59-12-352, as last amended by Laws of Utah 2023, Chapter 263

59-12-354, as last amended by Laws of Utah 2023, Chapters 263, 471

59-12-401, as last amended by Laws of Utah 2021, Chapter 414

59-12-402, as last amended by Laws of Utah 2023, Chapter 435

59-12-1201, as last amended by Laws of Utah 2023, Chapters 361, 471

~~{~~ ~~59-28-103, as last amended by Laws of Utah 2022, Chapter 68~~

~~}~~ 63A-3-401.5, as last amended by Laws of Utah 2023, Chapter 259

63A-3-402, as last amended by Laws of Utah 2023, Chapter 259

63A-5b-902, as last amended by Laws of Utah 2023, Chapter 263

63C-25-101, as last amended by Laws of Utah 2023, Chapters 91, 139 and 502

63C-25-202, as last amended by Laws of Utah 2023, Chapter 91

### ENACTS:

11-70-101, Utah Code Annotated 1953

11-70-102, Utah Code Annotated 1953

11-70-103, Utah Code Annotated 1953

11-70-104, Utah Code Annotated 1953

11-70-201, Utah Code Annotated 1953

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**11-70-202**, Utah Code Annotated 1953  
**11-70-203**, Utah Code Annotated 1953  
**11-70-204**, Utah Code Annotated 1953  
**11-70-205**, Utah Code Annotated 1953  
**11-70-206**, Utah Code Annotated 1953  
**11-70-207**, Utah Code Annotated 1953  
**11-70-301**, Utah Code Annotated 1953  
**11-70-302**, Utah Code Annotated 1953  
**11-70-303**, Utah Code Annotated 1953  
**11-70-304**, Utah Code Annotated 1953  
**11-70-305**, Utah Code Annotated 1953  
**11-70-401**, Utah Code Annotated 1953  
**11-70-402**, Utah Code Annotated 1953  
**11-70-403**, Utah Code Annotated 1953  
**11-70-501**, Utah Code Annotated 1953  
**11-70-502**, Utah Code Annotated 1953  
**11-70-503**, Utah Code Annotated 1953  
**11-70-504**, Utah Code Annotated 1953  
**11-70-505**, Utah Code Annotated 1953  
**11-70-506**, Utah Code Annotated 1953  
**11-70-601**, Utah Code Annotated 1953  
**11-70-602**, Utah Code Annotated 1953  
**11-70-603**, Utah Code Annotated 1953  
**11-70-604**, Utah Code Annotated 1953  
**11-70-605**, Utah Code Annotated 1953  
**11-70-701**, Utah Code Annotated 1953  
**11-70-702**, Utah Code Annotated 1953  
**11-70-703**, Utah Code Annotated 1953  
**11-70-704**, Utah Code Annotated 1953  
**11-70-801**, Utah Code Annotated 1953

~~**53F-9-207**, Utah Code Annotated 1953~~

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REPEALS:

11-68-401, as enacted by Laws of Utah 2023, Chapter 502

11-68-402, as renumbered and amended by Laws of Utah 2023, Chapter 502

59-12-2301, as enacted by Laws of Utah 2023, Chapter 502

59-12-2302, as enacted by Laws of Utah 2023, Chapter 502

59-12-2303, as enacted by Laws of Utah 2023, Chapter 502

59-12-2304, as enacted by Laws of Utah 2023, Chapter 502

59-12-2305, as enacted by Laws of Utah 2023, Chapter 502

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

Section 1. Section **10-1-203** is amended to read:

**10-1-203. License fees and taxes -- Application information to be transmitted to the county assessor.**

(1) As used in this section:

(a) "Business" means any enterprise carried on for the purpose of gain or economic profit, except that the acts of employees rendering services to employers are not included in this definition.

(b) "Telecommunications provider" means the same as that term is defined in Section 10-1-402.

(c) "Telecommunications tax or fee" means the same as that term is defined in Section 10-1-402.

(2) Except as provided in Subsections (3) through (5) and Subsection (7), the legislative body of a municipality may license for the purpose of regulation any business within the limits of the municipality, may regulate that business by ordinance, and may impose fees on businesses to recover the municipality's costs of regulation.

(3) (a) The legislative body of a municipality may raise revenue by levying and collecting a municipal energy sales or use tax as provided in Part 3, Municipal Energy Sales and Use Tax Act, except a municipality may not levy or collect a franchise tax or fee on an energy supplier other than the municipal energy sales and use tax provided in Part 3, Municipal Energy Sales and Use Tax Act.

(b) (i) Subsection (3)(a) does not affect the validity of a franchise agreement as defined

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in Subsection [~~10-1-303(6)~~] 10-1-303(7), that is in effect on July 1, 1997, or a future franchise.

(ii) A franchise agreement as defined in Subsection [~~10-1-303(6)~~] 10-1-303(7) in effect on January 1, 1997, or a future franchise shall remain in full force and effect.

(c) A municipality that collects a contractual franchise fee pursuant to a franchise agreement as defined in Subsection [~~10-1-303(6)~~] 10-1-303(7) with an energy supplier that is in effect on July 1, 1997, may continue to collect that fee as provided in Subsection 10-1-310(2).

(d) (i) Subject to the requirements of Subsection (3)(d)(ii), a franchise agreement as defined in Subsection [~~10-1-303(6)~~] 10-1-303(7) between a municipality and an energy supplier may contain a provision that:

(A) requires the energy supplier by agreement to pay a contractual franchise fee that is otherwise prohibited under Part 3, Municipal Energy Sales and Use Tax Act; and

(B) imposes the contractual franchise fee on or after the day on which Part 3, Municipal Energy Sales and Use Tax Act is:

(I) repealed, invalidated, or the maximum allowable rate provided in Section 10-1-305 is reduced; and

(II) not superseded by a law imposing a substantially equivalent tax.

(ii) A municipality may not charge a contractual franchise fee under the provisions permitted by Subsection (3)(b)(i) unless the municipality charges an equal contractual franchise fee or a tax on all energy suppliers.

(4) (a) Subject to Subsection (4)(b), beginning July 1, 2004, the legislative body of a municipality may raise revenue by levying and providing for the collection of a municipal telecommunications license tax as provided in Part 4, Municipal Telecommunications License Tax Act.

(b) A municipality may not levy or collect a telecommunications tax or fee on a telecommunications provider except as provided in Part 4, Municipal Telecommunications License Tax Act.

(5) (a) (i) The legislative body of a municipality may by ordinance raise revenue by levying and collecting a license fee or tax on:

(A) a parking service business in an amount that is less than or equal to:

(I) \$1 per vehicle that parks at the parking service business; or

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(II) 2% of the gross receipts of the parking service business;

(B) a public assembly or other related facility in an amount that is less than or equal to \$5 per ticket purchased from the public assembly or other related facility; and

(C) subject to the limitations of Subsections (5)(c) and (d):

(I) a business that causes disproportionate costs of municipal services; or

(II) a purchaser from a business for which the municipality provides an enhanced level of municipal services.

(ii) Nothing in this Subsection (5)(a) may be construed to authorize a municipality to levy or collect a license fee or tax on a public assembly or other related facility owned and operated by another political subdivision other than a community reinvestment agency without the written consent of the other political subdivision.

(b) As used in this Subsection (5):

(i) "Municipal services" includes:

(A) public utilities; and

(B) services for:

(I) police;

(II) fire;

(III) storm water runoff;

(IV) traffic control;

(V) parking;

(VI) transportation;

(VII) beautification; or

(VIII) snow removal.

(ii) "Parking service business" means a business:

(A) that primarily provides off-street parking services for a public facility that is wholly or partially funded by public money;

(B) that provides parking for one or more vehicles; and

(C) that charges a fee for parking.

(iii) "Public assembly or other related facility" means an assembly facility that:

(A) is wholly or partially funded by public money;

(B) is operated by a business; and



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(C) requires a person attending an event at the assembly facility to purchase a ticket.

(c) (i) Before the legislative body of a municipality imposes a license fee on a business that causes disproportionate costs of municipal services under Subsection (5)(a)(i)(C)(I), the legislative body of the municipality shall adopt an ordinance defining for purposes of the tax under Subsection (5)(a)(i)(C)(I):

(A) the costs that constitute disproportionate costs; and

(B) the amounts that are reasonably related to the costs of the municipal services provided by the municipality.

(ii) The amount of a fee under Subsection (5)(a)(i)(C)(I) shall be reasonably related to the costs of the municipal services provided by the municipality.

(d) (i) Before the legislative body of a municipality imposes a license fee on a purchaser from a business for which it provides an enhanced level of municipal services under Subsection (5)(a)(i)(C)(II), the legislative body of the municipality shall adopt an ordinance defining for purposes of the fee under Subsection (5)(a)(i)(C)(II):

(A) the level of municipal services that constitutes the basic level of municipal services in the municipality; and

(B) the amounts that are reasonably related to the costs of providing an enhanced level of municipal services in the municipality.

(ii) The amount of a fee under Subsection (5)(a)(i)(C)(II) shall be reasonably related to the costs of providing an enhanced level of the municipal services.

(6) All license fees and taxes shall be uniform in respect to the class upon which they are imposed.

(7) A municipality may not:

(a) require a license or permit for a business that is operated:

(i) only occasionally; and

(ii) by an individual who is under 18 years old;

(b) charge any fee for a resident of the municipality to operate a home-based business, unless the combined offsite impact of the home-based business and the primary residential use materially exceeds the offsite impact of the primary residential use alone;

(c) require, as a condition of obtaining or maintaining a license or permit for a business:

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(i) that an employee or agent of a business complete education, continuing education, or training that is in addition to requirements under state law or state licensing requirements; or

(ii) that a business disclose financial information, inventory amounts, or proprietary business information, except as specifically authorized under state or federal law.

(8) (a) Notwithstanding Subsection (7)(b), a municipality may charge an administrative fee for a license to a home-based business owner who is otherwise exempt under Subsection (7)(b) but who requests a license from the municipality.

(b) A municipality shall notify the owner of each home-based business of the exemption described in Subsection (7)(b) in any communication with the owner.

(9) The municipality shall transmit the information from each approved business license application to the county assessor within 60 days following the approval of the application.

(10) If challenged in court, an ordinance enacted by a municipality before January 1, 1994, imposing a business license fee on rental dwellings under this section shall be upheld unless the business license fee is found to impose an unreasonable burden on the fee payer.

Section 2. Section **10-1-303** is amended to read:

### **10-1-303. Definitions.**

As used in this part:

(1) "Commission" means the State Tax Commission.

(2) "Contractual franchise fee" means:

(a) a fee:

(i) provided for in a franchise agreement; and

(ii) that is consideration for the franchise agreement; or

(b) (i) a fee similar to Subsection (2)(a); or

(ii) any combination of Subsections (2)(a) and (b).

(3) (a) "Delivered value" means the fair market value of the taxable energy delivered for sale or use in the municipality and includes:

(i) the value of the energy itself; and

(ii) any transportation, freight, customer demand charges, services charges, or other costs typically incurred in providing taxable energy in usable form to each class of customer in the municipality.

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(b) "Delivered value" does not include the amount of a tax paid under:

(i) Title 59, Chapter 12, Sales and Use Tax Act; or

(ii) this part.

(4) "De minimis amount" means an amount of taxable energy that does not exceed the greater of:

(a) 5% of the energy supplier's estimated total Utah gross receipts from sales of property or services; or

(b) \$10,000.

(5) "Energy supplier" means a person supplying taxable energy, except that the commission may by rule exclude from this definition a person supplying a de minimis amount of taxable energy.

(6) "Fairpark district" means the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.

~~[(6)]~~ (7) "Franchise agreement" means a franchise or an ordinance, contract, or agreement granting a franchise.

~~[(7)]~~ (8) "Franchise tax" means:

(a) a franchise tax;

(b) a tax similar to a franchise tax; or

(c) any combination of Subsections ~~[(7)(a)]~~ (8)(a) and (b).

(9) "Military authority" means the Military Installation Development Authority, created in Section 63H-1-201.

~~[(8)]~~ (10) "Municipality" means a city, town, or metro township.

~~[(9)]~~ (11) "Person" is as defined in Section 59-12-102.

(12) "Point of the mountain authority" means the Point of the Mountain State Land Authority, created in Section 11-59-201.

~~[(10)]~~ (13) "Taxable energy" means gas and electricity.

Section 3. Section **10-1-304** is amended to read:

**10-1-304. Energy sales and use tax -- Rate -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements -- Exemptions.**

(1) (a) Except as provided in Subsections (4) and (5), a municipality may levy a municipal energy sales and use tax on the sale or use of taxable energy within the municipality:

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(i) by ordinance as provided in Section 10-1-305; and

(ii) of up to 6% of the delivered value of the taxable energy.

(b) Subject to Section 63H-1-203, the military [~~installation development~~] authority [~~created in Section 63H-1-201~~] may levy a municipal energy sales and use tax under this part within a project area described in a project area plan adopted by the military authority under Title 63H, Chapter 1, Military Installation Development Authority Act, as though the military authority were a municipality.

(c) (i) Beginning July 1, 2022, the [~~Point of the Mountain State Land Authority, created in Section 11-59-201,~~] point of the mountain authority may by resolution levy a municipal energy sales and use tax under this part within the area that constitutes the point of the mountain state land, as defined in Section 11-59-102, as though the [~~Point of the Mountain State Land Authority~~] point of the mountain authority were a municipality.

(ii) The [~~Point of the Mountain State Land Authority's~~] point of the mountain authority's adoption of a resolution under Subsection (1)(c)(i) that otherwise complies with the requirements under this part applicable to an ordinance is considered the equivalent of adopting an ordinance under this part.

(d) (i) Beginning ~~July~~October 1, 2024, the fairpark district may by resolution levy a municipal energy sales and use tax under this part within the ~~fairpark~~ district ~~boundary~~ sales tax area, as defined in Section 11-70-101, as though the fairpark district were a municipality.

(ii) The fairpark district's adoption of a resolution under Subsection (1)(d)(i) that otherwise complies with the requirements under this part applicable to an ordinance is considered the equivalent of adopting an ordinance under this part.

(2) A municipal energy sales and use tax imposed under this part may be in addition to any sales and use tax imposed by the municipality under Title 59, Chapter 12, Sales and Use Tax Act.

(3) (a) For purposes of this Subsection (3):

(i) "Annexation" means an annexation to a municipality under Chapter 2, Part 4, Annexation.

(ii) "Annexing area" means an area that is annexed into a municipality.

(b) (i) If, on or after May 1, 2000, a city or town enacts or repeals a tax or changes the

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rate of a tax under this part, the enactment, repeal, or change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(b)(ii) from the municipality.

(ii) The notice described in Subsection (3)(b)(i)(B) shall state:

(A) that the city or town will enact or repeal a tax or change the rate of a tax under this part;

(B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and

(D) if the city or town enacts the tax or changes the rate of the tax described in Subsection (3)(b)(ii)(A), the new rate of the tax.

(c) (i) If, for an annexation that occurs on or after May 1, 2000, the annexation will result in a change in the rate of a tax under this part for an annexing area, the change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(c)(ii) from the municipality that annexes the annexing area.

(ii) The notice described in Subsection (3)(c)(i)(B) shall state:

(A) that the annexation described in Subsection (3)(c)(i) will result in a change in the rate of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);

(C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and

(D) the new rate of the tax described in Subsection (3)(c)(ii)(A).

(4) (a) Subject to Subsection (4)(b), a sale or use of electricity within a municipality is exempt from the tax authorized by this section if the sale or use is made under a tariff adopted by the Public Service Commission of Utah only for purchase of electricity produced from a new source of alternative energy, as defined in Section 59-12-102, as designated in the tariff by the Public Service Commission of Utah.

(b) The exemption under Subsection (4)(a) applies to the portion of the tariff rate a customer pays under the tariff described in Subsection (4)(a) that exceeds the tariff rate under the tariff described in Subsection (4)(a) that the customer would have paid absent the tariff.

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(5) (a) A municipality may not levy a municipal energy sales and use tax:

(i) within any portion of the municipality that is within a project area described in a project area plan adopted by the military [~~installation development~~] authority under Title 63H, Chapter 1, Military Installation Development Authority Act; [~~or~~]

(ii) on or after July 1, 2022, within the point of the mountain state land, as defined in Section 11-59-102[-]; or

(iii) on or after ~~July~~ October 1, 2024, within the ~~fairpark~~ district ~~boundary~~ sales tax area, as defined in Section 11-70-101.

(b) Subsection (5)(a) does not apply to:

(i) the military [~~installation development~~] authority's levy of a municipal energy sales and use tax; [~~or~~]

(ii) the [~~Point of the Mountain State Land Authority's~~] point of the mountain authority's levy of a municipal energy sales and use tax[-]; or

(iii) the fairpark district's levy of a municipal energy sales and use tax.

(6) A tax levied under this part by the military authority, point of the mountain authority, or fairpark district shall be administered and collected on behalf of and paid to the military authority, point of the mountain authority, or fairpark district, respectively, in the same way that a tax levied under this part by a municipality is administered and collected on behalf of and paid to the municipality.

Section 4. Section **10-1-310** is amended to read:

### **10-1-310. Existing energy franchise taxes or contractual franchise fees.**

(1) Except as authorized in Subsection (2), Section 59-12-203, or Section 10-1-304, a municipality may not:

(a) impose on, charge, or collect a franchise tax or contractual a franchise fee from an energy supplier; or

(b) collect a franchise tax or contractual franchise fee pursuant to a franchise agreement in effect on July 1, 1997.

(2) A municipality that collects a contractual franchise fee from an energy supplier pursuant to a franchise agreement in effect on July 1, 1997, may continue to collect that fee at the same rate for the remaining term of the franchise agreement, except the municipality shall provide a credit against the municipal energy sales and use tax in the amount of the contractual

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franchise fee paid by the energy supplier pursuant to Subsection 10-1-305(5).

(3) (a) Subject to the requirements of Subsection (3)(b), a franchise agreement as defined in Subsection [~~10-1-303(6)~~] 10-1-303(7) between a municipality and an energy supplier may contain a provision that:

(i) requires the energy supplier by agreement to pay a contractual franchise fee that is otherwise prohibited under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act; and

(ii) imposes the contractual franchise fee on or after the day on which Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act is:

(A) repealed, invalidated, or the maximum allowable rate provided in Section 10-1-304 is reduced; and

(B) is not superseded by a law imposing a substantially equivalent tax.

(b) A municipality may not charge a contractual franchise fee under the provisions permitted by Subsection (3)(a) unless the municipality charges an equal contractual franchise fee or a tax on all energy suppliers.

(4) This section may not affect the validity of any existing or future franchise agreement and any franchise agreement effective on July 1, 1997, shall remain in full force and effect, unless otherwise terminated or altered by agreement or applicable law.

Section 5. Section **10-1-403** is amended to read:

**10-1-403. Levy of telecommunications license tax -- Recovery from customers -- Enactment, repeal, or change in rate of tax -- Annexation.**

(1) (a) (i) Subject to the provisions of this section, beginning July 1, 2004, a municipality may levy on and provide that there is collected from a telecommunications provider a municipal telecommunications license tax on the telecommunications provider's gross receipts from telecommunications service that are attributed to the municipality in accordance with Section 10-1-407.

(ii) Subject to Section 63H-1-203, the military installation development authority created in Section 63H-1-201 may levy and collect a municipal telecommunications license tax under this part for telecommunications service provided within a project area described in a project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation Development Authority Act, as though the authority were a municipality.

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(iii) Beginning ~~July~~October 1, 2024, the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, may levy and collect a municipal telecommunications license tax under this part for telecommunications service provided within ~~fa project area described in a project area plan adopted by the Utah Fairpark Area Investment and Restoration District under Title 11, Chapter 70, Utah Fairpark Area Investment and Restoration District;~~the district sales tax area, as defined in Section 11-70-101, to the same extent and in the same manner that a municipality is authorized to levy and collect a municipal telecommunications license tax under this part.

(b) To levy and provide for the collection of a municipal telecommunications license tax under this part, the municipality shall adopt an ordinance that complies with the requirements of Section 10-1-404.

(c) Beginning on July 1, 2007, a municipal telecommunications license tax imposed under this part shall be at a rate of up to 3.5% of the telecommunications provider's gross receipts from telecommunications service that are attributed to the municipality in accordance with Section 10-1-407.

(2) A telecommunications provider may recover the amounts paid in municipal telecommunications license taxes from the customers of the telecommunications provider within the municipality imposing the municipal telecommunications license tax through a charge that is separately identified in the statement of the transaction with the customer as the recovery of a tax.

(3) (a) For purposes of this Subsection (3):

(i) "Annexation" means an annexation to a municipality under Title 10, Chapter 2, Part 4, Annexation.

(ii) "Annexing area" means an area that is annexed into a municipality.

(b) (i) If, on or after July 1, 2004, a municipality enacts or repeals a tax or changes the rate of the tax under this part, the enactment, repeal, or change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(b)(ii) from the municipality.

(ii) The notice described in Subsection (3)(b)(i)(B) shall state:

(A) that the municipality will enact or repeal a tax under this part or change the rate of



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the tax;

- (B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);
- (C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and
- (D) if the municipality enacts the municipal telecommunications license tax or changes

the rate of the tax, the new rate of the tax.

(c) (i) If, for an annexation that occurs on or after July 1, 2004, the annexation will result in a change in the rate of the tax under this part for an annexing area, the change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(c)(ii) from the municipality that annexes the annexing area.

(ii) The notice described in Subsection (3)(c)(i)(B) shall state:

(A) that the annexation described in Subsection (3)(c)(i) will result in a change in the rate of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);

(C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and

(D) the new rate of the tax described in Subsection (3)(c)(ii)(A).

(4) Notwithstanding Subsection (3)(b), for purposes of a change in a municipal telecommunications license tax rate that takes effect on July 1, 2007, a municipality is not subject to the notice requirements of Subsection (3)(b) if:

(a) on June 30, 2007, the municipality has in effect an ordinance that levies a municipal telecommunications license tax at a rate that exceeds 3.5%; and

(b) on July 1, 2007, the municipality has in effect an ordinance that levies a municipal telecommunications license tax at a rate of 3.5%.

(5) Notwithstanding Subsection (3)(b), for purposes of a change in a municipal telecommunications license tax rate that takes effect on July 1, 2007, the 90-day period described in Subsection (3)(b)(i)(B) is considered to be a 30-day period if:

(a) on June 30, 2007, the municipality has in effect an ordinance that levies a municipal telecommunications license tax at a rate that exceeds 3.5%; and

(b) on July 1, 2007, the municipality has in effect an ordinance that levies a municipal telecommunications license tax at a rate that is less than 3.5%.

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(6) (a) (i) A municipality may not levy or collect a municipal telecommunications license tax for telecommunications service provided within any portion of the municipality that is within:

~~— (i) a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act~~; ~~or~~

~~— (ii) a project area described in a project area plan adopted by the Utah Fairpark Area Investment and Restoration District under Title 11, Chapter 70, Utah Fairpark Area Investment and Restoration District~~;

(ii) Beginning October 1, 2024, a municipality may not levy or collect a municipal telecommunications license fee for telecommunications service provided within any portion of the municipality that is within the district sales tax area, as defined in Section 11-70-101.

(b) Subsection (6)(a) does not apply to:

(i) the military installation development authority's levy of a municipal telecommunications license tax; ~~or~~

(ii) the levy of a municipal telecommunications license tax by the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.

(7) (a) The State Tax Commission shall provide to the military installation development authority the collection data necessary to verify that revenue collected by the State Tax Commission is distributed to the military installation development authority in accordance with this part.

(b) The data described in Subsection (7)(a) shall include the State Tax Commission's breakdown of military installation development authority revenue, including reports of collections and distributions.

Section 6. Section 11-36a-202 is amended to read:

### **11-36a-202. Prohibitions on impact fees.**

(1) A local political subdivision or private entity may not:

(a) impose an impact fee to:

(i) cure deficiencies in a public facility serving existing development;

(ii) raise the established level of service of a public facility serving existing development; or

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(iii) recoup more than the local political subdivision's or private entity's costs actually incurred for excess capacity in an existing system improvement;

(b) delay the construction of a school or charter school because of a dispute with the school or charter school over impact fees; or

(c) impose or charge any other fees as a condition of development approval unless those fees are a reasonable charge for the service provided.

(2) (a) Notwithstanding any other provision of this chapter, a political subdivision or private entity may not impose an impact fee:

(i) on residential components of development to pay for a public safety facility that is a fire suppression vehicle;

(ii) on a school district or charter school for a park, recreation facility, open space, or trail;

(iii) on a school district or charter school unless:

(A) the development resulting from the school district's or charter school's development activity directly results in a need for additional system improvements for which the impact fee is imposed; and

(B) the impact fee is calculated to cover only the school district's or charter school's proportionate share of the cost of those additional system improvements;

(iv) to the extent that the impact fee includes a component for a law enforcement facility, on development activity for:

(A) the Utah National Guard;

(B) the Utah Highway Patrol; or

(C) a state institution of higher education that has its own police force;

(v) on development activity on ~~fair park~~ state-owned land, as defined in Section ~~11-68-101~~ 11-70-101; or

(vi) on development activity that consists of the construction of an internal accessory dwelling unit, as defined in Section 10-9a-530, within an existing primary dwelling.

(b) (i) Notwithstanding any other provision of this chapter, a political subdivision or private entity may not impose an impact fee on development activity that consists of the construction of a school, whether by a school district or a charter school, if:

(A) the school is intended to replace another school, whether on the same or a different

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parcel;

(B) the new school creates no greater demand or need for public facilities than the school or school facilities, including any portable or modular classrooms that are on the site of the replaced school at the time that the new school is proposed; and

(C) the new school and the school being replaced are both within the boundary of the local political subdivision or the jurisdiction of the private entity.

(ii) If the imposition of an impact fee on a new school is not prohibited under Subsection (2)(b)(i) because the new school creates a greater demand or need for public facilities than the school being replaced, the impact fee shall be based only on the demand or need that the new school creates for public facilities that exceeds the demand or need that the school being replaced creates for those public facilities.

(c) Notwithstanding any other provision of this chapter, a political subdivision or private entity may impose an impact fee for a road facility on the state only if and to the extent that:

(i) the state's development causes an impact on the road facility; and

(ii) the portion of the road facility related to an impact fee is not funded by the state or by the federal government.

(3) Notwithstanding any other provision of this chapter, a local political subdivision may impose and collect impact fees on behalf of a school district if authorized by Section 11-36a-206.

Section ~~63E-1-102~~. Section **11-68-201** is amended to read:

### **11-68-201. State Fair Park Authority -- Legal status -- Powers.**

(1) There is created the State Fair Park Authority.

(2) The authority is:

(a) an independent, nonprofit, separate body corporate and politic, with perpetual succession;

(b) a political subdivision of the state; and

(c) a public corporation, as defined in Section 63E-1-102.

(3) (a) The fair corporation is dissolved and ceases to exist, subject to any winding down and other actions necessary for a transition to the authority.

(b) The authority:

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- (i) replaces and is the successor to the fair corporation;
  - (ii) succeeds to all rights, obligations, privileges, immunities, and assets of the fair corporation; and
  - (iii) shall fulfill and perform all contractual and other obligations of the fair corporation.
- (c) The board shall take all actions necessary and appropriate to wind down the affairs of the fair corporation as quickly as practicable and to make a transition from the fair corporation to the authority.
- (4) The authority shall:
- (a) manage, supervise, and control:
    - (i) all activities relating to the annual exhibition described in Subsection (4)(j); and
    - (ii) except as otherwise provided by statute, all state expositions, including setting the time, place, and purpose of any state exposition;
  - (b) for public entertainment, displays, and exhibits or similar events held [~~at the state~~] on fair park land:
    - (i) provide, sponsor, or arrange the events;
    - (ii) publicize and promote the events; and
    - (iii) secure funds to cover the cost of the exhibits from:
      - (A) private contributions;
      - (B) public appropriations;
      - (C) admission charges; and
      - (D) other lawful means;
    - (c) acquire and designate exposition sites;
    - (d) use generally accepted accounting principles in accounting for the authority's assets, liabilities, and operations;
    - (e) seek corporate sponsorships for the state fair park or for individual buildings or facilities on fair park land;
    - (f) work with county and municipal governments, the Salt Lake Convention and Visitor's Bureau, the Utah Office of Tourism, and other entities to develop and promote expositions and the use of fair park land;
    - (g) develop and maintain a marketing program to promote expositions and the use of

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fair park land;

(h) in accordance with provisions of this chapter, operate and maintain state-owned buildings and facilities on fair park land, including the physical appearance and structural integrity of those buildings and facilities;

(i) prepare an economic development plan for the fair park land;

(j) hold an annual exhibition on fair park land that:

(i) is called the state fair or a similar name;

(ii) promotes and highlights agriculture throughout the state;

(iii) includes expositions of livestock, poultry, agricultural, domestic science, horticultural, floricultural, mineral and industrial products, manufactured articles, and domestic animals that, in the board's opinion, will best stimulate agricultural, industrial, artistic, and educational pursuits and the sharing of talents among the people of the state;

(iv) includes the award of premiums for the best specimens of the exhibited articles and animals;

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

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

(k) fix the conditions of entry to the annual exhibition described in Subsection (4)(j);

and

(l) publish a list of premiums that will be awarded at the annual exhibition described in Subsection (4)(j) for the best specimens of exhibited articles and animals.

(5) In addition to the annual exhibition described in Subsection (4)(j), the authority may hold other exhibitions of livestock, poultry, agricultural, domestic science, horticultural, floricultural, mineral and industrial products, manufactured articles, and domestic animals that, in the ~~[corporation's]~~ authority's opinion, will best stimulate agricultural, industrial, artistic, and educational pursuits and the sharing of talents among the people of the state.

(6) The authority may:

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

(b) (i) participate in the state's Risk Management Fund created under Section 63A-4-201 or any captive insurance company created by the risk manager; or

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(ii) procure insurance against any loss in connection with the authority's property and other assets;

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

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

(e) enter into management agreements with any person or entity for the performance of the authority's functions or powers;

(f) establish accounts and procedures that are necessary to budget, receive, disburse, account for, and audit all funds received, appropriated, or generated;

(g) subject to Subsection (8) and subject to the powers and responsibilities of the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, lease any of the state-owned buildings or facilities located on fair park land;

(h) sponsor events as approved by the board;

(i) subject to Subsection (11), acquire any interest in real property that the board considers necessary or advisable to further a purpose of the authority or facilitate the authority's fulfillment of a duty under this chapter; and

(j) in accordance with Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act, provide for or finance an energy efficiency upgrade, a renewable energy system, or electric vehicle charging infrastructure, as those terms are defined in Section 11-42a-102; and

(k) enter into one or more agreements [~~to develop the fair park land~~] with the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.

(7) The authority shall comply with:

(a) Title 51, Chapter 5, Funds Consolidation Act;

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

(c) Title 52, Chapter 4, Open and Public Meetings Act;

(d) Title 63G, Chapter 2, Government Records Access and Management Act;

(e) the provisions of Section 67-3-12;

(f) Title 63G, Chapter 6a, Utah Procurement Code, except for a procurement for:

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(i) entertainment provided at the state fair park;  
(ii) judges for competitive exhibits; or  
(iii) sponsorship of an event on fair park land; and  
(g) the legislative approval requirements for capital development projects established in Section 63A-5b-404.

(8) (a) (i) Before the authority executes a lease described in Subsection (6)(g) with a term of 10 or more years and subject to the powers and responsibilities of the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, the authority shall:

(i) (A) submit the proposed lease to the division for the division's approval or rejection; and

(ii) (B) if the division approves the proposed lease, submit the proposed lease to the Executive Appropriations Committee for the Executive Appropriation Committee's review and recommendation in accordance with Subsection (8)(b).

(ii) The authority may not execute a lease under Subsection (6)(g) for any part of fair park land on or after May 1, 2024 unless the lease relates to the agricultural and related exhibit facilities on fair park land.

(b) The Executive Appropriations Committee shall review a proposed lease submitted in accordance with Subsection (8)(a) and recommend to the authority that the authority:

(i) execute the proposed lease, either as proposed or with changes recommended by the Executive Appropriations Committee; or

(ii) reject the proposed lease.

(9) (a) Subject to Subsection (9)(b), a department, division, or other instrumentality of the state and a political subdivision of the state shall cooperate with the authority to the fullest extent possible to provide whatever support, information, or other assistance the authority requests that is reasonably necessary to help the authority fulfill the authority's duties and responsibilities under this chapter.

(b) The division shall provide assistance and resources to the authority as the division director determines is appropriate.

(10) The authority may share authority revenue with a municipality in which the fair park land is located, as provided in an agreement between the authority and the municipality, to pay for municipal services provided by the municipality.



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(11) (a) As used in this Subsection (11), "new land" means land that, if acquired by the authority, would result in the authority having acquired over three acres of land more than the land described in Subsection 11-68-101(9)(a).

(b) In conjunction with the authority's acquisition of new land, the authority shall enter an agreement with the municipality in which the new land is located.

(c) To provide funds for the cost of increased municipal services that the municipality will provide to the new land, an agreement under Subsection (11)(b) shall:

(i) provide for:

(A) the payment of impact fees to the municipality for development activity on the new land; and

(B) the authority's sharing with the municipality tax revenue generated from the new land; and

(ii) be structured in a way that recognizes the needs of the authority and furthers mutual goals of the authority and the municipality.

Section ~~7~~8. Section **11-68-202** is amended to read:

**11-68-202. Operation of the state-owned buildings and facilities on fair park land -- New construction and modification of existing facilities -- Liability insurance -- Obligations of the authority.**

(1) The authority shall:

(a) operate and maintain state-owned buildings and facilities on fair park land in accordance with the facility maintenance standards approved by the division;

(b) pay for all costs associated with operating and maintaining state-owned buildings and facilities on fair park land;

(c) obtain approval from the division before making any alteration or addition to the water system, heating system, plumbing system, air conditioning system, or electrical system of a state-owned building or facility on fair park land;

(d) keep the fair park land and all state-owned buildings and facilities on fair park land fully insured to protect against loss or damage by fire, vandalism, or malicious mischief;

(e) in accordance with Subsection (3), at the authority's expense, and for the mutual benefit of the division, maintain general public liability insurance in an amount equal to at least \$1,000,000 through one or more companies that are:

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- (i) licensed to do business in the state;
- (ii) selected by the authority; and
- (iii) approved by the division and the Division of Risk Management;
- (f) ensure that the division is an additional insured with primary coverage on each insurance policy that the authority obtains in accordance with this section;
- (g) give the division notice at least 30 days before the day on which the authority cancels any insurance policy that the authority obtains in accordance with this section; and
- (h) if any lien that is not invalid under Section 38-1a-103 is recorded or filed against the state fair park as a result of an act or omission of the authority, cause the lien to be satisfied or released within 10 days after the day on which the authority receives notice of the lien.

(2) (a) As used in this Subsection (2):

(i) "Existing facility modification" means an alteration, repair, or improvement to an existing state-owned building or facility on fair park land.

(ii) "Major project" means new construction or an existing facility modification that costs, regardless of the funding source, over \$100,000.

(iii) "Minor project" means new construction or an existing facility modification that costs, regardless of the funding source, \$100,000 or less.

(iv) "New construction" means the design and construction of a new state-owned or privately owned building or facility on fair park land.

(b) (i) The director of the division shall exercise direct supervision over a major project.

(ii) Notwithstanding Subsection (2)(b)(i), the director of the division may delegate control over a major project to the authority on a project-by-project basis.

(iii) With respect to a delegation of control under Subsection (2)(b)(ii), the director of the division may:

(A) impose terms and conditions on the delegation that the director considers necessary or advisable to protect the interests of the state; and

(B) revoke the delegation and assume control of the design, construction, or other aspect of a delegated project if the director considers the revocation and assumption of control to be necessary to protect the interests of the state.

(iv) If a major project over which the division exercises direct supervision includes the

## HB0562S02 compared with HB0562S01

demolition of a building or other facility on fair park land, the division shall, at least 90 days before demolition work begins, notify the State Historic Preservation Office of the division's demolition plan.

(c) Subject to Subsection (2)(d), the authority may exercise direct supervision over a minor project.

(d) With respect to a minor project over which the authority exercises direct supervision, the authority shall:

(i) obtain the division's approval before commencing the new construction or existing facility modification;

(ii) obtain a building permit from the division before commencing the new construction or existing facility modification, if a building permit is required;

(iii) comply with the division's forms and contracts and the division's design, construction, alteration, repair, improvement, and code inspection standards;

(iv) notify the division before commencing the new construction or existing facility modification;

(v) coordinate with the division regarding the review of design plans and management of the new construction or existing facility modification project; and

(vi) at least 90 days before the beginning of any demolition of a building or facility on the fair park land, notify the division and the State Historic Preservation Office of the proposed demolition.

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

(a) insure against any claim for personal injury, death, or property damage that occurs on fair park land; and

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

(4) Upon 24 hours notice to the board, the division may enter the fair park land to inspect any facility on fair park land and make any repairs that the division determines necessary.

(5) (a) A debt or obligation contracted by the authority is a debt or obligation of the authority and not of the state.

(b) The state is not liable and assumes no responsibility for any debt or obligation of the authority.

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(6) The powers and responsibilities of the authority under this section with regard to the issuance of bonds for capital development projects on fair park land are subject to the powers and responsibilities of the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.

Section ~~{8}~~9. Section **11-68-403** is amended to read:

### **11-68-403. Enterprise fund -- Creation -- Revenue -- Uses.**

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

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

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

(a) [~~lease payments from person or entities leasing any part of the fair park land or any other facilities owned by the authority~~] money the authority receives under Section 11-70-203;

(b) money the authority receives under a lease agreement for the lease of any part of fair park land ~~{ if the lease agreement: }~~;

~~{ (i) is entered into before May 1, 2024; or~~

~~(ii) (A) is entered into on or after May 1, 2024; and~~

~~(B) relates to agricultural and related exhibit facilities on fair park land;~~

~~{~~ ~~(b)~~ (c) revenue received from any expositions or other events wholly or partially sponsored by the authority;

~~{(c)}~~ (d) aid or contributions of money, property, labor, or other things of value from any source, including any grants or appropriations from any department, agency, or instrumentality of the United States or the state;

~~{(d)}~~ (e) appropriations made to the fund by the Legislature; and

~~{(e) revenue received under a privilege tax or a tax on personal property; and}~~

(f) any other income obtained by the authority.

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

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

(4) The executive director may use fund money to operate, maintain, and support the Utah State Fair, the fair park land, and other expositions sponsored by the authority.

Section ~~{9}~~10. Section **11-68-502** is amended to read:

**11-68-502. Sources from which bonds may be made payable -- Authority powers regarding bonds.**

## HB0562S02 compared with HB0562S01

(1) The principal and interest on bonds issued by the authority may be made payable from:

(a) the income and revenues of the development projects financed with the proceeds of the bonds;

(b) the income and revenues of certain designated development projects whether or not they were financed in whole or in part with the proceeds of the bonds;

(c) the income, revenues, proceeds, and funds the authority derives from or holds in connection with the authority undertaking and carrying out development;

~~[(d) privilege tax and property tax revenue under Section 11-68-402;]~~

~~[(e)]~~ (d) revenue from a special event tax under Title 59, Chapter 12, Part 23, Fair Park Special Event Tax;

~~[(f)]~~ (e) authority revenues generally;

~~[(g)]~~ (f) a contribution, loan, grant, or other financial assistance from the federal government or a public entity in aid of the development; or

~~[(h)]~~ (g) funds derived from any combination of the sources listed in Subsections (1)(a) through ~~[(f)]~~(g)~~[(f)]~~.

(2) (a) In connection with the issuance of authority bonds, the authority may:

(i) pledge all or any part of the authority's gross or net rents, fees, or revenues to which the authority's right then exists or may thereafter come into existence; and

(ii) make the covenants and take the action that may be necessary, convenient, or desirable to secure the authority's bonds, or, except as otherwise provided in this chapter, that will tend to make the bonds more marketable, even though such covenants or actions are not specifically enumerated in this chapter.

(b) The authority may not use all or any portion of the fair park land as collateral for any bonds or encumber the fair park land by mortgage, deed of trust, or otherwise as collateral for any bonds.

Section ~~11-70-11~~11. Section **11-70-101** is enacted to read:

### **CHAPTER 70. UTAH FAIRPARK AREA INVESTMENT AND RESTORATION DISTRICT**

#### **Part 1. General Provisions**

##### **11-70-101. Definitions.**

## HB0562S02 compared with HB0562S01

As used in this chapter:

(1) "Base taxable value" means the taxable value of land within the fairpark district boundary as of January 1, 2024, as determined under Subsection 11-70-206(~~18~~9).

(2) "Board" means the fairpark district's governing body, created in Section 11-70-301.

(3) "Designated parcel" means a parcel of land specified in a designation resolution.

(4) "Designation resolution" means a resolution adopted by the board that designates a transition date for the parcel specified in the resolution.

(5) "Development" means:

(a) the demolition, construction, reconstruction, modification, expansion, or improvement of a building, utility, infrastructure, landscape, parking lot, park, trail, recreational amenity, or other facility, including public infrastructure and improvements; and

(b) the planning of, arranging for, or participation in any of the activities listed in Subsection (5)(a).

(6) "Development project" means a project for the development of land within a project area.

(7) "District sales tax area" means an area described in and established as provided in Subsection 11-70-206(10).

~~(7)~~8) "Enhanced property tax revenue":

(a) means the amount of money that is equal to the difference between:

(i) the amount of property tax revenues generated in a tax year by all taxing entities from ~~the~~ privately owned land ~~within a project area~~, using the current assessed value of the property; and

(ii) the amount of property tax revenues that would be generated in the same tax year by all taxing entities from that same area using the base taxable value of the property; and

(b) does not include property tax revenue from:

(i) a county additional property tax or multicounty assessing and collecting levy imposed in accordance with Section 59-2-1602;

(ii) a judgment levy imposed by a taxing entity under Section 59-2-1328 or 59-2-1330;

or

(iii) a levy imposed by a taxing entity under Section 11-14-310 to pay for a general obligation bond.

## HB0562S02 compared with HB0562S01

~~(8)9~~ "Facilities division" means the Division of Facilities Construction and Management, created in Section 63A-5b-301.

~~(9)10~~ "Fair park authority" means the State Fair Park Authority created in Section 11-68-201.

~~(10)11~~ "Fairpark district" means the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.

~~(11)12~~ "Fairpark district boundary" means a line or set of lines that:

(a) defines the geographic boundary of the fairpark district, consisting of the interior space within each polygon described by the line or set of lines; and

(b) is delineated in the electronic shapefile that is the electronic component of H.B. 562, Utah Fairpark Area Investment and Restoration District, 2024 General Session.

~~(12)13~~ "Fairpark district funds" means money the fairpark district receives from any source, including money the fairpark district receives under:

(a) Sections 10-1-304 and 11-70-205;

(b) Section 10-1-403;

(c) Section 11-70-203;

(d) Section 11-70-204;

(e) Sections 59-12-352 and 59-12-354;

(f) Section 59-12-401;

(g) Section 59-12-402;

(h) Section 59-12-1201; and

(i) Section 59-28-103.

~~(13)14~~ "Fair park land" means the same as that term is defined in Section 11-68-101.

~~(14)15~~ "Franchise agreement" means a legally binding and valid agreement under which:

(a) a franchise is confirmed for a major league sports team that before January 1, 2024 had not been located in the state; and

(b) the major league sports team agrees to play home games in a stadium to be constructed within the fairpark district boundary.

~~(15)16~~ "Franchise agreement date" means the date that a franchise agreement is fully executed and in effect.

## HB0562S02 compared with HB0562S01

(~~16~~17) "Host municipality" means the municipality whose boundary includes the land within the fairpark district boundary.

(~~17~~18) "Major league sports team" means a team:

- (a) consisting of professional athletes;
- (b) that is part of a professional sports league; and
- (c) that is engaged in the business of presenting live sporting events before primarily a paying audience.

(~~18~~19) "Other state land" means:

- (a) land within the fairpark district boundary, other than fair park land, that is owned by the state on January 1, 2024; and
- (b) land acquired by the fairpark district or the state on or after May 1, 2024, within the fairpark district boundary.

(~~19~~20) "Payment period" means a period of up to 35 years, as specified in a designation resolution, beginning on the transition date, during which ~~a privilege tax under Section 11-70-203 or~~ enhanced property tax revenue under Section 11-70-401 is to be paid.

(~~20~~21) "Post-designation parcel" means a parcel within a project area after the transition date for that parcel.

(~~21~~22) "Pre-designation parcel" means a parcel within a project area before the transition date for that parcel.

(~~22~~23) "Professional sports league" means a group of major league sports teams that have formed a league:

- (a) for the major league sports teams to compete against one another; and
- (b) in which the combined average annual payroll for the major league sports teams in the league on the franchise agreement date is not less than \$100,000,000.

(~~23~~24) "Project area" means land described in a project area plan or draft project area plan, where the development project set forth in the project area plan or draft project area plan takes place or is proposed to take place.

(~~24~~25) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to the project area.

(~~25~~26) "Project area plan" means a written plan that, after its effective date, guides and controls the development within a project area.



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~~(26)~~27 "Property tax" includes each levy on an ad valorem basis on tangible or intangible personal or real property.

~~(27)~~28 "Public entity" means:

(a) the state, including each department, division, or other agency of the state; or

(b) a county, city, town, school district, special district, special service district, interlocal cooperation entity, community reinvestment agency, or other political subdivision of the state, including the fairpark district.

~~(28)~~29 (a) "Public infrastructure and improvements" means infrastructure, improvements, facilities, or buildings that:

(i) (A) benefit the public and are owned by a public entity or a utility; or

(B) benefit the public and are publicly maintained or operated by a public entity; or

(ii) (A) are privately owned;

(B) benefit the public;

(C) as determined by the board, provide a substantial benefit to the development and operation of a project area; and

(D) are built according to applicable design and safety standards.

(b) "Public infrastructure and improvements" includes:

(i) facilities, lines, or systems that provide:

(A) water, chilled water, or steam; or

(B) sewer, storm drainage, natural gas, electricity, energy storage, renewable energy, microgrids, or telecommunications service;

(ii) streets, roads, curbs, gutters, sidewalks, walkways, solid waste facilities, parking facilities, rail lines, intermodal facilities, multimodal facilities, and public transportation facilities;

(iii) a qualified stadium;

(iv) public trails and pathways associated with and rehabilitation of and improvements to the Jordan River; and

(v) agricultural and related exhibit facilities on fair park land.

~~(29)~~30 "Qualified owner" means an owner of at least 65 contiguous acres of privately owned land within ~~fa project area~~the fairpark district boundary, or the owner's affiliate.

## HB0562S02 compared with HB0562S01

(~~30~~31) (a) "Qualified stadium" means a stadium:

- (i) within the fairpark district boundary;
- (ii) with a minimum capacity of 30,000 spectators; and
- (iii) that will primarily be used as the home of a major league sports team.

(b) "Qualified stadium" includes parking structures or facilities, lighting facilities, plazas, and open space associated with a stadium described in Subsection (~~30~~31)(a).

(~~31~~32) "Shapefile" means the digital vector storage format for storing geometric location and associated attribute information.

(33) "Stadium contribution" means the principal amount of bonds that the district issues to pay for the development and construction of a qualified stadium, plus any other amount the district pays toward the development and construction of a qualified stadium.

(~~32~~34) "State fair purposes" means the purposes for the use of fair park land related to the fair park authority's management, supervision, and control over a state fair and related events and activities.

(~~33~~35) "State-owned land" means:

- (a) fair park land; and
- (b) other state land.

(~~34~~36) "Taxable value" means the value of property as shown on the last equalized assessment roll.

(~~35~~37) "Taxing entity" means the same as that term is defined in Section 59-2-102, excluding a public infrastructure district that the fairpark district creates under Title 17D, Chapter 4, Public Infrastructure District Act.

(~~36~~38) "Transition date" means the date indicated in a designation resolution after which the parcel that is the subject of the designation resolution becomes a post-designation parcel.

Section (~~11~~12). Section 11-70-102 is enacted to read:

### **11-70-102. Severability.**

If a court determines that any provision of this chapter, or the application of any provision of this chapter, is invalid, the remainder of this chapter shall be given effect without the invalid provision or application.

Section (~~12~~13). Section 11-70-103 is enacted to read:

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### **11-70-103. Nonlapsing funds.**

Money the fairpark district receives from legislative appropriations is nonlapsing.

Section ~~{13}~~14. Section **11-70-104** is enacted to read:

### **11-70-104. Loan approval committee -- Approval of infrastructure loans**~~{3}~~

(1) As used in this section:

(a) "Borrower" means the same as that term is defined in Section 63A-3-401.5.

(b) "Fairpark district development fund" means the same as that term is defined in Section 63A-3-401.5.

(c) "Infrastructure loan" means the same as that term is defined in Section 63A-3-401.5.

(d) "Infrastructure project" means the same as that term is defined in Section 63A-3-401.5.

(e) "Loan approval committee" means a committee established under Subsection (2).

(2) (a) The fairpark district shall establish a loan committee consisting of:

(i) two individuals with expertise in public finance or infrastructure development, appointed by the governor;

(ii) one individual with expertise in public finance or infrastructure development, appointed by the president of the Senate;

(iii) one individual with expertise in public finance or infrastructure development, appointed by the speaker of the House of Representatives; and

(iv) one individual with expertise in public finance or infrastructure development, appointed jointly by the president of the Senate and the speaker of the House of Representatives.

(b) A board member may not be appointed to or serve as a member of the loan committee.

(3) (a) The loan committee may recommend for board approval an infrastructure loan from the fairpark district development fund to a borrower for an infrastructure project undertaken by the borrower.

(b) An infrastructure loan from the fairpark district development fund may not be made unless:

(i) the infrastructure loan is recommended by the loan committee; and

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(ii) the board approves the infrastructure loan.

(4) (a) If the loan committee recommends an infrastructure loan, the loan committee shall recommend the terms of an infrastructure loan in accordance with Section 63A-3-404.

(b) The board shall require the terms of an infrastructure loan secured by enhanced property tax revenue to include a requirement that money from the infrastructure loan be used only for an infrastructure project within the project area that generates the enhanced property tax revenue.

(5) The board may establish policies and guidelines with respect to prioritizing requests for infrastructure loans and approving infrastructure loans.

(6) Within 60 days after the execution of an infrastructure loan, the board shall report the infrastructure loan, including the loan amount, terms, interest rate, and security, to:

(a) ~~the~~ Executive Appropriations Committee; and

(b) the State Finance Review Commission created in Section 63C-25-201.

(7) (a) Salaries and expenses of committee members who are legislators shall be paid in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.

(b) A committee member who is not a legislator may not receive compensation or benefits for the member's service on the committee, but may receive per diem and reimbursement for travel expenses incurred as a committee member at the rates established by the Division of Finance under:

(i) Sections 63A-3-106 and 63A-3-107; and

(ii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and ~~63A-3-107~~63A.

Section ~~14~~15. Section 11-70-201 is enacted to read:

### **Part 2. Creation and Powers of Utah Fairpark Area Investment and Restoration District** **11-70-201. Creation of Utah Fairpark Area Investment and Restoration District --** **Status and purposes.**

(1) Under the authority of Utah Constitution, Article XI, Section 8, there is created the Utah Fairpark Area Investment and Restoration District.

(2) The fairpark district is:

(a) an independent, nonprofit, separate body corporate and politic, with perpetual

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succession;

(b) a political subdivision of the state; and

(c) a public corporation, as defined in Section 63E-1-102.

(3) (a) The purpose of the fairpark district is to fulfill the statewide public purpose of encouraging and facilitating development within the fairpark district boundary to provide economic and other benefits to the area within the fairpark district boundary, surrounding areas, the region, and the state, including:

(i) the development and construction of a qualified stadium and related facilities for a major league sports team;

(ii) the development and construction of infrastructure to support a qualified stadium, associated uses, and recreational uses on land within the fairpark district boundary;

(iii) the improvement and restoration of areas along the Jordan River within the fairpark district boundary for aesthetic and recreational purposes;

(iv) coordinating with and supporting the fair park authority in the fair park authority's use of fair park land; and

(v) other development on land within the fairpark district boundary.

(b) The duties and responsibilities of the fairpark district under this chapter are matters of regional and statewide concern, importance, interest, and impact.

(c) The fairpark district is the mechanism the state chooses to focus resources and efforts on behalf of the state, to oversee and manage development activities within the fairpark district boundary, and to ensure that the regional and statewide interests, concerns, and purposes described in this Subsection (3) are properly addressed from more of a statewide perspective than any municipality can provide.

Section ~~{15}~~16. Section **11-70-202** is enacted to read:

**11-70-202. Fairpark district powers and duties.**

(1) The fairpark district may:

(a) facilitate and bring about the development of land within the fairpark district boundary, including the development of a qualified stadium to house a major league sports team;

(b) enter into a lease agreement with a major league sports team to lease a qualified stadium to a major league sports team and receive lease payments on behalf of the state;

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(c) facilitate and provide funding for the development of land in a project area, including the development of public infrastructure and improvements and other infrastructure and improvements on or related to land in a project area;

(d) engage in marketing and business recruitment activities and efforts to encourage and facilitate development of land within the fairpark district boundary;

(e) as the fairpark district considers necessary or advisable to carry out any of the fairpark district's duties or responsibilities under this chapter:

(i) buy, obtain an option upon, or otherwise acquire any interest in real or personal property;

(ii) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or personal property; or

(iii) enter into a lease agreement on real or personal property, as lessee or lessor;

(f) sue and be sued;

(g) enter into contracts generally;

(h) exercise powers and perform functions under a contract, as authorized in the contract;

(i) receive and spend enhanced property tax revenue, as provided in this chapter;

(j) accept financial or other assistance from any public or private source for the fairpark district's activities, powers, and duties, and expend any funds so received for any of the purposes of this chapter;

(k) borrow money, contract with, or accept financial or other assistance from the federal government, a public entity, or any other source for any of the purposes of this chapter and comply with any conditions of the loan, contract, or assistance;

(l) issue bonds to finance the undertaking of any development objectives of the fairpark district, including bonds under Chapter 17, Utah Industrial Facilities and Development Act, bonds under Chapter 42, Assessment Area Act, and bonds under Chapter 42a, Commercial Property Assessed Clean Energy Act;

(m) hire employees, including independent contractors;

(n) transact other business and exercise all other powers provided for in this chapter;

(o) engage one or more consultants to advise or assist the fairpark district in the performance of the fairpark district's duties and responsibilities;

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(p) enter into an agreement with a private contractor to provide a municipal service within a project area that is not being provided by a municipality or other governmental service provider;

(q) provide public safety services in the area within the fairpark district boundary, including under a contract, approved by the board, with an existing governmental provider of public safety services;

(~~f~~~~q~~~~r~~) finance, develop, own, lease, operate, or otherwise control public infrastructure and improvements in a project area; and

(~~f~~~~r~~~~s~~) exercise powers and perform functions that the fairpark district is authorized by statute to exercise or perform.

(2) (a) The fairpark district is responsible for and has jurisdiction over any development that occurs on fair park land, including the funding of that development.

(b) The fairpark district shall consult and coordinate with the fair park authority with respect to any development activities anticipated for or that occur on fair park land.

(c) Any development of fair park land shall be:

(i) subject to and compatible with the use of fair park land for state fair purposes and related and other activities under the jurisdiction of the fair park authority~~f~~~~r~~; and

(ii) as far as practicable, consistent with the master plan for fair park land approved by the fair park authority.

(3) With respect to state land other than fair park land, the fairpark district and the facilities division shall consult with each other and with agencies occupying the land with respect to any potential change of use or development of the land.

(4) The total amount of the fairpark district's stadium contribution may not exceed \$900,000,000.

(~~f~~~~4~~~~5~~) Beginning April 1, 2025, the fairpark district shall:

(a) be the repository of the official delineation of the fairpark district boundary, identical to the fairpark district boundary as delineated in the shapefile that is the electronic component of H.B. 562, Utah Fairpark Area Investment and Restoration District, 2024 General Session, subject to:

(i) any later changes to the boundary enacted by the Legislature; and

(ii) any additions of land to the fairpark district boundary under Subsection (~~f~~~~5~~~~6~~); and

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(b) maintain an accurate digital file of the boundary that is easily accessible by the public.

(~~5~~6) The fairpark district boundary may be expanded to include land outside the fairpark district boundary if:

(a) the land is owned by a qualified owner;

(b) the qualified owner consents to including the land within the fairpark district boundary; and

(c) the land is:

(i) contiguous to the fairpark district boundary; or

(ii) within 200 feet of the fairpark district boundary.

Section ~~16~~17. Section **11-70-203** is enacted to read:

### **11-70-203. Privilege tax on state-owned land.**

(1) (a) Subject to Subsection (1)(b), the possession or beneficial use of property on state-owned land is subject to Title 59, Chapter 4, Privilege Tax.

†

† (b) Subsection (1)(a) does not apply to a qualified stadium during the construction of the qualified stadium and before title to the stadium is conveyed to the fairpark district as required in an agreement under Subsection 11-70-502(3).

(2) (a) As provided in Subsection (2)(b):

(i) for revenue from a privilege tax under Subsection (1) on a designated parcel that is part of the fair park land:

(A) 75% of the revenue shall be paid to the fairpark district ~~† during the payment period~~; and

(B) 25% of the revenue shall be paid to the fair park authority ~~† during the payment period~~; and

(ii) for revenue from a privilege tax under Subsection (1) on a designated parcel that is part of other state land, ~~†95%~~100% of the revenue shall be paid to the fairpark district ~~† during the payment period~~.

(b) The treasurer of the county in which the fair park land is located shall, in the manner and at the time provided in Section 59-2-1365, pay and distribute to the fairpark district and the fair park authority, as applicable, the revenue described in Subsection (2)(a).



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(3) (a) The fairpark district shall use 20% of the money the fairpark district is paid under Subsection (2)(a)(ii) for ~~{affordable}~~ **moderate income** housing, as defined in Section ~~{17C-1-102}~~ **10-9a-103**, within the host municipality.

(b) The fairpark district and host municipality shall coordinate and work together to identify how, when, and where the money described in Subsection (3)(a) is spent.

Section ~~{17}~~ **18**. Section **11-70-204** is enacted to read:

### **11-70-204. Fairpark district accommodations tax.**

(1) As used in this section:

(a) (i) "Accommodations and services" means an accommodation or service described in Subsection 59-12-103(1)(i).

(ii) "Accommodations and services" does not include an accommodation or service for which amounts paid or charged are not part of a rental room rate.

(b) "Accommodations tax" means a tax imposed as provided in this section.

(2) By resolution, the fairpark district board may impose an accommodations tax on a provider for amounts paid or charged for accommodations and services, if the place of accommodation is located within the ~~{fairpark}~~ district ~~{boundary}~~ **sales tax area**.

(3) The maximum rate of an accommodations tax is 15% of the amounts paid to or charged by the provider for accommodations and services.

(4) A provider may recover an amount equal to the accommodations tax from customers, if the provider includes the amount as a separate billing line item.

(5) If the fairpark district imposes an accommodations tax, ~~{neither}~~ **a public entity**, **including** the fairpark district ~~{nor a public entity}~~, may **not** impose, on the amounts paid or charged for accommodations and services **within the district sales tax area**, any other tax described in:

(a) Title 59, Chapter 12, Sales and Use Tax Act; or

(b) Title 59, Chapter 28, State Transient Room Tax Act.

(6) Except as provided in Subsection (7) or (8), an accommodations tax shall be administered, collected, and enforced in accordance with:

(a) the same procedures used to administer, collect, and enforce the tax under:

(i) Title 59, Chapter 12, Part 1, Tax Collection; or

(ii) Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and

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(b) Title 59, Chapter 1, General Taxation Policies.

(7) The location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

(8) (a) An accommodations tax is not subject to Section 59-12-107.1 or 59-12-123 or Subsections 59-12-205(2) through (5).

(b) The exemptions described in Sections 59-12-104, 59-12-104.1, and 59-12-104.6 do not apply to an accommodations tax.

(9) The State Tax Commission shall:

(a) except as provided in Subsection (9)(b), distribute the revenue collected from an accommodations tax to the fairpark district; and

(b) retain and deposit an administrative charge in accordance with Section 59-1-306 from revenue the commission collects from an accommodations tax.

(10) (a) If the fairpark district imposes, repeals, or changes the rate of an accommodations tax, the implementation, repeal, or change takes effect:

(i) on the first day of a calendar quarter; and

(ii) after a 90-day period beginning on the date the State Tax Commission receives the notice described in Subsection (10)(b) from the fairpark district.

(b) The notice required in Subsection (10)(a)(ii) shall state:

(i) that the fairpark district will impose, repeal, or change the rate of an accommodations tax;

(ii) the effective date of the implementation, repeal, or change of the accommodations tax; and

(iii) the rate of the accommodations tax.

(11) In addition to the uses permitted under Section 11-70-207, the fairpark district may allocate revenue from an accommodations tax to a county in which a place of accommodation that is subject to the accommodations tax is located, if:

(a) the county had a transient room tax described in Section 59-12-301 in effect at the time the fairpark district board imposed an accommodations tax; and

(b) the revenue replaces revenue that the county received from a county transient room tax described in Section 59-12-301 for the county's general operations and administrative expenses.

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Section ~~{18}~~19. Section **11-70-205** is enacted to read:

### **11-70-205. Energy sales and use tax.**

(1) As provided in Subsection 10-1-304(1)(d), the fairpark district may by resolution levy an energy sales and use tax, under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act, on an energy supplier, as defined in Section 10-1-303, that supplies energy to a facility on land within the {fairpark } district {boundary} sales tax area.

(2) An energy sales and use tax under this section is subject to the maximum rate under Subsection 10-1-304(1)(a)(ii), except that delivered value does not include the amount of a tax paid under this section.

(3) (a) An energy supplier may recover from the energy supplier's customers an amount equal to the energy sales and use tax, if the energy supplier includes the amount as a separate billing line item.

(b) An energy sales and use tax levied under this section is in addition to the rate approved by the Public Service Commission and charged to the customer.

(4) (a) An energy sales and use tax under this section is payable by the energy supplier to the fairpark district on a monthly basis as described by the resolution levying the tax.

(b) A resolution levying an energy sales and use tax shall allow the energy supplier to retain 1% of the tax remittance each month to offset the energy supplier's costs of collecting and remitting the tax.

(5) Beginning ~~{July}~~October 1, 2024, a municipality may not levy an energy sales and use tax on an energy supplier for energy that the energy supplier supplies to a facility located on land within the {fairpark } district {boundary} sales tax area.

Section ~~{19}~~20. Section **11-70-206** is enacted to read:

**11-70-206. Applicability of other law -- Cooperation of state and local governments -- Municipal services -- Services from state agencies -- Procurement policy.**

(1) With respect to the use or development of state-owned land, the fairpark district is not subject to:

(a) Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act; or

(b) the jurisdiction of a special district under Title 17B, Limited Purpose Local Government Entities - Special Districts, or a special service district under Title 17D, Chapter 1, Special Service District Act, except to the extent that:

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(i) some or all of the state land is, on January 1, 2024, included within the boundary of a special district or special service district; and

(ii) the fairpark district elects to receive service from the special district or special service district for the state land that is included within the boundary of the special district or special service district, respectively.

(2) The fairpark district has and may exercise all powers relating to the regulation of land uses on state-owned land.

(3) (a) Subject to Subsection (3)(b), the fairpark district has and may exercise all powers relating to the regulation of land uses on privately owned land within the fairpark district boundary.

(b) ~~{Privately}~~(i) Land owned ~~{land within the fairpark district boundary}~~ by a qualified owner is subject to a host municipality's land use authority under Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act, if the qualified owner ~~{of the privately owned land}~~ and the host municipality enter into an agreement, as provided in Subsection (3)(b)(ii), no later than December 31, 2024 ~~{subjecting the privately owned land to land use regulations of}~~.

(ii) (A) An agreement under Subsection (3)(b)(i), shall require the host municipality ~~{~~ ~~(c)}~~ to provide an expedited process for the review and approval of a qualified owner's completed land use application that complies with adopted land use regulations.

(B) In an agreement under Subsection (3)(b)(i), the host municipality shall agree to vest the qualified owner in any approved land use for a qualified stadium and related uses.

(c) A host municipality may not prohibit or condition the use of a qualified owner's land for a qualified stadium.

(d) In making land use decisions affecting land within the fairpark district boundary that is subject to a host municipality's land use authority under this Subsection (3), the legislative body of the host municipality shall consider input from the board.

(4) No later than December 31, 2024, the host municipality and the host municipality's community reinvestment agency shall take all necessary actions to withdraw from the fairpark district boundary any area that is within a project area of the community reinvestment agency.

~~{4}~~5) A department, division, or other agency of the state and a political subdivision of the state shall cooperate with the fairpark district to the fullest extent possible to provide

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whatever support, information, or other assistance the board requests that is reasonably necessary to help the fairpark district fulfill its duties and responsibilities under this chapter.

(~~f5~~6) (a) A host municipality shall provide the same municipal services to the area of the municipality that is within the fairpark district boundary as the municipality provides to other areas of the municipality with similar zoning and a similar development level.

(b) The level and quality of municipal services that a host municipality provides within the fairpark district boundary shall be fairly and reasonably consistent with the level and quality of municipal services that the municipality provides to other areas of the municipality with similar zoning and a similar development level.

(c) No later than December 31, 2024, the fairpark district and host municipality shall enter into an agreement providing for the fairpark district to reimburse the host municipality for services the host municipality provides to a project area.

(~~f6~~7) (a) The fairpark district may request and, upon request, shall receive:

(i) fuel dispensing and motor pool services provided by the Division of Fleet

Operations;

(ii) surplus property services provided by the Division of Purchasing and General

Services;

(iii) information technology services provided by the Division of Technology Services;

(iv) archive services provided by the Division of Archives and Records Service;

(v) financial services provided by the Division of Finance;

(vi) human resources services provided by the Division of Human Resource

Management;

(vii) legal services provided by the Office of the Attorney General; and

(viii) banking services provided by the Office of the State Treasurer.

(b) Nothing in Subsection (6)(a) may be construed to relieve the fairpark district of the obligation to pay the applicable fee for the service provided.

(~~f7~~8) (a) To govern fairpark district procurements, the board shall adopt a procurement policy that the board reasonably determines to ~~be~~ substantially ~~consistent with applicable provisions of Title 63G, Chapter 6a, Utah Procurement Code~~ fulfill the purposes described in Section 63G-6a-102.

(b) The board may delegate to the executive director the responsibility to adopt a

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procurement policy.

(c) The board's determination under Subsection (7)(a) ~~{of substantial consistency}~~ is final and conclusive.

~~(8)9~~ No later than December 31, 2024, the board and the assessor of the county in which the fairpark district is located shall together determine the base taxable value of privately owned property within the fairpark district boundary.

(10) (a) As used in this Subsection (10):

(i) "District ZIP area" means a ZIP area a majority of which includes land within the fairpark district boundary.

(ii) "ZIP area" means an area defined by the ZIP Code, as defined in Section 59-12-102, plus the four-digit deliver route extension.

(b) No later than June 1, 2024, the State Tax Commission shall:

(i) define the area that consists of all district zip areas; and

(ii) provide a description of the area under Subsection (9)(b)(i) to the host municipality and the board.

(c) The State Tax Commission shall annually:

(i) update the definition of the area under Subsection (10)(b)(i); and

(ii) provide the updated description to the host municipality and the board.

Section ~~20~~21. Section **11-70-207** is enacted to read:

**11-70-207. Use of fairpark district funds.**

(1) (a) Subject to Subsection (2), the fairpark district may use fairpark district funds for any purpose authorized under this chapter, including to pay for:

(i) the development and construction of a qualified stadium;

(ii) administrative, overhead, legal, consulting, and other operating expenses of the fairpark district;

(iii) all or part of the development of land within a project area, including:

(A) financing or refinancing; and

(B) assisting the ongoing operation of a development or facility within the project area;

(iv) the cost of the installation of public infrastructure and improvements outside a project area if the board determines by resolution that the infrastructure and improvements are of benefit to the project area;

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(v) the principal and interest on bonds issued by the fairpark district;

(vi) the payment of an infrastructure loan, as defined in Section 11-70-104, according to the terms of the infrastructure loan; and

(vii) the costs of promoting, facilitating, and implementing other development of land within the fairpark district boundary.

(b) The determination of the board under Subsection (1)(a)(iv) regarding benefit to the project area is final.

(2) (a) The fairpark district may use money it receives under Subsection 59-12-1201(~~11~~2)(a)(ii) and ~~Section 59-28-103~~Subsection 59-12-103(16) only for the development and construction of a qualified stadium, including paying for bonds issued to pay for the development and construction of a qualified stadium.

(b) If the amount of money the fairpark district receives under Subsection (2)(a) exceeds the amount required to pay the annual debt service on bonds issued to pay for the development and construction of a qualified stadium, the fairpark district shall use the excess amount received to pay down the principal on those bonds.

(3) The fairpark district may share enhanced property tax revenue with a taxing entity that levies a property tax on land within the project area from which the enhanced property tax revenue is generated.

Section ~~21~~22. Section 11-70-301 is enacted to read:

### **Part 3. Fairpark District Board and Executive Director**

#### **11-70-301. Fairpark district board**~~1~~

(1) The fairpark district shall be governed by a board.

(2) (a) The board shall manage and conduct the business and affairs of the fairpark district and shall determine all questions of fairpark district policy.

(3) All powers of the fairpark district are exercised through the board or, as provided in Section 11-70-305, the executive director.

(4) The board may by resolution delegate powers to the executive director or other fairpark district staff.

~~{~~ (5) The board may not designate a transition date that is later than May 1, 2027.

~~}~~ Section ~~22~~23. Section 11-70-302 is enacted to read:

**11-70-302. Number of board members -- Appointment -- ~~{Term}~~Terms --**

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### Vacancies -- Nonvoting members.

(1) The fairpark district's board consists of five voting members, as provided in Subsection (2).

(2) (a) The governor shall appoint two individuals as board members~~;~~:

(i) one of whom shall be a member of the fair park authority board; and

(ii) one of whom shall be a representative from the West Side Coalition in Salt Lake City.

(b) The president of the Senate shall appoint as a board member one individual with relevant business expertise.

(c) The speaker of the House of Representatives shall appoint as a board member one individual with relevant business expertise.

(d) ~~;~~ The ~~{Salt Lake City council}~~ host municipality shall appoint one individual as a board member ~~{one member of the Salt Lake City council whose district includes fairpark land}~~.

(3) An individual required under Subsection (2) to appoint a board member shall appoint each initial board member the individual is required to appoint no later than June 1, 2024.

(4) The term of a board member appointed under Subsection (2) is six years, except that the initial term of the members appointed under Subsection (2)(a) is three years.

(5) Each board member serves until a successor is duly appointed and qualified.

(6) An appointed board member may serve multiple terms if duly appointed under Subsection (2) to serve each term.

(7) (a) A vacancy in the board shall be filled in the same manner under this section as the appointment of the member whose vacancy is being filled.

(b) An individual appointed to fill a vacancy shall serve the remaining unexpired term of the member whose vacancy the individual is filling.

(8) A member of the board appointed under Subsection (2)(a), (b), or (c) serves at the pleasure of and may be removed and replaced at any time, with or without cause, by the individual who appointed the member.

(9) A majority of the voting members of the board may appoint ~~{no more than}~~ as many as two individuals to serve as nonvoting ~~{board}~~ advisory board members, to serve as



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the board determines.

Section ~~{23}~~24. Section **11-70-303** is enacted to read:

### **11-70-303. Board quorum -- Chair and officers -- Compensation.**

(1) A majority of voting members constitutes a quorum, and the action of a majority of voting members constitutes action of the board.

(2) Upon a vote of a majority of all voting board members, the board may appoint a board chair and any other officer of the board.

(3) (a) A board member who is not a legislator may not receive compensation or benefits for the member's service on the board, but may receive per diem and reimbursement for travel expenses incurred as a board member as allowed in:

(i) Sections 63A-3-106 and 63A-3-107; and

(ii) rules made by the Division of Finance according to Sections 63A-3-106 and 63A-3-107.

(b) Compensation and expenses of a board member who is a legislator are governed by Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.

Section ~~{24}~~25. Section **11-70-304** is enacted to read:

### **11-70-304. Limitations on board members and executive director.**

(1) As used in this section:

(a) "Direct financial benefit":

(i) means any form of financial benefit that accrues to an individual directly, including:

(A) compensation, commission, or any other form of a payment or increase of money;

and

(B) an increase in the value of a business or property; and

(ii) does not include a financial benefit that accrues to the public generally.

(b) "Family member" means a parent, spouse, sibling, child, or grandchild.

(2) An individual may not serve as a member of the board or as executive director if:

(a) the individual owns real property, other than a personal residence in which the individual resides, within the fairpark district boundary, whether or not the ownership interest is a recorded interest;

(b) a family member of the individual owns an interest in real property, other than a personal residence in which the family member resides, located within the fairpark district

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boundary; or

(c) the individual or a family member of the individual owns an interest in, is directly affiliated with, or is an employee or officer of a private firm, private company, or other private entity that the individual reasonably believes is likely to:

(i) participate in or receive a direct financial benefit from the development of land within the fairpark district boundary; or

(ii) acquire an interest in or locate a facility within the fairpark district boundary.

(3) Before taking office as a board member or accepting employment as executive director, an individual shall submit to the fairpark district a statement verifying that the individual's service as a board member or employment as executive director does not violate Subsection (2).

(4) (a) An individual may not, at any time during the individual's service as a board member or employment with the fairpark district, acquire, or take any action to initiate, negotiate, or otherwise arrange for the acquisition of, an interest in real property located within the fairpark district boundary, if:

(i) the acquisition is in the individual's personal capacity or in the individual's capacity as an employee or officer of a private firm, private company, or other private entity; and

(ii) the acquisition will enable the individual to receive a direct financial benefit as a result of the development of land within the fairpark district boundary.

(b) Subsection (4)(a) does not apply to an individual's acquisition of, or action to initiate, negotiate, or otherwise arrange for the acquisition of, an interest in real property that is a personal residence in which the individual will reside upon acquisition of the real property.

(5) (a) A board member or an employee of the fairpark district may not receive a direct financial benefit from development within the fairpark district boundary.

(b) For purposes of Subsection (5)(a), a direct financial benefit does not include:

(i) expense reimbursements;

(ii) per diem pay for board member service, if applicable; or

(iii) an employee's compensation or benefits from employment with the fairpark district.

(6) Nothing in this section may be construed to affect the application or effect of any other code provision applicable to a board member or employee relating to ethics or conflicts

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of interest.

Section ~~{25}~~26. Section **11-70-305** is enacted to read:

### **11-70-305. Executive director.**

(1) (a) (i) The board may hire an executive director to be the chief executive officer of the fairpark district.

(~~fb~~ii) The board shall oversee an executive director hired by the board.

(2) The role of an executive director hired by the board is to:

(a) manage and oversee the day-to-day operations of the fairpark district;

(b) fulfill the executive and administrative duties and responsibilities of the fairpark district; and

(c) perform other functions or duties, as directed by the board.

(3) An executive director shall have the education, experience, and training necessary to perform the executive director's duties in a way that maximizes the potential for the fairpark district to successfully fulfill the fairpark district's duties and responsibilities under this chapter.

(4) An executive director is an at-will employee who serves at the pleasure of the board and may be removed by the board at any time.

(5) The board shall establish the compensation and benefits of an executive director~~f,t~~

Section ~~{26}~~27. Section **11-70-401** is enacted to read:

### **Part 4. Enhanced Property Tax Revenue**

#### **11-70-401. Enhanced property tax revenue to be paid to fairpark district.**

(1) ~~{During}~~ Subject to Subsection (5), the fairpark district shall be paid 90% of enhanced property tax revenue generated from each parcel of privately owned land within the fairpark district boundary:

(a) beginning the tax year that begins on January 1, 2025; and

(b) until the transition date for that parcel.

(2) Subject to Subsection (5), during the payment period~~f,t~~ the fairpark district shall be paid up to 100% of enhanced property tax revenue:

(a) generated from designated parcels of privately owned land within a project area;  
and

(b) as the board specifies in a designation resolution adopted in consultation with a qualified owner.

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~~(2)3~~ For purposes of the payment of enhanced property tax revenue under this section, a payment period shall begin ~~January 1 of the year~~, as specified in the designation resolution, on January 1 of a year that begins after the designation resolution is adopted.

~~(3)4~~ (a) For purposes of this section, the fairpark district may designate an improved portion of a parcel in a project area as a separate parcel.

(b) A fairpark district designation of an improved portion of a parcel as a separate parcel under Subsection ~~(3)4~~(a) does not constitute a subdivision, as defined in Section 10-9a-103 or Section 17-27a-103.

(c) A county recorder shall assign a separate tax identification number to the improved portion of a parcel designated by the authority as a separate parcel under Subsection ~~(3)(a)~~:  
~~Section 27)4(a).~~

(5) A host municipality shall be paid 25% of the enhanced property tax revenue generated by a property tax imposed by the host municipality.

Section 28. Section 11-70-402 is enacted to read:

### 11-70-402. Distribution of enhanced property tax revenue.

A county that collects property tax on property within the county in which the fairpark district is located shall, in the manner and at the time provided in Section 59-2-1365, pay and distribute to the fairpark district and the host municipality the amount of enhanced property tax revenue that the fairpark district and the host municipality, respectively, is entitled to collect under this chapter.

Section ~~(28)29~~. Section 11-70-403 is enacted to read:

### 11-70-403. ~~Limits on~~ Use of enhanced property tax revenue.

~~(1) Except as provided in Subsection 17C-1-407(4), a community reinvestment agency may not be paid any tax increment, as defined in Section 17C-1-102, generated within a project area of the fairpark district.~~

~~(2) The fairpark district may ~~not~~ use enhanced property tax revenue collected from ~~one~~a project area for a development project ~~within another project area~~.  
~~Section 29)outside the fairpark district boundary if approved by the board.~~~~

Section 30. Section 11-70-501 is enacted to read:

## **Part 5. Project Area Plan and Budget**

### 11-70-501. Preparation of project area plan -- Required contents of project area

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### plan.

(1) As provided in this section, the fairpark district may adopt a project area plan for the development of some or all of the land within the fairpark district boundary.

(2) In consultation with the fair park authority board, the fairpark district may adopt a project area plan for the development of some or all of the fair park land.

(3) With the consent of a qualified owner, the fairpark district may adopt a project area plan for the development of the qualified owner's land, including the development and construction of a qualified stadium.

(4) (a) To adopt a project area plan, the board shall:

(i) prepare a draft project area plan;

(ii) give notice as required under Subsection 11-70-503(2);

(iii) hold at least one public meeting, as required under Subsection 11-70-503(1); and

(iv) after holding at least one public meeting and subject to Subsection (4)(b), adopt the draft project area plan as the project area plan.

(b) Before adopting a draft project area plan as the project area plan, the board may make modifications to the draft project area plan that the board considers necessary or appropriate.

(5) A project area plan and draft project area plan shall contain:

(a) a legal description of the boundary of the project area;

(b) the fairpark district's purposes and intent with respect to the project area; and

(c) the board's findings and determination that:

(i) there is a need for the proposed development project to effectuate a public purpose;

(ii) there is a public benefit that will result from the proposed development project; and

(iii) it is economically sound and feasible to adopt and carry out the project area plan.

Section ~~30~~31. Section 11-70-502 is enacted to read:

### **11-70-502. Qualified stadium under project area plan.**

(1) A project area plan may provide for the development and construction of a qualified stadium on land that, until conveyed to the fairpark district as provided in Subsection (3)(b), is owned by a qualified owner.

(2) A project area plan under Subsection (1) shall include a requirement that the qualified owner and fairpark district enter an agreement relating to:

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(a) the development, construction, operation, and ownership of a qualified stadium;  
and

(b) the development of other land owned by the qualified owner within the fairpark district boundary.

(3) (a) An agreement under Subsection (2) shall:

~~(f*a*)i~~ limit the ~~amount of funding for the qualified stadium provided by the fairpark district~~ stadium contribution to the lesser of:

~~(f*f*)A~~ half the actual cost of developing and constructing the qualified stadium; or

~~(f*i*)B~~ \$900,000,000;

~~(f*b*)ii~~ require the qualified owner to convey to the fairpark district, as soon as practicable after the franchise agreement date, title to the property on which the qualified stadium will be constructed;

~~(f*c*)iii~~ require the qualified owner ~~to repay to the fairpark district the full amount of the funding for the qualified stadium provided by the fairpark district~~, if the major league sports team leaves the qualified stadium before 30 years after the franchise agreement date, to:

(A) pay the remaining outstanding balance of bonds issued by the fairpark district for the development and construction of the qualified stadium; and

(B) pay to the fairpark district the difference between the stadium contribution and the amount paid under Subsection (3)(a)(iii)(A);

~~(f*d*)iv~~ provide for the fairpark district to possess full ownership rights to the qualified stadium;

~~(f*e*)v~~ provide for the qualified owner to sell and control sponsorship rights relating to the qualified stadium;

~~(f*f*)vi~~ provide for the fairpark district to lease the qualified stadium to the major league sports team for lease payments of \$150,000 per month for 360 months;

~~(f*g*)vii~~ require the qualified owner to operate and maintain the qualified stadium and to pay for all operation and maintenance costs; ~~and~~

~~(f*h*)viii~~ require the qualified owner to cooperate and coordinate with the fairpark district to allow events other than events of the major league sports team to occur at the qualified stadium if those other events do not interfere with the use of the qualified stadium for events of the major league sports team ~~f~~.

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4:

(ix) include negotiated terms that are fair and reasonable;

(x) establish the timing and process for the development of the qualified owner's property within the fairpark district boundary, based on the qualified owner's development plan;

(xi) establish the timing and process for assisting the fair park authority to complete the fair park authority's master plan; and

(xii) require the major league sports team to be given a name that includes "Utah."

(b) Before approving an agreement under Subsection (3)(a), the board shall:

(i) hold at least one public meeting to consider and discuss the draft agreement; and

(ii) provide notice of the public meeting as provided in Subsection 11-70-503(2).

(c) A legal action or other challenge to an agreement under Subsection (3)(a) by a person other than a party to the agreement is barred unless brought within 30 days after the execution of the agreement.

(4) The fairpark district shall pay to the Division of Finance, for deposit into the General Fund, all lease payments the fairpark district receives under a lease agreement for the qualified stadium.

Section ~~{31}~~32. Section 11-70-503 is enacted to read:

**11-70-503. Public meeting to consider and discuss draft project area plan -- Notice -- Adoption of plan.**

(1) The board shall hold at least one public meeting to consider and discuss a draft project area plan.

(2) Before holding a public meeting under Subsection (1), the board shall give notice of the public meeting:

(a) to each taxing entity, at least 10 days before the public meeting; and

(b) for the project area, as a class A notice under Section 63G-30-102, for at least 10 days before the public meeting.

(3) Following consideration and discussion at a public meeting under Subsection (1), and any modification of the project area plan under Subsection 11-70-501(4)(b), the board may adopt the draft project area plan or modified draft project area plan as the project area plan.

Section ~~{32}~~33. Section 11-70-504 is enacted to read:

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### **11-70-504. Notice of project area plan adoption -- Effective date of plan -- Time for challenging a project area plan or project area.**

(1) Upon the board's adoption of a project area plan, the board shall provide notice as provided in Subsection (2) by publishing or causing to be published legal notice:

(a) for the project area, as a class A notice under Section 63G-30-102, for at least 30 days; and

(b) as required by Section 45-1-101.

(2) (a) A notice under Subsection (1) shall include:

(i) the board resolution adopting the project area plan or a summary of the resolution; and

(ii) a statement that the project area plan is available for general public inspection and the hours for inspection.

(b) The statement required under Subsection (2)(a)(ii) may be included within the board resolution adopting the project area plan or within the summary of the resolution.

(3) The project area plan shall become effective on the date designated in the board resolution.

(4) The fairpark district shall make the adopted project area plan available to the general public at the fairpark district's offices during normal business hours.

(5) Within 10 days after the day on which a project area plan is adopted that establishes a project area, or after an amendment to a project area plan is adopted under which the boundary of a project area is modified, the fairpark district shall send notice of the establishment or modification of the project area and an accurate map or plat of the project area to:

(a) the State Tax Commission;

(b) the Utah Geospatial Resource Center created in Section 63A-16-505; and

(c) the assessor, auditor, and recorder of each county where the project area is located.

(6) A legal action or other challenge to a project area plan or a project area described in a project area plan is barred unless brought within 30 days after the effective date of the project area plan.

Section ~~33~~34. Section **11-70-505** is enacted to read:

**11-70-505. Amendment to a project area plan.**



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(1) The fairpark district may amend a project area plan by following the same procedure under this part as applies to the adoption of a project area plan.

(2) The provisions of this part apply to the fairpark district's adoption of an amendment to a project area plan to the same extent as they apply to the adoption of a project area plan.

Section ~~{34}~~35. Section **11-70-506** is enacted to read:

### **11-70-506. Project area budget.**

(1) Before the fairpark district may use the enhanced property tax revenue from a project area, the board shall prepare and adopt a project area budget.

(2) A project area budget shall include:

(a) the base taxable value of property in the project area;

(b) the projected enhanced property tax revenue expected to be generated within the project area;

(c) the amount of the enhanced property tax revenue expected to be used to implement the project area plan, including the estimated amount of the enhanced property tax revenue to be used for:

(i) land acquisition;

(ii) public infrastructure and improvements; and

~~{iv}~~iii) loans, grants, or other incentives to private and public entities;

(d) the enhanced property tax revenue expected to be used to cover the cost of administering the project area plan;

(e) the amount of enhanced property tax revenue expected to be shared with other taxing entities; and

(f) for property that the fairpark district owns or leases and expects to sell or sublease, the expected total cost of the property to the fairpark district and the expected selling price or lease payments.

(3) The board may amend an adopted project area budget as and when the board considers it appropriate.

Section ~~{35}~~36. Section **11-70-601** is enacted to read:

### **Part 6. Fairpark District Bonds**

#### **11-70-601. Resolution authorizing issuance of fairpark district bonds --**

**Characteristics of bonds -- Notice.**

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(1) In issuing bonds under this part, the fairpark district shall comply with applicable requirements and provisions of Title 63C, Chapter 25, State Finance Review Commission.

(2) (a) As provided in the fairpark district resolution authorizing the issuance of bonds under this part or the trust indenture under which the bonds are issued, bonds issued under this part may be issued in one or more series and may be sold at public or private sale and in the manner provided in the resolution or indenture.

(b) Bonds issued under this part shall bear the date, be payable at the time, bear interest at the rate, be in the denomination and in the form, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be subject to the terms of redemption or tender, with or without premium, be payable in the medium of payment and at the place, and have other characteristics as provided in the fairpark district resolution authorizing their issuance or the trust indenture under which they are issued.

(3) Upon the board's adoption of a resolution providing for the issuance of bonds, the board may provide for the publication of the resolution:

(a) for the area within the fairpark district's boundaries, as a class A notice under Section 63G-30-102, for at least 30 days; and

(b) as required in Section 45-1-101.

(4) In lieu of publishing the entire resolution, the board may publish notice of bonds that contains the information described in Subsection 11-14-316(2).

(5) For a period of 30 days after the publication, any person in interest may contest:

(a) the legality of the resolution or proceeding;

(b) any bonds that may be authorized by the resolution or proceeding; or

(c) any provisions made for the security and payment of the bonds.

(6) (a) A person may contest the matters set forth in Subsection (5) by filing a verified written complaint, within 30 days of the publication under Subsection (5), in the district court of the county in which the person resides.

(b) A person may not contest the matters set forth in Subsection (5), or the regularity, formality, or legality of the resolution or proceeding, for any reason, after the 30-day period for contesting provided in Subsection (6)(a).

(7) No later than 60 days after the closing day of any bonds, the fairpark district shall report the bonds issuance, including the amount of the bonds, terms, interest rate, and security,

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to:

- (a) the Executive Appropriations Committee; and
- (b) the State Finance Review Commission created in Section 63C-25-201.

Section ~~36~~37. Section **11-70-602** is enacted to read:

**11-70-602. Sources from which bonds may be made payable -- Fairpark district powers regarding bonds.**

(1) Subject to Subsection 11-70-207(2), the principal and interest on bonds issued by the fairpark district may be made payable from:

- (a) the income and revenues of the projects financed with the proceeds of the bonds;
- (b) the income and revenues of certain designated projects whether or not they were financed in whole or in part with the proceeds of the bonds;
- (c) the income, proceeds, revenues, property, and funds the fairpark district derives from or holds in connection with its undertaking and carrying out development of land within the fairpark district boundary;
- (d) enhanced property tax revenue;
- (e) fairpark district revenues generally;
- (f) a contribution, loan, grant, or other financial assistance from the federal government or a public entity in aid of the fairpark district; or
- (g) funds derived from any combination of the methods listed in Subsections (1)(a) through (f).

(2) In connection with the issuance of fairpark district bonds, the fairpark district may:

- (a) as the board determines in the board's reasonable discretion, pledge all or any part of the fairpark district's gross or net rents, fees, or revenues to which the fairpark district's right then exists or may thereafter come into existence;
- (b) encumber by mortgage, deed of trust, or otherwise all or any part of the fairpark district's real or personal property, then owned or thereafter acquired; and
- (c) make the covenants and take the action that may be necessary, convenient, or desirable to secure its bonds, or, except as otherwise provided in this chapter, that will tend to make the bonds more marketable, even though such covenants or actions are not specifically enumerated in this chapter.

Section ~~37~~38. Section **11-70-603** is enacted to read:

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### **11-70-603. Purchase of fairpark district bonds.**

(1) Any person, firm, corporation, association, political subdivision of the state, or other entity or public or private officer may purchase bonds issued by the fairpark district under this part with funds owned or controlled by the purchaser.

(2) Nothing in this section ~~{may be construed to relieve}~~relieves a purchaser of fairpark district bonds of any duty to exercise reasonable care in selecting securities.

Section ~~{38}~~39. Section 11-70-604 is enacted to read:

### **11-70-604. Those executing bonds not personally liable -- Limitation of obligations under bonds -- ~~{Negotiability.}~~Negotiability'**

(1) A member of the board or other person executing a fairpark district bond is not liable personally on the bond.

(2) (a) A bond issued by the fairpark district is not a general obligation or liability of the state or any of its political subdivisions and does not constitute a charge against their general credit or taxing powers.

(b) A bond issued by the fairpark district is not payable out of any funds or properties other than those of the fairpark district.

(c) The state and its political subdivisions are not and may not be held liable on a bond issued by the fairpark district.

(d) A bond issued by the fairpark district does not constitute indebtedness within the meaning of any constitutional or statutory debt limitation.

(3) A bond issued by the fairpark district under this part is fully negotiable.

Section ~~{39}~~40. Section 11-70-605 is enacted to read:

### **11-70-605. Bonds exempt from taxes -- Fairpark district may purchase its own bonds.**

(1) A bond issued by the fairpark district under this part is issued for an essential public and governmental purpose and is, together with interest on the bond and income from it, exempt from all state taxes except the corporate franchise tax.

(2) The fairpark district may purchase its own bonds at a price that its board determines.

(3) Nothing in this section ~~{may be construed to limit}~~limits the right of an obligee to pursue a remedy for the enforcement of a pledge or lien given under this part by the fairpark

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district on its rents, fees, grants, properties, or revenues.

Section ~~{40}~~41. Section 11-70-701 is enacted to read:

### **Part 7. Fairpark District Budget and Other Financial Matters**

**11-70-701. Annual fairpark district budget -- Fiscal year -- Public hearing and notice required -- Auditor forms.**

(1) The fairpark district shall prepare and the board adopt an annual budget of revenues and expenditures for the fairpark district for each fiscal year.

(2) Each annual fairpark district budget shall be adopted before June 22.

(3) The fairpark district's fiscal year shall be the period from July 1 to the following June 30.

(4) (a) Before adopting an annual budget, the fairpark district board shall hold a public hearing on the annual budget.

(b) The fairpark district shall provide notice of the public hearing on the annual budget by publishing notice as a class A notice under Section 63G-30-102 for at least one week before the public hearing.

(c) The fairpark district shall make the annual budget available for public inspection at least three days before the date of the public hearing.

(5) The state auditor shall prescribe the budget forms and the categories to be contained in each fairpark district budget, including:

(a) revenues and expenditures for the budget year; and

(b) administrative costs, including legal fees, rent, supplies, and other materials, and salaries of fairpark district personnel.

Section ~~{41}~~42. Section 11-70-702 is enacted to read:

### **11-70-702. Amending the fairpark district annual budget.**

(1) The ~~{fairpark district}~~ board may by resolution amend an annual fairpark district budget.

(2) An amendment of the annual fairpark district budget that would increase the total expenditures may be made only after public hearing by notice published as required for initial adoption of the annual budget.

(3) The fairpark district may not make expenditures in excess of the total expenditures established in the annual budget as it is adopted or amended.

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Section ~~{42}~~43. Section 11-70-703 is enacted to read:

### **11-70-703. Audit requirements.**

The fairpark district shall comply with the audit requirements of Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act.

Section ~~{43}~~44. Section 11-70-704 is enacted to read:

### **11-70-704. Fairpark district chief financial officer is a public treasurer -- Certain fairpark district funds are public funds.**

(1) The fairpark district's chief financial officer:

(a) is a public treasurer, as defined in Section 51-7-3; and

(b) shall invest the fairpark district funds specified in Subsection (2) as provided in that subsection.

(2) Notwithstanding Subsection 63E-2-110(2)(a), appropriations that the fairpark district receives from the state:

(a) are public funds; and

(b) shall be invested as provided in Title 51, Chapter 7, State Money Management Act.

Section ~~{44}~~45. Section 11-70-801 is enacted to read:

### **Part 8. Fairpark District Dissolution**

### **11-70-801. Dissolution of fairpark district -- Restrictions -- Notice of dissolution -- Disposition of fairpark district property -- Fairpark district records -- Dissolution expenses.**

(1) The fairpark district may not be dissolved unless the fairpark district has no outstanding bonded indebtedness, other unpaid loans, indebtedness, or advances, and no legally binding contractual obligations with persons or entities other than the state.

(2) Upon the dissolution of the fairpark district:

(a) the Governor's Office of Economic Opportunity shall publish a notice of dissolution:

(i) for the county in which the dissolved fairpark district is located, as a class A notice under Section 63G-30-102, for at least seven days; and

(ii) as required in Section 45-1-101; and

(b) all title to property owned by the fairpark district vests in the state.

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(3) The books, documents, records, papers, and seal of each dissolved fairpark district shall be deposited for safekeeping and reference with the state auditor.

(4) The fairpark district shall pay all expenses of the deactivation and dissolution.

Section 46. Section 17-22-5.5 is amended to read:

**17-22-5.5. Sheriff's classification of jail facilities -- Maximum operating capacity of jail facilities -- Transfer or release of prisoners -- Limitation -- Records regarding release.**

(1) (a) Except as provided in Subsection (4), a county sheriff shall determine:

(i) subject to Subsection (1)(b), the classification of each jail facility or section of a jail facility under the sheriff's control;

(ii) the nature of each program conducted at a jail facility under the sheriff's control;

and

(iii) the internal operation of a jail facility under the sheriff's control.

(b) A classification under Subsection (1)(a)(i) of a jail facility may not violate any applicable zoning ordinance or conditional use permit of the county or municipality.

(2) Except as provided in Subsection (4), each county sheriff shall:

(a) with the approval of the county legislative body, establish a maximum operating capacity for each jail facility under the sheriff's control, based on facility design and staffing; and

(b) upon a jail facility reaching the jail facility's maximum operating capacity:

(i) transfer prisoners to another appropriate facility:

(A) under the sheriff's control; or

(B) available to the sheriff by contract;

(ii) release prisoners:

(A) to a supervised release program, according to release criteria established by the sheriff; or

(B) to another alternative incarceration program developed by the sheriff; or

(iii) admit prisoners in accordance with law and a uniform admissions policy imposed equally upon all entities using the county jail.

(3) (a) The sheriff shall keep records of the release status and the type of release program or alternative incarceration program for any prisoner released under Subsection

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(2)(b)(ii).

(b) The sheriff shall make these records available upon request to the Department of Corrections, the Judiciary, and the Commission on Criminal and Juvenile Justice.

(4) This section may not be construed to authorize a sheriff to modify provisions of a contract with the Department of Corrections to house in a county jail an individual sentenced to the Department of Corrections.

(5) Regardless of whether a jail facility has reached the jail facility's maximum operating capacity under Subsection (2), a sheriff may release an individual from a jail facility in accordance with Section 77-20-203 or 77-20-204.

(6) (a) Subject to Subsection (6)(c), a jail facility shall detain an individual for up to 24 hours from booking if:

(i) the individual is on supervised probation or parole and that information is reasonably available; and

(ii) the individual was arrested for:

(A) a violent felony as defined in Section 76-3-203.5; or

(B) a qualifying domestic violence offense as defined in Subsection 77-36-1.1(4) that is not a criminal mischief offense.

(b) The jail facility shall notify the entity supervising the individual's probation or parole that the individual is being detained.

(c) (i) The jail facility shall release the individual:

(A) to the Department of Corrections if the Department of Corrections supervises the individual and requests the individual's release; or

(B) if a court or magistrate orders release.

(ii) Nothing in this Subsection (6) prohibits a jail facility from holding the individual in accordance with Title 77, Chapter 20, Bail, for new criminal conduct.

~~{Section 45. Section 17C-1-407 is amended to read:~~

~~—— 17C-1-407. Limitations on tax increment.~~

~~—— (1) (a) If the development of retail sales of goods is the primary objective of an urban renewal project area, tax increment from the urban renewal project area may not be paid to or used by an agency unless the agency makes a development impediment determination under Chapter 2, Part 3, Development Impediment Determination in Urban Renewal Project Areas.~~



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~~—— (b) Except as provided in Section 11-41-103, development of retail sales of goods does not disqualify an agency from receiving tax increment.~~

~~—— (c) After July 1, 2005, an agency may not receive or use tax increment generated from the value of property within an economic development project area that is attributable to the development of retail sales of goods, unless the tax increment was previously pledged to pay for bonds or other contractual obligations of the agency.~~

~~—— (2) (a) For the purpose of this Subsection (2):~~

~~—— (i) "Final tax rate" means the rate used to determine the amount of taxes a taxing entity levies as described in the notice to a taxpayer under Subsection 59-2-1317(2).~~

~~—— (ii) "Increased tax revenue" means tax revenue attributable to a tax rate increase.~~

~~—— (iii) "Tax rate increase" means the amount calculated by subtracting a taxing entity's certified rate, as defined in Section 59-2-924, from the taxing entity's final tax rate.~~

~~—— (b) Except as provided in Subsection (2)(c), for a year in which a taxing entity imposes a final tax rate higher than the certified tax rate, a county shall not pay an agency any portion of a taxing entity's increased tax revenue.~~

~~—— (c) Notwithstanding Subsection (2)(b), a county may pay all or a portion of a taxing entity's increased tax revenue to an agency if, at the time of the project area budget approval, the taxing entity committee or each taxing entity that is a party to an agreement under Section 17C-4-201 or 17C-5-204 consents to pay the agency the increased tax revenue.~~

~~—— (d) If the taxing entity committee or each tax entity that is a party to an agreement under Section 17C-4-201 or 17C-5-204 does not consent to payment of the increased tax revenue to the agency under Subsection (2)(c), the county shall distribute to the taxing entity the increased tax revenue in the same manner as other property tax revenue.~~

~~—— (e) Notwithstanding any other provision of this section, if, before tax year 2013, increased tax revenue is paid to an agency without the consent of the taxing entity committee or each taxing entity that is a party to an agreement under Section 17C-4-201 or 17C-5-204, and notwithstanding the law at the time that the tax revenue was collected or increased:~~

~~—— (i) the State Tax Commission, the county as the collector of the taxes, a taxing entity, or any other person or entity may not recover, directly or indirectly, the increased tax revenue from the agency by adjustment of a tax rate used to calculate tax increment or otherwise;~~

~~—— (ii) the county is not liable to a taxing entity or any other person or entity for the~~

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~~increased tax revenue that was paid to the agency; and~~

~~—— (iii) tax increment, including the increased tax revenue, shall continue to be paid to the agency subject to the same number of tax years, percentage of tax increment, and cumulative dollar amount of tax increment as approved in the project area budget and previously paid to the agency.~~

~~—— (f) An adjustment may not be made to incremental value under Section 59-2-924 for increased tax revenue not paid to an agency under this section.~~

~~—— (3) Except as the taxing entity committee otherwise agrees, an agency may not receive tax increment under an urban renewal or economic development project area budget adopted on or after March 30, 2009:~~

~~—— (a) that exceeds the percentage of tax increment or cumulative dollar amount of tax increment specified in the project area budget; or~~

~~—— (b) for more tax years than specified in the project area budget.~~

~~—— (4) Beginning May 1, 2024, an agency may not be paid tax increment from an area that is within the fairpark district boundary, as defined in Section 11-70-101, unless and only to the extent that the tax increment revenue from that area is pledged to pay for a bond issued before January 1, 2024.~~

~~—— Section 46}(7) The sheriff of a county of the first class is encouraged to open and operate all sections of a jail facility within the county that is not being used to full capacity.~~

Section 47. Section **17D-4-102** is amended to read:

### **17D-4-102. Definitions.**

As used in this chapter:

(1) "Board" means the board of trustees of a public infrastructure district.

(2) "Creating entity" means the county, municipality, or development authority that approves the creation of a public infrastructure district.

(3) "Development authority" means:

(a) the Utah Inland Port Authority created in Section 11-58-201;

(b) the Point of the Mountain State Land Authority created in Section 11-59-201; ~~[or]~~

(c) the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201; or

~~[(c)]~~ (d) the military installation development authority created in Section 63H-1-201.

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(4) "District applicant" means the person proposing the creation of a public infrastructure district.

(5) "Division" means a division of a public infrastructure district:

(a) that is relatively equal in number of eligible voters or potential eligible voters to all other divisions within the public infrastructure district, taking into account existing or potential developments which, when completed, would increase or decrease the population within the public infrastructure district; and

(b) which a member of the board represents.

(6) "Governing document" means the document governing a public infrastructure district to which the creating entity agrees before the creation of the public infrastructure district, as amended from time to time, and subject to the limitations of Title 17B, Chapter 1, Provisions Applicable to All Special Districts, and this chapter.

(7) (a) "Limited tax bond" means a bond:

(i) that is directly payable from and secured by ad valorem property taxes that are levied:

(A) by a public infrastructure district that issues the bond; and

(B) on taxable property within the district;

(ii) that is a general obligation of the public infrastructure district; and

(iii) for which the ad valorem property tax levy for repayment of the bond does not exceed the property tax levy rate limit established under Section 17D-4-303 for any fiscal year, except as provided in Subsection 17D-4-301(8).

(b) "Limited tax bond" does not include:

(i) a short-term bond;

(ii) a tax and revenue anticipation bond; or

(iii) a special assessment bond.

(8) "Public infrastructure and improvements" means:

(a) the same as that term is defined in Section 11-58-102, for a public infrastructure district created by the Utah Inland Port Authority created in Section 11-58-201; [~~and~~]

(b) the same as that term is defined in Section 11-70-101, for a public infrastructure district created by the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201; and

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~~[(b)] (c)~~ the same as that term is defined in Section 63H-1-102, for a public infrastructure district created by the military installation development authority created in Section 63H-1-201.

~~{ Section 47. Section 53F-9-207 is enacted to read:~~

~~Section 53F-9-207. Funding for At-risk Student Account.~~

~~(1) As used in this section, "account" means the Funding for At-risk Student Account created in this section.~~

~~(2) There is created within the Income Tax Fund a restricted account known as the "Funding for At-risk Student Account."~~

~~(3) The account shall be funded by:~~

~~(a) amounts deposited into the account in accordance with Subsection 59-10-544(3); and~~

~~(b) other legislative appropriations.~~

~~(4) The account shall earn interest.~~

~~(5) Interest earned on the account shall be deposited into the account.~~

~~(6) (a) The Legislature shall appropriate money in the account to the state board to be used for the purposes described in Subsection 53F-2-314(3);~~

~~(b) Money appropriated to the state board under Subsection (6)(a) is in addition to money allocated according to the weighted pupil unit calculation described in Subsection 53F-2-314(2).~~

~~‡ Section 48. Section 59-2-924 is amended to read:~~

**59-2-924. Definitions -- Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the commission.**

(1) As used in this section:

(a) (i) "Ad valorem property tax revenue" means revenue collected in accordance with this chapter.

(ii) "Ad valorem property tax revenue" does not include:

(A) interest;

(B) penalties;

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(C) collections from redemptions; or

(D) revenue received by a taxing entity from personal property that is semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment.

(b) "Adjusted tax increment" means the same as that term is defined in Section 17C-1-102.

(c) (i) "Aggregate taxable value of all property taxed" means:

(A) the aggregate taxable value of all real property a county assessor assesses in accordance with Part 3, County Assessment, for the current year;

(B) the aggregate taxable value of all real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year; and

(C) the aggregate year end taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls of the taxing entity.

(ii) "Aggregate taxable value of all property taxed" does not include the aggregate year end taxable value of personal property that is:

(A) semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment; and

(B) contained on the prior year's tax rolls of the taxing entity.

(d) "Base taxable value" means:

(i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, the same as that term is defined in Section 11-59-207;

(iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the same as that term is defined in Section 11-70-101;

[(iii)] (iv) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;

[(iv)] (v) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102;

[(v)] (vi) for a host local government, the same as that term is defined in Section

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63N-2-502; or

~~(vi)~~ (vii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 63N-3-602.

(e) "Centrally assessed benchmark value" means an amount equal to the highest year end taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1, 2015, adjusted for taxable value attributable to:

(i) an annexation to a taxing entity;

(ii) an incorrect allocation of taxable value of real or personal property the commission assesses in accordance with Part 2, Assessment of Property; or

(iii) a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.

(f) (i) "Centrally assessed new growth" means the greater of:

(A) zero; or

(B) the amount calculated by subtracting the centrally assessed benchmark value adjusted for prior year end incremental value from the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value.

(ii) "Centrally assessed new growth" does not include a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.

(g) "Certified tax rate" means a tax rate that will provide the same ad valorem property tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

(h) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.

(i) "Eligible new growth" means the greater of:

(i) zero; or

(ii) the sum of:

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(A) locally assessed new growth;

(B) centrally assessed new growth; and

(C) project area new growth or hotel property new growth.

(j) "Host local government" means the same as that term is defined in Section 63N-2-502.

(k) "Hotel property" means the same as that term is defined in Section 63N-2-502.

(l) "Hotel property new growth" means an amount equal to the incremental value that is no longer provided to a host local government as incremental property tax revenue.

(m) "Incremental property tax revenue" means the same as that term is defined in Section 63N-2-502.

(n) "Incremental value" means:

(i) for an authority created under Section 11-58-201, the amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property that is located within a project area and on which property tax differential is collected; and

(B) the number that represents the percentage of the property tax differential that is paid to the authority;

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount calculated by multiplying:

(A) the difference between the current assessed value of the property and the base taxable value; and

(B) the number that represents the percentage of the property tax augmentation, as defined in Section 11-59-207, that is paid to the Point of the Mountain State Land Authority;

(iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the amount calculated by multiplying:

(A) the difference between the taxable value for the current year and the base taxable value of the property that is located within a project area; and

(B) the number that represents the percentage of enhanced property tax revenue, as defined in Section 11-70-101;

[(iii)] (iv) for an agency created under Section 17C-1-201.5, the amount calculated by multiplying:

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(A) the difference between the taxable value and the base taxable value of the property located within a project area and on which tax increment is collected; and

(B) the number that represents the adjusted tax increment from that project area that is paid to the agency;

~~[(iv)]~~ (v) for an authority created under Section 63H-1-201, the amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property located within a project area and on which property tax allocation is collected; and

(B) the number that represents the percentage of the property tax allocation from that project area that is paid to the authority;

~~[(v)]~~ (vi) for a housing and transit reinvestment zone created pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property that is located within a housing and transit reinvestment zone and on which tax increment is collected; and

(B) the number that represents the percentage of the tax increment that is paid to the housing and transit reinvestment zone; or

~~[(vi)]~~ (vii) for a host local government, an amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the hotel property on which incremental property tax revenue is collected; and

(B) the number that represents the percentage of the incremental property tax revenue from that hotel property that is paid to the host local government~~[, or]~~.

~~[(vii) for the State Fair Park Authority created in Section 11-68-201, the taxable value of:]~~

~~[(A) fair park land, as defined in Section 11-68-101, that is subject to a privilege tax under Section 11-68-402; or]~~

~~[(B) personal property located on property that is subject to the privilege tax described in Subsection (1)(n)(vii)(A).]~~

(o) (i) "Locally assessed new growth" means the greater of:

(A) zero; or



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(B) the amount calculated by subtracting the year end taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the previous year, adjusted for prior year end incremental value from the taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted for current year incremental value.

(ii) "Locally assessed new growth" does not include a change in:

(A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or another adjustment;

(B) assessed value based on whether a property is allowed a residential exemption for a primary residence under Section 59-2-103;

(C) assessed value based on whether a property is assessed under Part 5, Farmland Assessment Act; or

(D) assessed value based on whether a property is assessed under Part 17, Urban Farming Assessment Act.

(p) "Project area" means:

(i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;

(ii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the same as that term is defined in Section 11-70-101;

~~[(ii)]~~ (iii) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102; or

~~[(iii)]~~ (iv) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102.

(q) "Project area new growth" means:

(i) for an authority created under Section 11-58-201, an amount equal to the incremental value that is no longer provided to an authority as property tax differential;

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount equal to the incremental value that is no longer provided to the Point of the Mountain State Land Authority as property tax augmentation, as defined in Section 11-59-207;

(iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, an amount equal to the incremental value that is no longer provided to the Utah

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### Fairpark Area Investment and Restoration District:

~~[(iii)]~~ (iv) for an agency created under Section 17C-1-201.5, an amount equal to the incremental value that is no longer provided to an agency as tax increment;

~~[(iv)]~~ (v) for an authority created under Section 63H-1-201, an amount equal to the incremental value that is no longer provided to an authority as property tax allocation; or

~~[(v)]~~ (vi) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the incremental value that is no longer provided to a housing and transit reinvestment zone as tax increment.

(r) "Project area incremental revenue" means the same as that term is defined in Section 17C-1-1001.

(s) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.

(t) "Property tax differential" means the same as that term is defined in Section 11-58-102.

(u) "Qualifying exempt revenue" means revenue received:

(i) for the previous calendar year;

(ii) by a taxing entity;

(iii) from tangible personal property contained on the prior year's tax rolls that is exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year beginning on January 1, 2022; and

(iv) on the aggregate 2021 year end taxable value of the tangible personal property that exceeds \$15,300.

(v) "Tax increment" means:

~~[(i)]~~ (A) for a project created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102; or

~~[(ii)]~~ (B) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602.

(2) Before June 1 of each year, the county assessor of each county shall deliver to the county auditor and the commission the following statements:

(a) a statement containing the aggregate valuation of all taxable real property a county

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assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and

(b) a statement containing the taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, from the prior year end values.

(3) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:

(a) the statements described in Subsections (2)(a) and (b);

(b) an estimate of the revenue from personal property;

(c) the certified tax rate; and

(d) all forms necessary to submit a tax levy request.

(4) (a) Except as otherwise provided in this section, the certified tax rate shall be calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the prior year minus the qualifying exempt revenue by the amount calculated under Subsection (4)(b).

(b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall calculate an amount as follows:

(i) calculate for the taxing entity the difference between:

(A) the aggregate taxable value of all property taxed; and

(B) any adjustments for current year incremental value;

(ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the average of the percentage net change in the value of taxable property for the equalization period for the three calendar years immediately preceding the current calendar year;

(iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product of:

(A) the amount calculated under Subsection (4)(b)(ii); and

(B) the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year; and

(iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount determined by:

(A) multiplying the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year by eligible new growth; and

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(B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount calculated under Subsection (4)(b)(iii).

(5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated as follows:

(a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified tax rate is zero;

(b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

(i) in a county of the first, second, or third class, the levy imposed for municipal-type services under Sections 17-34-1 and 17-36-9; and

(ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-34-1 and Subsection 17-36-3(23);

(c) for a community reinvestment agency that received all or a portion of a taxing entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4) except that the commission shall treat the total revenue transferred to the community reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the prior year; and

(d) for debt service voted on by the public, the certified tax rate is the actual levy imposed by that section, except that a certified tax rate for the following levies shall be calculated in accordance with Section 59-2-913 and this section:

(i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and

(ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.

(6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more eligible judgments.

(b) The ad valorem property tax revenue generated by a judgment levy described in Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax rate.

(7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

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(i) the taxable value of real property:

(A) the county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the assessment roll;

(ii) the year end taxable value of personal property:

(A) a county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the prior year's assessment roll; and

(iii) the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property.

(b) For purposes of Subsection (7)(a), taxable value does not include eligible new growth.

(8) (a) On or before June 30, a taxing entity shall annually adopt a tentative budget.

(b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify the county auditor of:

(i) the taxing entity's intent to exceed the certified tax rate; and

(ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

(c) The county auditor shall notify property owners of any intent to levy a tax rate that exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

(9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim Committee if:

(i) the amount calculated under Subsection (9)(b) is 10% or more of the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value; and

(ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.

(b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by subtracting the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value, from the year end taxable value of the real and personal property the

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commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value.

(c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by subtracting the total taxable value of real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the current year, from the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.

(d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the requirement under Subsection (9)(a)(ii).

Section 49. Section **59-4-101** is amended to read:

**59-4-101. Tax basis -- Exceptions -- Assessment and collection -- Designation of person to receive notice.**

(1) (a) Except as provided in Subsections (1)(b), (1)(c), and (3), a tax is imposed on the possession or other beneficial use enjoyed by any person of any real or personal property that is exempt for any reason from taxation, if that property is used in connection with a business conducted for profit.

(b) Any interest remaining in the state in state lands after subtracting amounts paid or due in part payment of the purchase price as provided in Subsection 59-2-1103(2)(b)(i) under a contract of sale is subject to taxation under this chapter regardless of whether the property is used in connection with a business conducted for profit.

(c) The tax imposed under Subsection (1)(a) does not apply to property exempt from taxation under Section 59-2-1114.

(2) (a) The tax imposed under this chapter is the same amount that the ad valorem property tax would be if the possessor or user were the owner of the property.

(b) The amount of any payments that are made in lieu of taxes is credited against the tax imposed on the beneficial use of property owned by the federal government.

(3) A tax is not imposed under this chapter on the following:

(a) the use of property that is a concession in, or relative to, the use of a public airport, park, fairground, or similar property that is available as a matter of right to the use of the general public;

(b) the use or possession of property by a religious, educational, or charitable

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organization;

(c) the use or possession of property if the revenue generated by the possessor or user of the property through its possession or use of the property inures only to the benefit of a religious, educational, or charitable organization and not to the benefit of any other person;

(d) the possession or other beneficial use of public land occupied under the terms of an agricultural lease or permit issued by the United States or this state;

(e) the use or possession of any lease, permit, or easement unless the lease, permit, or easement entitles the lessee or permittee to exclusive possession of the premises to which the lease, permit, or easement relates;

(f) the use or possession of property by a public agency, as defined in Section 11-13-103, to the extent that the ownership interest of the public agency in that property is subject to a fee in lieu of ad valorem property tax under Section 11-13-302; or

(g) the possession or beneficial use of public property as a tollway by a private entity through a tollway development agreement as defined in Section 72-6-202.

(4) For purposes of Subsection (3)(e):

(a) every lessee, permittee, or other holder of a right to remove or extract the mineral covered by the holder's lease, right permit, or easement, except from brines of the Great Salt Lake, is considered to be in possession of the premises, regardless of whether another party has a similar right to remove or extract another mineral from the same property; and

(b) a lessee, permittee, or holder of an easement still has exclusive possession of the premises if the owner has the right to enter the premises, approve leasehold improvements, or inspect the premises.

(5) A tax imposed under this chapter is assessed to the possessors or users of the property on the same forms, and collected and, subject to [~~Subsection 11-68-402(2)~~] Section 11-70-203, distributed at the same time and in the same manner, as taxes assessed owners, possessors, or other claimants of property that is subject to ad valorem property taxation. The tax is not a lien against the property, and no tax-exempt property may be attached, encumbered, sold, or otherwise affected for the collection of the tax.

(6) (a) (i) Except as provided in Subsection (6)(a)(ii), if a governmental entity is required under this chapter to send information or notice to a person, the governmental entity shall send the information or notice to:

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(A) the person required under the applicable provision of this chapter; and

(B) each person designated in accordance with Subsection (6)(b) by the person described in Subsection (6)(a)(i)(A).

(ii) If a governmental entity is required under Section 59-2-919.1 or 59-2-1317 to send information or notice to a person, the governmental entity shall send the information or notice to:

(A) the person required under the applicable section; or

(B) one person designated in accordance with Subsection (6)(b) by the person described in Subsection (6)(a)(ii)(A).

(b) (i) A person to whom a governmental entity is required under this chapter to send information or notice may designate a person to receive the information or notice in accordance with Subsection (6)(a).

(ii) To make a designation described in Subsection (6)(b)(i), the person shall submit a written request to the governmental entity on a form prescribed by the commission.

(c) A person who makes a designation described in Subsection (6)(b) may revoke the designation by submitting a written request to the governmental entity on a form prescribed by the commission.

(7) Sections 59-2-301.1 through 59-2-301.7 apply for purposes of assessing a tax under this chapter.

Section 50. Section ~~{59-10-544}~~ 59-12-103 (Contingently Superseded 01/01/25) is amended to read:

~~{59-10-544. General powers and duties of the commission -- Deposit, distribution, or credit of revenues -- Refund reverts to state under certain circumstances.~~

~~—— (1) (a) The commission shall administer and enforce a tax imposed under this chapter for which purpose it may divide the state into districts in each of which a branch office of the commission may be maintained.~~

~~—— (b) A county may not be divided in forming a district.~~

~~—— (2) (a) The commission shall deposit at least quarterly all revenue collected or received by the commission under this chapter with the state treasurer.~~

~~—— (b) Subject to Sections 59-10-529 and 59-10-531, the commission shall distribute and credit, at least quarterly and based on a pro rata share of Income Tax Fund and Uniform School~~



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Fund appropriations for the current fiscal year, the revenue) 59-12-103 (Contingently Superseded 01/01/25). Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.

(1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for amounts paid or charged for the following transactions:

(a) retail sales of tangible personal property made within the state;

(b) amounts paid for:

(i) telecommunications service, other than mobile telecommunications service, that originates and terminates within the boundaries of this state;

(ii) mobile telecommunications service that originates and terminates within the boundaries of one state only to the extent permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

(iii) an ancillary service associated with a:

(A) telecommunications service described in Subsection (~~(2)~~(a) to:

~~— (i) the Income Tax Fund; and~~

~~— (ii) the Uniform School Fund in accordance with Section 53F-9-201.1.~~

~~— (c) The commission may credit to or draw from the Income Tax Fund and the Uniform School Fund:~~

~~— (i) annually to adjust for differences between estimates and actual amounts; or~~

~~— (ii) in the proportion; 1)(b)(i); or~~

(B) mobile telecommunications service described in Subsection (~~(2)~~(b) to issue a refund:

~~— (d) If a refund; 1)(b)(ii);~~

(c) sales of the following for commercial use:

(i) gas;

(ii) electricity;

(iii) heat;

(iv) coal;

(v) fuel oil; or

(vi) other fuels;

(d) sales of the following for residential use:

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(i) gas;

(ii) electricity;

(iii) heat;

(iv) coal;

(v) fuel oil; or

(vi) other fuels;

(e) sales of prepared food;

(f) except as provided in Section 59-12-104, amounts paid or charged as admission or user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or any other amusement, entertainment, recreation, exhibition, cultural, or athletic activity;

(g) amounts paid or charged for services for repairs or renovations of tangible personal property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

(i) the tangible personal property; and

(ii) parts used in the repairs or renovations of the tangible personal property described in Subsection (1)(g)(i), regardless of whether:

(A) any parts are actually used in the repairs or renovations of that tangible personal property; or

(B) the particular parts used in the repairs or renovations of that tangible personal property are exempt from a tax under this chapter;

(h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted cleaning or washing of tangible personal property;

(i) amounts paid or charged for tourist home, hotel, motel, or trailer court accommodations and services that are regularly rented for less than 30 consecutive days;

(j) amounts paid or charged for laundry or dry cleaning services;

(k) amounts paid or charged for leases or rentals of tangible personal property if within

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this state the tangible personal property is:

(i) stored;

(ii) used; or

(iii) otherwise consumed;

(l) amounts paid or charged for tangible personal property if within this state the

tangible personal property is:

(i) stored;

(ii) used; or

(iii) consumed;

(m) amounts paid or charged for a sale:

(i) (A) of a product transferred electronically; or

(B) of a repair or renovation of a product transferred electronically; and

(ii) regardless of whether the sale provides:

(A) a right of permanent use of the product; or

(B) a right to use the product that is less than a permanent use, including a right:

(I) for a definite or specified length of time; and

(II) that terminates upon the occurrence of a condition; and

(n) sales of leased tangible personal property from the lessor to the lessee made in the state.

(2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are imposed on a transaction described in Subsection (1) equal to the sum of:

(i) a state tax imposed on the transaction at a tax rate equal to the sum of:

(A) 4.70% plus the rate specified in Subsection (11)(a); and

(B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and

(II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

(b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(1), a state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to the sum of:

(i) a state tax imposed on the transaction at a tax rate of 2%; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

(c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed on amounts paid or charged for food and food ingredients equal to the sum of:

(i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of 1.75%; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or charged for food and food ingredients under this chapter other than this part.

(d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at a rate of 4.85%.

(e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle owner.

(B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is required once during the time that the shared vehicle owner owns the shared vehicle.

(C) The commission shall verify that a shared vehicle is an individual-owned shared vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the purchase of the shared vehicle.

(D) The exception under Subsection (2)(e)(i)(A) applies to a certified individual-owned shared vehicle shared through a car-sharing program even if non-certified shared vehicles are also available to be shared through the same car-sharing program.

(ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

(iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's

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representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i).

(B) If a car-sharing program relies in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any tax, penalty, fee, or other sanction imposed on the shared vehicle owner.

(iv) If all shared vehicles shared through a car-sharing program are certified as described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.

(v) (A) A car-sharing program is not required to list or otherwise identify an individual-owned shared vehicle on a return or an attachment to a return.

(vi) A car-sharing program shall:

(A) retain tax information for each car-sharing program transaction; and

(B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at the commission's request.

(f) (i) For a bundled transaction that is attributable to food and food ingredients and tangible personal property other than food and food ingredients, a state tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

(A) a state tax imposed on the entire bundled transaction equal to the sum of:

(I) the tax rate described in Subsection (2)(a)(i)(A); and

(II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and

(Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

(B) a local tax imposed on the entire bundled transaction at the sum of the tax rates described in Subsection (2)(a)(ii).

(ii) If an optional computer software maintenance contract is a bundled transaction that

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consists of taxable and nontaxable products that are not separately itemized on an invoice or similar billing document, the purchase of the optional computer software maintenance contract is 40% taxable under this chapter and 60% nontaxable under this chapter.

(iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled transaction described in Subsection (2)(f)(i) or (ii):

(A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise; or

(B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise.

(iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal property, other property, a product, or a service that is not subject to taxation under this chapter, the entire transaction is subject to taxation under this chapter unless the seller, at the time of the transaction:

(A) separately states the portion of the transaction that is not subject to taxation under

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this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

(B) is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

(ii) A purchaser and a seller may correct the taxability of a transaction if:

(A) after the transaction occurs, the purchaser and the seller discover that the portion of the transaction that is not subject to taxation under this chapter was not separately stated on an invoice, bill of sale, or similar document provided to the purchaser because of an error or ignorance of the law; and

(B) the seller is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

(iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(h) (i) If the sales price of a transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate unless the seller, at the time of the transaction:

(A) separately states the items subject to taxation under this chapter at each of the different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

(B) is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business.

(ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate imposed under the following shall take effect on the first day of a calendar quarter:

(i) Subsection (2)(a)(i)(A);

(ii) Subsection (2)(b)(i);

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(iii) Subsection (2)(c)(i); or

(iv) Subsection (2)(f)(i)(A)(I).

(j) (i) A tax rate increase takes effect on the first day of the first billing period that begins on or after the effective date of the tax rate increase if the billing period for the transaction begins before the effective date of a tax rate increase imposed under:

(A) Subsection (2)(a)(i)(A);

(B) Subsection (2)(b)(i);

(C) Subsection (2)(c)(i); or

(D) Subsection (2)(f)(i)(A)(I).

(ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is rendered on or after the effective date of the repeal of the tax or the tax rate decrease imposed under:

(A) Subsection (2)(a)(i)(A);

(B) Subsection (2)(b)(i);

(C) Subsection (2)(c)(i); or

(D) Subsection (2)(f)(i)(A)(I).

(k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax rate takes effect:

(A) on the first day of a calendar quarter; and

(B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

(ii) Subsection (2)(k)(i) applies to the tax rates described in the following:

(A) Subsection (2)(a)(i)(A);

(B) Subsection (2)(b)(i);

(C) Subsection (2)(c)(i); or

(D) Subsection (2)(f)(i)(A)(I).

(iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission ~~{makes is not claimed within two years from the date}~~ may by rule define the term "catalogue sale."

(l) (i) For a location described in Subsection (2)(l)(ii), the commission ~~{issues the~~ refund:



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~~(i) the refund reverts to the state to be credited to the Income Tax Fund; and~~  
~~(ii) no further claim may be made on;~~ shall determine the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

(ii) Subsection (2)(1)(i) applies to a location where gas, electricity, heat, coal, fuel oil, or other fuel is furnished through a single meter for two or more of the following uses:

(A) a commercial use;

(B) an industrial use; or

(C) a residential use.

(3) (a) The following state taxes shall be deposited into the General Fund:

(i) the tax imposed by Subsection (2)(a)(i)(A);

(ii) the tax imposed by Subsection (2)(b)(i);

(iii) the tax imposed by Subsection (2)(c)(i); and

(iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b) The following local taxes shall be distributed to a county, city, or town as provided in this chapter:

(i) the tax imposed by Subsection (2)(a)(ii);

(ii) the tax imposed by Subsection (2)(b)(ii);

(iii) the tax imposed by Subsection (2)(c)(ii); and

(iv) the tax imposed by Subsection (2)(f)(i)(B).

(c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.

(4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b) through (g):

(i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

(A) by a 1/16% tax rate on the transactions described in Subsection (1); and

(B) for the fiscal year; or

(ii) \$17,500,000.

(b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax

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revenue to the Department of Natural Resources to:

(A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species; or

(B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

(ii) Money transferred to the Department of Natural Resources under Subsection (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

(iii) At the end of each fiscal year:

(A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;

(B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% of any unexpended designated sales and use tax revenue shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

(c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund created in Section 4-18-106.

(d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.

(ii) At the end of each fiscal year:

(A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;

(B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% of any unexpended designated sales and use tax revenue shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

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(e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

(ii) In addition to the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24, the Water Resources Conservation and Development Fund may also be used to:

(A) conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;

(B) fund state required dam safety improvements; and

(C) protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.

(f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

(g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

(i) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;

(ii) develop underground sources of water, including springs and wells; and

(iii) develop surface water sources.

(5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2006, the difference between the following amounts shall be expended as provided in this Subsection (5), if that difference is greater than \$1:

(i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

(ii) \$17,500,000.

(b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

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(A) transferred each fiscal year to the Department of Natural Resources as designated sales and use tax revenue; and

(B) expended by the Department of Natural Resources for watershed rehabilitation or restoration.

(ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the remaining difference described in Subsection (5)(a) shall be:

(A) transferred each fiscal year to the Division of Water Resources as designated sales and use tax revenue; and

(B) expended by the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.

(ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(d) After making the transfers required by Subsections (5)(b) and (c), 85% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:

(i) preconstruction costs:

(A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and

(B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

(ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act;

(iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

(iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

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(e) After making the transfers required by Subsections (5)(b) and (c), 15% of the remaining difference described in Subsection (5)(a) shall be deposited each year into the Water Rights Restricted Account created by Section 73-2-1.6.

(6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), each fiscal year, the commission ~~{for the amount of the refund.~~

~~—— (3)(a)~~ shall deposit into the Water Infrastructure Restricted Account created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year.

(7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1, 2023, the commission shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

(i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(ii) the tax imposed by Subsection (2)(b)(i);

(iii) the tax imposed by Subsection (2)(c)(i); and

(iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b)(i) As used in this Subsection ~~(3)~~ (7)(b):

~~(i) "Fairpark district area" means the area within the fairpark district boundary, as defined in Section 11-70-101.~~

~~—— (ii) "Nonresident professional athlete" means a nonresident individual who:~~

~~—— (A) is a professional athlete; and~~

~~—— (B) earns income that is taxable under Section 59-10-116 while engaged in professional sports competition within the fairpark district area.~~

~~—— (b) Notwithstanding any other provision of this section~~ (A) "Additional growth revenue" means the amount of relevant revenue collected in the current fiscal year that exceeds by more than 3% the relevant revenue collected in the previous fiscal year.

(B) "Combined amount" means the combined total amount of money deposited into the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

(C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation Investment Fund created in Subsection 72-2-124(10).

(D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that

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equals 17% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv).

(ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by an amount equal to the amount of the deposit under this Subsection (7)(b) to the Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the limit in Subsection (7)(b)(iii).

(iii) The commission shall annually deposit the amount described in Subsection (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount for any single fiscal year of \$20,000,000.

(iv) If the amount of relevant revenue declines in a fiscal year compared to the previous fiscal year, the commission shall ~~deposit into the Funding for At-risk Student Account,~~ decrease the amount of the contribution to the Cottonwood Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant revenue.

(c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1, 2023, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

(A) the amount of revenue generated in the current fiscal year by the portion of taxes listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv);

(B) the amount of revenue generated in the current fiscal year by registration fees designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund of 2005; and

(C) revenues transferred by the Division of Finance to the Transportation Investment Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

(ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a given fiscal year.

(iii) The commission shall annually deposit the amount described in Subsection (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).

(8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or after July 1, 2018, the commission shall annually deposit into the Transportation Investment

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Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the following taxes:

(i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(ii) the tax imposed by Subsection (2)(b)(i);

(iii) the tax imposed by Subsection (2)(c)(i); and

(iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

(c) The commission shall annually deposit the amount described in Subsection (8)(b) into the Transit Transportation Investment Fund created in Section ~~{53F-9-207, all income}~~ 72-2-124.

(d) (i) As used in this Subsection (8)(d):

(A) "Additional growth revenue" means the amount of relevant revenue collected in the current fiscal year that exceeds by more than 3% the relevant revenue collected in the previous fiscal year.

(B) "Combined amount" means the combined total amount of money deposited into the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

(C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation Investment Fund created in Subsection 72-2-124(10).

(D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through (iv).

(ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the limit in Subsection (8)(d)(iii).

(iii) The commission shall annually deposit the amount described in Subsection

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(8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount for any single fiscal year of \$20,000,000.

(iv) If the amount of relevant revenue declines in a fiscal year compared to the previous fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant revenue.

(9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

(10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal year during which the commission receives notice under Section 63N-2-510 that construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in Section 63N-2-512.

(11) (a) The rate specified in this subsection is 0.15%.

(b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.

(12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit solely for use of the Search and Rescue Financial Assistance Program created in, and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

(13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) to the General Fund.

(b) If the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall transfer the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) during the fiscal year to the General Fund.



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(14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610, beginning the first day of the calendar quarter one year after the sales and use tax boundary for a housing and transit reinvestment zone is established, the commission, at least annually, shall transfer an amount equal to 15% of the sales and use tax increment within an established sales and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation Investment Fund created in Section 72-2-124.

(15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:

- (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- (b) the tax imposed by Subsection (2)(b)(i);
- (c) the tax imposed by Subsection (2)(c)(i); and
- (d) the tax imposed by Subsection (2)(f)(i)(A)(I).

(16) Notwithstanding Subsection (3)(a), beginning October 1, 2024 the commission shall transfer to the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within the district sales tax area, as defined in Section 11-70-101.

Section 51. Section 59-12-103 (Contingently Effective 01/01/25) is amended to read:

**59-12-103 (Contingently Effective 01/01/25). Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.**

(1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for amounts paid or charged for the following transactions:

- (a) retail sales of tangible personal property made within the state;
- (b) amounts paid for:
  - (i) telecommunications service, other than mobile telecommunications service, that originates and terminates within the boundaries of this state;

(ii) mobile telecommunications service that originates and terminates within the boundaries of one state only to the extent permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

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(iii) an ancillary service associated with a:

(A) telecommunications service described in Subsection (1)(b)(i); or

(B) mobile telecommunications service described in Subsection (1)(b)(ii);

(c) sales of the following for commercial use:

(i) gas;

(ii) electricity;

(iii) heat;

(iv) coal;

(v) fuel oil; or

(vi) other fuels;

(d) sales of the following for residential use:

(i) gas;

(ii) electricity;

(iii) heat;

(iv) coal;

(v) fuel oil; or

(vi) other fuels;

(e) sales of prepared food;

(f) except as provided in Section 59-12-104, amounts paid or charged as admission or user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or any other amusement, entertainment, recreation, exhibition, cultural, or athletic activity;

(g) amounts paid or charged for services for repairs or renovations of tangible personal property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

(i) the tangible personal property; and

(ii) parts used in the repairs or renovations of the tangible personal property described

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in Subsection (1)(g)(i), regardless of whether:

(A) any parts are actually used in the repairs or renovations of that tangible personal property; or

(B) the particular parts used in the repairs or renovations of that tangible personal property are exempt from a tax under this chapter;

(h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted cleaning or washing of tangible personal property;

(i) amounts paid or charged for tourist home, hotel, motel, or trailer court accommodations and services that are regularly rented for less than 30 consecutive days;

(j) amounts paid or charged for laundry or dry cleaning services;

(k) amounts paid or charged for leases or rentals of tangible personal property if within this state the tangible personal property is:

(i) stored;

(ii) used; or

(iii) otherwise consumed;

(l) amounts paid or charged for tangible personal property if within this state the tangible personal property is:

(i) stored;

(ii) used; or

(iii) consumed;

(m) amounts paid or charged for a sale:

(i) (A) of a product transferred electronically; or

(B) of a repair or renovation of a product transferred electronically; and

(ii) regardless of whether the sale provides:

(A) a right of permanent use of the product; or

(B) a right to use the product that is less than a permanent use, including a right:

(I) for a definite or specified length of time; and

(II) that terminates upon the occurrence of a condition; and

(n) sales of leased tangible personal property from the lessor to the lessee made in the state.

(2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax

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are imposed on a transaction described in Subsection (1) equal to the sum of:

(i) a state tax imposed on the transaction at a tax rate equal to the sum of:

(A) 4.70% plus the rate specified in Subsection (11)(a); and

(B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and

(II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

(b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to the sum of:

(i) a state tax imposed on the transaction at a tax rate of 2%; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

(c) (i) Except as provided in Subsection (2)(f) or (g), a local tax is imposed on amounts paid or charged for food and food ingredients equal to the sum of the tax rates a county, city, or town imposes under this chapter on the amounts paid or charged for food or food ingredients.

(ii) There is no state tax imposed on amounts paid or charged for food and food ingredients.

(d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at a rate of 4.85%.

(e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle owner.

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(B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is required once during the time that the shared vehicle owner owns the shared vehicle.

(C) The commission shall verify that a shared vehicle is an individual-owned shared vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the purchase of the shared vehicle.

(D) The exception under Subsection (2)(e)(i)(A) applies to a certified individual-owned shared vehicle shared through a car-sharing program even if non-certified shared vehicles are also available to be shared through the same car-sharing program.

(ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

(iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i).

(B) If a car-sharing program relies in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any tax, penalty, fee, or other sanction imposed on the shared vehicle owner.

(iv) If all shared vehicles shared through a car-sharing program are certified as described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.

(v) (A) A car-sharing program is not required to list or otherwise identify an individual-owned shared vehicle on a return or an attachment to a return.

(vi) A car-sharing program shall:

(A) retain tax information for each car-sharing program transaction; and

(B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at the commission's request.

(f) (i) For a bundled transaction that is attributable to food and food ingredients and tangible personal property other than food and food ingredients, a state tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

(A) a state tax imposed on the entire bundled transaction equal to the sum of:

(I) the tax rate described in Subsection (2)(a)(i)(A); and

(II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State

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Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and

(Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

(B) a local tax imposed on the entire bundled transaction at the sum of the tax rates described in Subsection (2)(a)(ii).

(ii) If an optional computer software maintenance contract is a bundled transaction that consists of taxable and nontaxable products that are not separately itemized on an invoice or similar billing document, the purchase of the optional computer software maintenance contract is 40% taxable under this chapter and 60% nontaxable under this chapter.

(iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled transaction described in Subsection (2)(f)(i) or (ii):

(A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise; or

(B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise.

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(iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal property, other property, a product, or a service that is not subject to taxation under this chapter, the entire transaction is subject to taxation under this chapter unless the seller, at the time of the transaction:

(A) separately states the portion of the transaction that is not subject to taxation under this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

(B) is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

(ii) A purchaser and a seller may correct the taxability of a transaction if:

(A) after the transaction occurs, the purchaser and the seller discover that the portion of the transaction that is not subject to taxation under this chapter was not separately stated on an invoice, bill of sale, or similar document provided to the purchaser because of an error or ignorance of the law; and

(B) the seller is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

(iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(h) (i) If the sales price of a transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate unless the seller, at the time of the transaction:

(A) separately states the items subject to taxation under this chapter at each of the different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

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(B) is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business.

(ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate imposed under the following shall take effect on the first day of a calendar quarter:

(i) Subsection (2)(a)(i)(A);

(ii) Subsection (2)(b)(i); or

(iii) Subsection (2)(f)(i)(A)(I).

(j) (i) A tax rate increase takes effect on the first day of the first billing period that begins on or after the effective date of the tax rate increase if the billing period for the transaction begins before the effective date of a tax rate increase imposed under:

(A) Subsection (2)(a)(i)(A);

(B) Subsection (2)(b)(i); or

(C) Subsection (2)(f)(i)(A)(I).

(ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is rendered on or after the effective date of the repeal of the tax or the tax rate decrease imposed under:

(A) Subsection (2)(a)(i)(A);

(B) Subsection (2)(b)(i); or

(C) Subsection (2)(f)(i)(A)(I).

(k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax rate takes effect:

(A) on the first day of a calendar quarter; and

(B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

(ii) Subsection (2)(k)(i) applies to the tax rates described in the following:

(A) Subsection (2)(a)(i)(A);

(B) Subsection (2)(b)(i); or



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(C) Subsection (2)(f)(i)(A)(I).

(iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(l) (i) For a location described in Subsection (2)(l)(ii), the commission shall determine the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

(ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil, or other fuel is furnished through a single meter for two or more of the following uses:

(A) a commercial use;

(B) an industrial use; or

(C) a residential use.

(3) (a) The following state taxes shall be deposited into the General Fund:

(i) the tax imposed by Subsection (2)(a)(i)(A);

(ii) the tax imposed by Subsection (2)(b)(i); and

(iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b) The following local taxes shall be distributed to a county, city, or town as provided in this chapter:

(i) the tax imposed by Subsection (2)(a)(ii);

(ii) the tax imposed by Subsection (2)(b)(ii);

(iii) the tax imposed by Subsection (2)(c); and

(iv) the tax imposed by Subsection (2)(f)(i)(B).

(c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.

(4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b) through (g):

(i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

(A) by a 1/16% tax rate on the transactions described in Subsection (1); and

(B) for the fiscal year; or

(ii) \$17,500,000.

(b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount

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described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Department of Natural Resources to:

(A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species; or

(B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

(ii) Money transferred to the Department of Natural Resources under Subsection (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

(iii) At the end of each fiscal year:

(A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;

(B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% of any unexpended designated sales and use tax revenue shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

(c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund created in Section 4-18-106.

(d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.

(ii) At the end of each fiscal year:

(A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;

(B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% of any unexpended designated sales and use tax revenue shall lapse to the

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Drinking Water Loan Program Subaccount created in Section 73-10c-5.

(e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

(ii) In addition to the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24, the Water Resources Conservation and Development Fund may also be used to:

(A) conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;

(B) fund state required dam safety improvements; and

(C) protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.

(f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

(g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

(i) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;

(ii) develop underground sources of water, including springs and wells; and

(iii) develop surface water sources.

(5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2006, the difference between the following amounts shall be expended as provided in this Subsection (5), if that difference is greater than \$1:

(i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated ~~from nonresident professional athletes.~~

~~Section 51}~~ for the fiscal year by a 1/16% tax rate on the transactions described in

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Subsection (1); and

(ii) \$17,500,000.

(b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

(A) transferred each fiscal year to the Department of Natural Resources as designated sales and use tax revenue; and

(B) expended by the Department of Natural Resources for watershed rehabilitation or restoration.

(ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the remaining difference described in Subsection (5)(a) shall be:

(A) transferred each fiscal year to the Division of Water Resources as designated sales and use tax revenue; and

(B) expended by the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.

(ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(d) After making the transfers required by Subsections (5)(b) and (c), 85% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:

(i) preconstruction costs:

(A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and

(B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

(ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act;

(iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project

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authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

(iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

(e) After making the transfers required by Subsections (5)(b) and (c), 15% of the remaining difference described in Subsection (5)(a) shall be deposited each year into the Water Rights Restricted Account created by Section 73-2-1.6.

(6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year.

(7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1, 2023, the commission shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

(i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(ii) the tax imposed by Subsection (2)(b)(i); and

(iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b) (i) As used in this Subsection (7)(b):

(A) "Additional growth revenue" means the amount of relevant revenue collected in the current fiscal year that exceeds by more than 3% the relevant revenue collected in the previous fiscal year.

(B) "Combined amount" means the combined total amount of money deposited into the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

(C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation Investment Fund created in Subsection 72-2-124(10).

(D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that equals 17% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iii).

(ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by an amount equal to the amount of the deposit under this Subsection (7)(b) to the Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the

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limit in Subsection (7)(b)(iii).

(iii) The commission shall annually deposit the amount described in Subsection (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount for any single fiscal year of \$20,000,000.

(iv) If the amount of relevant revenue declines in a fiscal year compared to the previous fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant revenue.

(c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1, 2023, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

(A) the amount of revenue generated in the current fiscal year by the portion of taxes listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv);

(B) the amount of revenue generated in the current fiscal year by registration fees designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund of 2005; and

(C) revenues transferred by the Division of Finance to the Transportation Investment Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

(ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a given fiscal year.

(iii) The commission shall annually deposit the amount described in Subsection (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).

(8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or after July 1, 2018, the commission shall annually deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the following taxes:

(i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(ii) the tax imposed by Subsection (2)(b)(i); and

(iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

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(b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

(c) The commission shall annually deposit the amount described in Subsection (8)(b) into the Transit Transportation Investment Fund created in Section 72-2-124.

(d) (i) As used in this Subsection (8)(d):

(A) "Additional growth revenue" means the amount of relevant revenue collected in the current fiscal year that exceeds by more than 3% the relevant revenue collected in the previous fiscal year.

(B) "Combined amount" means the combined total amount of money deposited into the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

(C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation Investment Fund created in Subsection 72-2-124(10).

(D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through (iii).

(ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the limit in Subsection (8)(d)(iii).

(iii) The commission shall annually deposit the amount described in Subsection (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount for any single fiscal year of \$20,000,000.

(iv) If the amount of relevant revenue declines in a fiscal year compared to the previous fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant revenue.

(9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year

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2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

(10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal year during which the commission receives notice under Section 63N-2-510 that construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in Section 63N-2-512.

(11) (a) The rate specified in this subsection is 0.15%.

(b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.

(12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit solely for use of the Search and Rescue Financial Assistance Program created in, and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

(13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) to the General Fund.

(b) If the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall transfer the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) during the fiscal year to the General Fund.

(14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610, beginning the first day of the calendar quarter one year after the sales and use tax boundary for a housing and transit reinvestment zone is established, the commission, at least annually, shall transfer an amount equal to 15% of the sales and use tax increment within an established sales and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation Investment Fund created in Section 72-2-124.

(15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year



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beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:

(a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(b) the tax imposed by Subsection (2)(b)(i); and

(c) the tax imposed by Subsection (2)(f)(i)(A)(I).

(16) Notwithstanding Subsection (3)(a), beginning October 1, 2024 the commission shall transfer to the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within the district sales tax area, as defined in Section 11-70-101.

Section 52. Section **59-12-104** is amended to read:

### **59-12-104. Exemptions.**

Exemptions from the taxes imposed by this chapter are as follows:

(1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax under Chapter 13, Motor and Special Fuel Tax Act;

(2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political subdivisions; however, this exemption does not apply to sales of:

(a) construction materials except:

(i) construction materials purchased by or on behalf of institutions of the public education system as defined in Utah Constitution, Article X, Section 2, provided the construction materials are clearly identified and segregated and installed or converted to real property which is owned by institutions of the public education system; and

(ii) construction materials purchased by the state, its institutions, or its political subdivisions which are installed or converted to real property by employees of the state, its institutions, or its political subdivisions; or

(b) tangible personal property in connection with the construction, operation, maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities providing additional project capacity, as defined in Section 11-13-103;

(3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:

(i) the proceeds of each sale do not exceed \$1; and

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(ii) the seller or operator of the vending machine reports an amount equal to 150% of the cost of the item described in Subsection (3)(b) as goods consumed; and

(b) Subsection (3)(a) applies to:

(i) food and food ingredients; or

(ii) prepared food;

(4) (a) sales of the following to a commercial airline carrier for in-flight consumption:

(i) alcoholic beverages;

(ii) food and food ingredients; or

(iii) prepared food;

(b) sales of tangible personal property or a product transferred electronically:

(i) to a passenger;

(ii) by a commercial airline carrier; and

(iii) during a flight for in-flight consumption or in-flight use by the passenger; or

(c) services related to Subsection (4)(a) or (b);

(5) sales of parts and equipment for installation in an aircraft operated by a common carrier in interstate or foreign commerce;

(6) sales of commercials, motion picture films, prerecorded audio program tapes or records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture exhibitor, distributor, or commercial television or radio broadcaster;

(7) (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of cleaning or washing of tangible personal property if the cleaning or washing of the tangible personal property is not assisted cleaning or washing of tangible personal property;

(b) if a seller that sells at the same business location assisted cleaning or washing of tangible personal property and cleaning or washing of tangible personal property that is not assisted cleaning or washing of tangible personal property, the exemption described in Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning or washing of the tangible personal property; and

(c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules:

(i) governing the circumstances under which sales are at the same business location;

and

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(ii) establishing the procedures and requirements for a seller to separately account for sales of assisted cleaning or washing of tangible personal property;

(8) sales made to or by religious or charitable institutions in the conduct of their regular religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are fulfilled;

(9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this state if:

(a) the sale is not from the vehicle's lessor to the vehicle's lessee;

(b) the vehicle is not registered in this state; and

(c) (i) the vehicle is not used in this state; or

(ii) the vehicle is used in this state:

(A) if the vehicle is not used to conduct business, for a time period that does not exceed the longer of:

(I) 30 days in any calendar year; or

(II) the time period necessary to transport the vehicle to the borders of this state; or

(B) if the vehicle is used to conduct business, for the time period necessary to transport the vehicle to the borders of this state;

(10) (a) amounts paid for an item described in Subsection (10)(b) if:

(i) the item is intended for human use; and

(ii) (A) a prescription was issued for the item; or

(B) the item was purchased by a hospital or other medical facility; and

(b) (i) Subsection (10)(a) applies to:

(A) a drug;

(B) a syringe; or

(C) a stoma supply; and

(ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the terms:

(A) "syringe"; or

(B) "stoma supply";

(11) purchases or leases exempt under Section 19-12-201;

(12) (a) sales of an item described in Subsection (12)(c) served by:

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(i) the following if the item described in Subsection (12)(c) is not available to the general public:

(A) a church; or

(B) a charitable institution; or

(ii) an institution of higher education if:

(A) the item described in Subsection (12)(c) is not available to the general public; or

(B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan offered by the institution of higher education; or

(b) sales of an item described in Subsection (12)(c) provided for a patient by:

(i) a medical facility; or

(ii) a nursing facility; and

(c) Subsections (12)(a) and (b) apply to:

(i) food and food ingredients;

(ii) prepared food; or

(iii) alcoholic beverages;

(13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property or a product transferred electronically by a person:

(i) regardless of the number of transactions involving the sale of that tangible personal property or product transferred electronically by that person; and

(ii) not regularly engaged in the business of selling that type of tangible personal property or product transferred electronically;

(b) this Subsection (13) does not apply if:

(i) the sale is one of a series of sales of a character to indicate that the person is regularly engaged in the business of selling that type of tangible personal property or product transferred electronically;

(ii) the person holds that person out as regularly engaged in the business of selling that type of tangible personal property or product transferred electronically;

(iii) the person sells an item of tangible personal property or product transferred electronically that the person purchased as a sale that is exempt under Subsection (25); or

(iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of this state in which case the tax is based upon:

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(A) the bill of sale, lease agreement, or other written evidence of value of the vehicle or vessel being sold; or

(B) in the absence of a bill of sale, lease agreement, or other written evidence of value, the fair market value of the vehicle or vessel being sold at the time of the sale as determined by the commission; and

(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules establishing the circumstances under which:

(i) a person is regularly engaged in the business of selling a type of tangible personal property or product transferred electronically;

(ii) a sale of tangible personal property or a product transferred electronically is one of a series of sales of a character to indicate that a person is regularly engaged in the business of selling that type of tangible personal property or product transferred electronically; or

(iii) a person holds that person out as regularly engaged in the business of selling a type of tangible personal property or product transferred electronically;

(14) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, or materials, except for office equipment or office supplies, by:

(a) a manufacturing facility that:

(i) is located in the state; and

(ii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or materials:

(A) in the manufacturing process to manufacture an item sold as tangible personal property, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; or

(B) for a scrap recycler, to process an item sold as tangible personal property, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

(b) an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

(i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal

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Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;

(ii) is located in the state; and

(iii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or materials in:

(A) the production process to produce an item sold as tangible personal property, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

(B) research and development, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

(C) transporting, storing, or managing tailings, overburden, or similar waste materials produced from mining;

(D) developing or maintaining a road, tunnel, excavation, or similar feature used in mining; or

(E) preventing, controlling, or reducing dust or other pollutants from mining; or

(c) an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

(i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;

(ii) is located in the state; and

(iii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or materials in the operation of the web search portal;

(15) (a) sales of the following if the requirements of Subsection (15)(b) are met:

(i) tooling;

(ii) special tooling;

(iii) support equipment;

(iv) special test equipment; or

(v) parts used in the repairs or renovations of tooling or equipment described in Subsections (15)(a)(i) through (iv); and

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(b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:

(i) the tooling, equipment, or parts are used or consumed exclusively in the performance of any aerospace or electronics industry contract with the United States government or any subcontract under that contract; and

(ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i), title to the tooling, equipment, or parts is vested in the United States government as evidenced by:

(A) a government identification tag placed on the tooling, equipment, or parts; or

(B) listing on a government-approved property record if placing a government identification tag on the tooling, equipment, or parts is impractical;

(16) sales of newspapers or newspaper subscriptions;

(17) (a) except as provided in Subsection (17)(b), tangible personal property or a product transferred electronically traded in as full or part payment of the purchase price, except that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:

(i) the bill of sale or other written evidence of value of the vehicle being sold and the vehicle being traded in; or

(ii) in the absence of a bill of sale or other written evidence of value, the then existing fair market value of the vehicle being sold and the vehicle being traded in, as determined by the commission; and

(b) Subsection (17)(a) does not apply to the following items of tangible personal property or products transferred electronically traded in as full or part payment of the purchase price:

(i) money;

(ii) electricity;

(iii) water;

(iv) gas; or

(v) steam;

(18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property or a product transferred electronically used or consumed primarily and directly in farming operations, regardless of whether the tangible personal property or product transferred

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electronically:

(A) becomes part of real estate; or

(B) is installed by a farmer, contractor, or subcontractor; or

(ii) sales of parts used in the repairs or renovations of tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically is exempt under Subsection (18)(a)(i); and

(b) amounts paid or charged for the following are subject to the taxes imposed by this chapter:

(i) (A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or supplies if used in a manner that is incidental to farming; and

(B) tangible personal property that is considered to be used in a manner that is incidental to farming includes:

(I) hand tools; or

(II) maintenance and janitorial equipment and supplies;

(ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically is used in an activity other than farming; and

(B) tangible personal property or a product transferred electronically that is considered to be used in an activity other than farming includes:

(I) office equipment and supplies; or

(II) equipment and supplies used in:

(Aa) the sale or distribution of farm products;

(Bb) research; or

(Cc) transportation; or

(iii) a vehicle required to be registered by the laws of this state during the period ending two years after the date of the vehicle's purchase;

(19) sales of hay;

(20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or garden, farm, or other agricultural produce is sold by:

(a) the producer of the seasonal crops, seedling plants, or garden, farm, or other



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agricultural produce;

(b) an employee of the producer described in Subsection (20)(a); or

(c) a member of the immediate family of the producer described in Subsection (20)(a);

(21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

(22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags, nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor, wholesaler, or retailer for use in packaging tangible personal property to be sold by that manufacturer, processor, wholesaler, or retailer;

(23) a product stored in the state for resale;

(24) (a) purchases of a product if:

(i) the product is:

(A) purchased outside of this state;

(B) brought into this state:

(I) at any time after the purchase described in Subsection (24)(a)(i)(A); and

(II) by a nonresident person who is not living or working in this state at the time of the purchase;

(C) used for the personal use or enjoyment of the nonresident person described in Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and

(D) not used in conducting business in this state; and

(ii) for:

(A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of the product for a purpose for which the product is designed occurs outside of this state;

(B) a boat, the boat is registered outside of this state; or

(C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered outside of this state;

(b) the exemption provided for in Subsection (24)(a) does not apply to:

(i) a lease or rental of a product; or

(ii) a sale of a vehicle exempt under Subsection (33); and

(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of Subsection (24)(a), the commission may by rule define what constitutes the

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following:

(i) conducting business in this state if that phrase has the same meaning in this Subsection (24) as in Subsection (63);

(ii) the first use of a product if that phrase has the same meaning in this Subsection (24) as in Subsection (63); or

(iii) a purpose for which a product is designed if that phrase has the same meaning in this Subsection (24) as in Subsection (63);

(25) a product purchased for resale in the regular course of business, either in its original form or as an ingredient or component part of a manufactured or compounded product;

(26) a product upon which a sales or use tax was paid to some other state, or one of its subdivisions, except that the state shall be paid any difference between the tax paid and the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax Act;

(27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person for use in compounding a service taxable under the subsections;

(28) purchases made in accordance with the special supplemental nutrition program for women, infants, and children established in 42 U.S.C. Sec. 1786;

(29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of the President, Office of Management and Budget;

(30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:

(a) not registered in this state; and

(b) (i) not used in this state; or

(ii) used in this state:

(A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a time period that does not exceed the longer of:

(I) 30 days in any calendar year; or

(II) the time period necessary to transport the boat, boat trailer, or outboard motor to

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the borders of this state; or

(B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time period necessary to transport the boat, boat trailer, or outboard motor to the borders of this state;

(31) sales of aircraft manufactured in Utah;

(32) amounts paid for the purchase of telecommunications service for purposes of providing telecommunications service;

(33) sales, leases, or uses of the following:

(a) a vehicle by an authorized carrier; or

(b) tangible personal property that is installed on a vehicle:

(i) sold or leased to or used by an authorized carrier; and

(ii) before the vehicle is placed in service for the first time;

(34) (a) 45% of the sales price of any new manufactured home; and

(b) 100% of the sales price of any used manufactured home;

(35) sales relating to schools and fundraising sales;

(36) sales or rentals of durable medical equipment if:

(a) a person presents a prescription for the durable medical equipment; and

(b) the durable medical equipment is used for home use only;

(37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in Section 72-11-102; and

(b) the commission shall by rule determine the method for calculating sales exempt under Subsection (37)(a) that are not separately metered and accounted for in utility billings;

(38) sales to a ski resort of:

(a) snowmaking equipment;

(b) ski slope grooming equipment;

(c) passenger ropeways as defined in Section 72-11-102; or

(d) parts used in the repairs or renovations of equipment or passenger ropeways described in Subsections (38)(a) through (c);

(39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;

(40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for

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amusement, entertainment, or recreation an unassisted amusement device as defined in Section 59-12-102;

(b) if a seller that sells or rents at the same business location the right to use or operate for amusement, entertainment, or recreation one or more unassisted amusement devices and one or more assisted amusement devices, the exemption described in Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for the assisted amusement devices; and

(c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules:

(i) governing the circumstances under which sales are at the same business location; and

(ii) establishing the procedures and requirements for a seller to separately account for the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for assisted amusement devices;

(41) (a) sales of photocopies by:

(i) a governmental entity; or

(ii) an entity within the state system of public education, including:

(A) a school; or

(B) the State Board of Education; or

(b) sales of publications by a governmental entity;

(42) amounts paid for admission to an athletic event at an institution of higher education that is subject to the provisions of Title IX of the Education Amendments of 1972, 20 U.S.C. Sec. 1681 et seq.;

(43) (a) sales made to or by:

(i) an area agency on aging; or

(ii) a senior citizen center owned by a county, city, or town; or

(b) sales made by a senior citizen center that contracts with an area agency on aging;

(44) sales or leases of semiconductor fabricating, processing, research, or development materials regardless of whether the semiconductor fabricating, processing, research, or development materials:

(a) actually come into contact with a semiconductor; or

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(b) ultimately become incorporated into real property;

(45) an amount paid by or charged to a purchaser for accommodations and services described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section 59-12-104.2;

(46) the lease or use of a vehicle issued a temporary sports event registration certificate in accordance with Section 41-3-306 for the event period specified on the temporary sports event registration certificate;

(47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff adopted by the Public Service Commission only for purchase of electricity produced from a new alternative energy source built after January 1, 2016, as designated in the tariff by the Public Service Commission; and

(b) for a residential use customer only, the exemption under Subsection (47)(a) applies only to the portion of the tariff rate a customer pays under the tariff described in Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the customer would have paid absent the tariff;

(48) sales or rentals of mobility enhancing equipment if a person presents a prescription for the mobility enhancing equipment;

(49) sales of water in a:

(a) pipe;

(b) conduit;

(c) ditch; or

(d) reservoir;

(50) sales of currency or coins that constitute legal tender of a state, the United States, or a foreign nation;

(51) (a) sales of an item described in Subsection (51)(b) if the item:

(i) does not constitute legal tender of a state, the United States, or a foreign nation; and

(ii) has a gold, silver, or platinum content of 50% or more; and

(b) Subsection (51)(a) applies to a gold, silver, or platinum:

(i) ingot;

(ii) bar;

(iii) medallion; or

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(iv) decorative coin;  
(52) amounts paid on a sale-leaseback transaction;  
(53) sales of a prosthetic device:  
(a) for use on or in a human; and  
(b) (i) for which a prescription is required; or  
(ii) if the prosthetic device is purchased by a hospital or other medical facility;  
(54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of machinery or equipment by an establishment described in Subsection (54)(c) if the machinery or equipment is primarily used in the production or postproduction of the following media for commercial distribution:

(i) a motion picture;  
(ii) a television program;  
(iii) a movie made for television;  
(iv) a music video;  
(v) a commercial;  
(vi) a documentary; or  
(vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the commission by administrative rule made in accordance with Subsection (54)(d); or

(b) purchases, leases, or rentals of machinery or equipment by an establishment described in Subsection (54)(c) that is used for the production or postproduction of the following are subject to the taxes imposed by this chapter:

(i) a live musical performance;  
(ii) a live news program; or  
(iii) a live sporting event;  
(c) the following establishments listed in the 1997 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget, apply to Subsections (54)(a) and (b):

(i) NAICS Code 512110; or  
(ii) NAICS Code 51219; and  
(d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule:

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(i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);

or

(ii) define:

(A) "commercial distribution";

(B) "live musical performance";

(C) "live news program"; or

(D) "live sporting event";

(55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but on or before June 30, 2027, of tangible personal property that:

(i) is leased or purchased for or by a facility that:

(A) is an alternative energy electricity production facility;

(B) is located in the state; and

(C) (I) becomes operational on or after July 1, 2004; or

(II) has its generation capacity increased by one or more megawatts on or after July 1, 2004, as a result of the use of the tangible personal property;

(ii) has an economic life of five or more years; and

(iii) is used to make the facility or the increase in capacity of the facility described in Subsection (55)(a)(i) operational up to the point of interconnection with an existing transmission grid including:

(A) a wind turbine;

(B) generating equipment;

(C) a control and monitoring system;

(D) a power line;

(E) substation equipment;

(F) lighting;

(G) fencing;

(H) pipes; or

(I) other equipment used for locating a power line or pole; and

(b) this Subsection (55) does not apply to:

(i) tangible personal property used in construction of:

(A) a new alternative energy electricity production facility; or

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(B) the increase in the capacity of an alternative energy electricity production facility;

(ii) contracted services required for construction and routine maintenance activities;

and

(iii) unless the tangible personal property is used or acquired for an increase in capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or acquired after:

(A) the alternative energy electricity production facility described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or

(B) the increased capacity described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(iii);

(56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but on or before June 30, 2027, of tangible personal property that:

(i) is leased or purchased for or by a facility that:

(A) is a waste energy production facility;

(B) is located in the state; and

(C) (I) becomes operational on or after July 1, 2004; or

(II) has its generation capacity increased by one or more megawatts on or after July 1, 2004, as a result of the use of the tangible personal property;

(ii) has an economic life of five or more years; and

(iii) is used to make the facility or the increase in capacity of the facility described in Subsection (56)(a)(i) operational up to the point of interconnection with an existing transmission grid including:

(A) generating equipment;

(B) a control and monitoring system;

(C) a power line;

(D) substation equipment;

(E) lighting;

(F) fencing;

(G) pipes; or

(H) other equipment used for locating a power line or pole; and

(b) this Subsection (56) does not apply to:



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- (i) tangible personal property used in construction of:
  - (A) a new waste energy facility; or
  - (B) the increase in the capacity of a waste energy facility;
- (ii) contracted services required for construction and routine maintenance activities;

and

(iii) unless the tangible personal property is used or acquired for an increase in capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:

(A) the waste energy facility described in Subsection (56)(a)(i) is operational as described in Subsection (56)(a)(iii); or

(B) the increased capacity described in Subsection (56)(a)(i) is operational as described in Subsection (56)(a)(iii);

(57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on or before June 30, 2027, of tangible personal property that:

(i) is leased or purchased for or by a facility that:

(A) is located in the state;

(B) produces fuel from alternative energy, including:

(I) methanol; or

(II) ethanol; and

(C) (I) becomes operational on or after July 1, 2004; or

(II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as a result of the installation of the tangible personal property;

(ii) has an economic life of five or more years; and

(iii) is installed on the facility described in Subsection (57)(a)(i);

(b) this Subsection (57) does not apply to:

(i) tangible personal property used in construction of:

(A) a new facility described in Subsection (57)(a)(i); or

(B) the increase in capacity of the facility described in Subsection (57)(a)(i); or

(ii) contracted services required for construction and routine maintenance activities;

and

(iii) unless the tangible personal property is used or acquired for an increase in capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:

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(A) the facility described in Subsection (57)(a)(i) is operational; or

(B) the increased capacity described in Subsection (57)(a)(i) is operational;

(58) (a) subject to Subsection (58)(b), sales of tangible personal property or a product transferred electronically to a person within this state if that tangible personal property or product transferred electronically is subsequently shipped outside the state and incorporated pursuant to contract into and becomes a part of real property located outside of this state; and

(b) the exemption under Subsection (58)(a) is not allowed to the extent that the other state or political entity to which the tangible personal property is shipped imposes a sales, use, gross receipts, or other similar transaction excise tax on the transaction against which the other state or political entity allows a credit for sales and use taxes imposed by this chapter;

(59) purchases:

(a) of one or more of the following items in printed or electronic format:

(i) a list containing information that includes one or more:

(A) names; or

(B) addresses; or

(ii) a database containing information that includes one or more:

(A) names; or

(B) addresses; and

(b) used to send direct mail;

(60) redemptions or repurchases of a product by a person if that product was:

(a) delivered to a pawnbroker as part of a pawn transaction; and

(b) redeemed or repurchased within the time period established in a written agreement between the person and the pawnbroker for redeeming or repurchasing the product;

(61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:

(i) is purchased or leased by, or on behalf of, a telecommunications service provider;

and

(ii) has a useful economic life of one or more years; and

(b) the following apply to Subsection (61)(a):

(i) telecommunications enabling or facilitating equipment, machinery, or software;

(ii) telecommunications equipment, machinery, or software required for 911 service;

(iii) telecommunications maintenance or repair equipment, machinery, or software;

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(iv) telecommunications switching or routing equipment, machinery, or software; or

(v) telecommunications transmission equipment, machinery, or software;

(62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible personal property or a product transferred electronically that are used in the research and development of alternative energy technology; and

(b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may, for purposes of Subsection (62)(a), make rules defining what constitutes purchases of tangible personal property or a product transferred electronically that are used in the research and development of alternative energy technology;

(63) (a) purchases of tangible personal property or a product transferred electronically if:

(i) the tangible personal property or product transferred electronically is:

(A) purchased outside of this state;

(B) brought into this state at any time after the purchase described in Subsection (63)(a)(i)(A); and

(C) used in conducting business in this state; and

(ii) for:

(A) tangible personal property or a product transferred electronically other than the tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property for a purpose for which the property is designed occurs outside of this state; or

(B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered outside of this state and not required to be registered in this state under Section 41-1a-202 or 73-18-9 based on residency;

(b) the exemption provided for in Subsection (63)(a) does not apply to:

(i) a lease or rental of tangible personal property or a product transferred electronically;

or

(ii) a sale of a vehicle exempt under Subsection (33); and

(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of Subsection (63)(a), the commission may by rule define what constitutes the following:

(i) conducting business in this state if that phrase has the same meaning in this

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Subsection (63) as in Subsection (24);

(ii) the first use of tangible personal property or a product transferred electronically if that phrase has the same meaning in this Subsection (63) as in Subsection (24); or

(iii) a purpose for which tangible personal property or a product transferred electronically is designed if that phrase has the same meaning in this Subsection (63) as in Subsection (24);

(64) sales of disposable home medical equipment or supplies if:

(a) a person presents a prescription for the disposable home medical equipment or supplies;

(b) the disposable home medical equipment or supplies are used exclusively by the person to whom the prescription described in Subsection (64)(a) is issued; and

(c) the disposable home medical equipment and supplies are listed as eligible for payment under:

(i) Title XVIII, federal Social Security Act; or

(ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

(65) sales:

(a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District Act; or

(b) of tangible personal property to a subcontractor of a public transit district, if the tangible personal property is:

(i) clearly identified; and

(ii) installed or converted to real property owned by the public transit district;

(66) sales of construction materials:

(a) purchased on or after July 1, 2010;

(b) purchased by, on behalf of, or for the benefit of an international airport:

(i) located within a county of the first class; and

(ii) that has a United States customs office on its premises; and

(c) if the construction materials are:

(i) clearly identified;

(ii) segregated; and

(iii) installed or converted to real property:

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- (A) owned or operated by the international airport described in Subsection (66)(b); and
- (B) located at the international airport described in Subsection (66)(b);
- (67) sales of construction materials:
  - (a) purchased on or after July 1, 2008;
  - (b) purchased by, on behalf of, or for the benefit of a new airport:
    - (i) located within a county of the second class; and
    - (ii) that is owned or operated by a city in which an airline as defined in Section 59-2-102 is headquartered; and
  - (c) if the construction materials are:
    - (i) clearly identified;
    - (ii) segregated; and
    - (iii) installed or converted to real property:
      - (A) owned or operated by the new airport described in Subsection (67)(b);
      - (B) located at the new airport described in Subsection (67)(b); and
      - (C) as part of the construction of the new airport described in Subsection (67)(b);
  - (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common carrier that is a railroad for use in a locomotive engine;
  - (69) purchases and sales described in Section 63H-4-111;
  - (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration lists a state or country other than this state as the location of registry of the fixed wing turbine powered aircraft; or
    - (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration lists a state or country other than this state as the location of registry of the fixed wing turbine powered aircraft;
  - (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
    - (a) to a person admitted to an institution of higher education; and
    - (b) by a seller, other than a bookstore owned by an institution of higher education, if

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51% or more of that seller's sales revenue for the previous calendar quarter are sales of a textbook for a higher education course;

(72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced level of municipal services;

(73) amounts paid or charged for construction materials used in the construction of a new or expanding life science research and development facility in the state, if the construction materials are:

- (a) clearly identified;
- (b) segregated; and
- (c) installed or converted to real property;

(74) amounts paid or charged for:

(a) a purchase or lease of machinery and equipment that:

(i) are used in performing qualified research:

(A) as defined in Section 41(d), Internal Revenue Code; and

(B) in the state; and

(ii) have an economic life of three or more years; and

(b) normal operating repair or replacement parts:

(i) for the machinery and equipment described in Subsection (74)(a); and

(ii) that have an economic life of three or more years;

(75) a sale or lease of tangible personal property used in the preparation of prepared food if:

(a) for a sale:

(i) the ownership of the seller and the ownership of the purchaser are identical; and

(ii) the seller or the purchaser paid a tax under this chapter on the purchase of that

tangible personal property prior to making the sale; or

(b) for a lease:

(i) the ownership of the lessor and the ownership of the lessee are identical; and

(ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible personal property prior to making the lease;

(76) (a) purchases of machinery or equipment if:

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(i) the purchaser is an establishment described in NAICS Subsector 713, Amusement, Gambling, and Recreation Industries, of the 2012 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;

(ii) the machinery or equipment:

(A) has an economic life of three or more years; and

(B) is used by one or more persons who pay admission or user fees described in Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and

(iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:

(A) amounts paid or charged as admission or user fees described in Subsection 59-12-103(1)(f); and

(B) subject to taxation under this chapter; and

(b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules for verifying that 51% of a purchaser's sales revenue for the previous calendar quarter is:

(i) amounts paid or charged as admission or user fees described in Subsection 59-12-103(1)(f); and

(ii) subject to taxation under this chapter;

(77) purchases of a short-term lodging consumable by a business that provides accommodations and services described in Subsection 59-12-103(1)(i);

(78) amounts paid or charged to access a database:

(a) if the primary purpose for accessing the database is to view or retrieve information from the database; and

(b) not including amounts paid or charged for a:

(i) digital audio work;

(ii) digital audio-visual work; or

(iii) digital book;

(79) amounts paid or charged for a purchase or lease made by an electronic financial payment service, of:

(a) machinery and equipment that:

(i) are used in the operation of the electronic financial payment service; and

(ii) have an economic life of three or more years; and

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(b) normal operating repair or replacement parts that:

(i) are used in the operation of the electronic financial payment service; and

(ii) have an economic life of three or more years;

(80) sales of a fuel cell as defined in Section 54-15-102;

(81) amounts paid or charged for a purchase or lease of tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically:

(a) is stored, used, or consumed in the state; and

(b) is temporarily brought into the state from another state:

(i) during a disaster period as defined in Section 53-2a-1202;

(ii) by an out-of-state business as defined in Section 53-2a-1202;

(iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and

(iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;

(82) sales of goods and services at a morale, welfare, and recreation facility, as defined in Section 39A-7-102, made pursuant to Title 39A, Chapter 7, Morale, Welfare, and Recreation Program;

(83) amounts paid or charged for a purchase or lease of molten magnesium;

(84) amounts paid or charged for a purchase or lease made by a qualifying data center or an occupant of a qualifying data center of machinery, equipment, or normal operating repair or replacement parts, if the machinery, equipment, or normal operating repair or replacement parts:

(a) are used in:

(i) the operation of the qualifying data center; or

(ii) the occupant's operations in the qualifying data center; and

(b) have an economic life of one or more years;

(85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle that includes cleaning or washing of the interior of the vehicle;

(86) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used or consumed:

(a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined



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in Section 79-6-701 located in the state;

(b) if the machinery, equipment, normal operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:

(i) the production process to produce gasoline or diesel fuel, or at which blendstock is added to gasoline or diesel fuel;

(ii) research and development;

(iii) transporting, storing, or managing raw materials, work in process, finished products, and waste materials produced from refining gasoline or diesel fuel, or adding blendstock to gasoline or diesel fuel;

(iv) developing or maintaining a road, tunnel, excavation, or similar feature used in refining; or

(v) preventing, controlling, or reducing pollutants from refining; and

(c) if the person holds a valid refiner tax exemption certification as defined in Section 79-6-701;

(87) amounts paid to or charged by a proprietor for accommodations and services, as defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations tax imposed under Section 63H-1-205;

(88) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, or materials, except for office equipment or office supplies, by an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

(a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;

(b) is located in this state; and

(c) uses the machinery, equipment, normal operating repair or replacement parts, or materials in the operation of the establishment;

(89) amounts paid or charged for an item exempt under Section 59-12-104.10;

(90) sales of a note, leaf, foil, or film, if the item:

(a) is used as currency;

(b) does not constitute legal tender of a state, the United States, or a foreign nation; and

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(c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any transparent polymer holder, coating, or encasement;

(91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or surfing facility, if a trained instructor:

(a) is present with the participant, in person or by video, for the duration of the activity; and

(b) actively instructs the participant, including providing observation or feedback;

(92) amounts paid or charged in connection with the construction, operation, maintenance, repair, or replacement of facilities owned by or constructed for:

(a) a distribution electrical cooperative, as defined in Section 54-2-1; or

(b) a wholesale electrical cooperative, as defined in Section 54-2-1;

(93) amounts paid by the service provider for tangible personal property, other than machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels, that:

(a) is consumed in the performance of a service that is subject to tax under Subsection 59-12-103(1)(b), (f), (g), (h), (i), or (j);

(b) has to be consumed for the service provider to provide the service described in Subsection (93)(a); and

(c) will be consumed in the performance of the service described in Subsection (93)(a), to one or more customers, to the point that the tangible personal property disappears or cannot be used for any other purpose;

(94) sales of rail rolling stock manufactured in Utah; ~~and~~

(95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or construction materials between establishments, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:

(a) the establishments are related directly or indirectly through 100% common ownership or control; and

(b) each establishment is described in one of the following subsectors of the 2022 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget:

(i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or

(ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing[-]; and

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(96) sales of construction materials used for the construction of a qualified stadium, as defined in Section 11-70-101.

Section ~~{52}~~53. Section 59-12-352 is amended to read:

**59-12-352. ~~{}~~Authority to impose a transient room tax -- Purposes for which revenues may be used.**

(1) (a) Except as provided in Subsection (5), the governing body of a municipality may impose a tax of not to exceed 1% on charges for the accommodations and services described in Subsection 59-12-103(1)(i).

(b) Subject to Section 63H-1-203, the military installation development authority created in Section 63H-1-201 may impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within a project area described in a project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation Development Authority Act, as though the authority were a municipality.

(c) ~~{The}~~ Beginning October 1, 2024, the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, may impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within ~~{a project area described in a project area plan adopted by the Utah Fairpark Area Investment and Restoration District}~~ the district sales tax area, as defined in Section 11-70-101, to the same extent and in the same manner as a municipality may impose a tax under this section.

(2) Subject to the limitations of Subsection (1), a governing body of a municipality may, by ordinance, increase or decrease the tax under this part.

(3) A governing body of a municipality shall regulate the tax under this part by ordinance.

(4) A municipality may use revenues generated by the tax under this part for general fund purposes.

(5) (a) A municipality may not impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within a project area described in a project area plan adopted by:

(i) the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act~~[-];~~ or

(ii) the Utah Fairpark Area Investment and Restoration District under Title 11, Chapter

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### 70, Utah Fairpark Area Investment and Restoration District.

(b) Subsection (5)(a) does not apply to the military installation development authority's imposition of a tax under this section.

(6) (a) As used in this Subsection (6):

(i) "Authority" means the Point of the Mountain State Land Authority, created in Section 11-59-201.

(ii) "Authority board" means the board referred to in Section 11-59-301.

(b) The authority may, by a resolution adopted by the authority board, impose a tax of not to exceed 5% on charges for the accommodations and services described in Subsection 59-12-103(1)(i) for transactions that occur on point of the mountain state land, as defined in Section 11-59-102.

(c) The authority board, by resolution, shall regulate the tax under this Subsection (6).

(d) The authority shall use all revenue from a tax imposed under this Subsection (6) to provide affordable housing, consistent with the manner that a community reinvestment agency uses funds for affordable housing under Section 17C-1-412.

(e) A tax under this Subsection (6) is in addition to any other tax that may be imposed under this part.

Section ~~{53}~~54. Section **59-12-354** is amended to read:

#### **59-12-354. Collection of tax -- Administrative charge.**

(1) Except as provided in Subsections (2) and (3), the tax authorized under this part shall be administered, collected, and enforced in accordance with:

(a) the same procedures used to administer, collect, and enforce the tax under:

(i) Part 1, Tax Collection; or

(ii) Part 2, Local Sales and Use Tax Act; and

(b) Chapter 1, General Taxation Policies.

(2) (a) The location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

(b) ~~[The]~~ Except as provided in Subsection (2)(c), the commission~~[-ff]~~

~~[-(i){}]~~ except as provided in Subsection (2)(b)(ii); shall distribute the revenue collected from the tax to:

~~[(A)]~~ (i) (A) the municipality within which the revenue was collected, for a tax

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imposed under this part by a municipality; ~~and~~ or

~~(B)~~ (B) the Utah Fairpark Area Investment and Restoration District, for a tax imposed under this part by the Utah Fairpark Area Investment and Restoration District; and

~~(B)~~ (ii) the Point of the Mountain State Land Authority, for a tax imposed under Subsection 59-12-352(6)~~;~~and.

~~(ii)~~ (c) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenue the commission collects from a tax under this part.

(3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections 59-12-205(2) through (5).

Section ~~{54}~~55. Section **59-12-401** is amended to read:

**59-12-401. Resort communities tax authority for cities, towns, and military installation development authority -- Base -- Rate -- Collection fees.**

(1) (a) In addition to other sales and use taxes, a city or town in which the transient room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the municipality's permanent census population may impose a sales and use tax of up to 1.1% on the transactions described in Subsection 59-12-103(1) located within the city or town.

(b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this section on:

(i) ~~(A) the sale of~~(A) the sale of; a motor vehicle, an aircraft, a watercraft, a modular home, a manufactured home, or a mobile home;

~~(A) a motor vehicle;~~

~~(B) an aircraft;~~

~~(C) a watercraft;~~

~~(D) a modular home;~~

~~(E) a manufactured home; or~~

~~(F) a mobile home;~~

~~(ii)~~ (B) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and

~~(iii)~~ (C) except as provided in Subsection (1)(d), amounts paid or charged for food and food ingredients~~;~~or

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(ii) transactions that occur in ~~fa fairpark~~ district ~~project~~ sales tax area, as defined in Subsection (4), if the fairpark district, as defined in Subsection (4), has imposed a tax under Subsection (4).

(c) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

(d) A city or town imposing a tax under this section shall impose the tax on the purchase price or the sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.

(2) (a) An amount equal to the total of any costs incurred by the state in connection with the implementation of Subsection (1) which exceed, in any year, the revenues received by the state from its collection fees received in connection with the implementation of Subsection (1) shall be paid over to the state General Fund by the cities and towns which impose the tax provided for in Subsection (1).

(b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among those cities and towns according to the amount of revenue the respective cities and towns generate in that year through imposition of that tax.

(3) (a) Subject to Section 63H-1-203, the military installation development authority created in Section 63H-1-201 may impose a tax under this section on the transactions described in Subsection 59-12-103(1) located within a project area described in a project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation Development Authority Act, as though the authority were a city or a town.

(b) For purposes of calculating the permanent census population within a project area, the board, as defined in Section 63H-1-102, shall:

(i) use the actual number of permanent residents within the project area as determined by the board;

(ii) include in the calculation of transient room capacity the number, as determined by the board, of approved high-occupancy lodging units, recreational lodging units, special lodging units, and standard lodging units, even if the units are not constructed;

(iii) adopt a resolution verifying the population number; and

(iv) provide the commission any information required in Section 59-12-405.

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(c) Notwithstanding Subsection (1)(a), a board as defined in Section 63H-1-102 may impose the sales and use tax under this section if there are no permanent residents.

(4) (a) As used in this Subsection (4):

(i) "District sales tax area" means the same as that term is defined in Section 11-70-101.

(~~ii~~) "Fairpark district" means the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.

(~~iii~~) "Fairpark district board" means the board of the fairpark district.

~~(iii) "Fairpark district project area" means a project area as defined in Section 11-70-101.~~

~~(b) The fairpark district, by resolution of the fairpark district board, may impose a tax under this section, as though the fairpark district were a city or town, on transactions described in Subsection 59-12-103(1):~~

~~(i) located within ~~a fairpark~~ the district ~~project~~ sales tax area ~~, as though the fairpark district were a city~~; and~~

~~(ii) that occur on or ~~town~~ after October 1, 2024.~~

~~(c) For purposes of calculating the permanent census population within ~~a fairpark~~ the district ~~project~~ sales tax area, the fairpark district board shall:~~

~~(i) use the actual number of permanent residents within the ~~fairpark~~ district ~~project~~ sales tax area as determined by the fairpark district board;~~

~~(ii) include in the calculation of transient room capacity the number, as determined by the fairpark district board, of approved high-occupancy lodging units, recreational lodging units, special lodging units, and standard lodging units, even if the units are not constructed;~~

~~(iii) adopt a resolution verifying the population number; and~~

~~(iv) provide the commission any information required in Section 59-12-405.~~

~~(d) Notwithstanding Subsection (1)(a), the fairpark district may impose the sales and use tax under this section if there are no permanent residents within the ~~fairpark~~ district ~~project~~ sales tax area.~~

Section ~~55~~ 56. Section 59-12-402 is amended to read:

**59-12-402. Additional resort communities sales and use tax -- Base -- Rate -- Collection fees -- Resolution and voter approval requirements -- Election requirements --**

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### Notice requirements -- Ordinance requirements -- Prohibition of military installation development authority imposition of tax.

(1) (a) Subject to Subsections (2) through (6), the governing body of a municipality in which the transient room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the municipality's permanent census population may, in addition to the sales tax authorized under Section 59-12-401, impose an additional resort communities sales tax in an amount that is less than or equal to .5% on the transactions described in Subsection 59-12-103(1) located within the municipality.

(b) Notwithstanding Subsection (1)(a), the governing body of a municipality may not impose a tax under this section on:

(i) (A) the sale of [:] ~~{}~~ a motor vehicle, an aircraft, a watercraft, a modular home, a manufactured home, or a mobile home;

~~[(A) a motor vehicle;]~~

~~[(B) an aircraft;]~~

~~[(C) a watercraft;]~~

~~[(D) a modular home;]~~

~~[(E) a manufactured home; or]~~

~~[(F) a mobile home;]~~

~~[(ii) (B) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and~~

~~[(iii) (C) except as provided in Subsection (1)(d), amounts paid or charged for food and food ingredients[:]; or~~

(ii) transactions that occur in ~~{a fairpark}~~ the district ~~{project}~~ sales tax area, as defined in Subsection 59-12-401(4), if the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, has imposed a tax under Subsection (8) ~~{,}~~

(c) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

(d) A municipality imposing a tax under this section shall impose the tax on the purchase price or sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.



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(2) (a) An amount equal to the total of any costs incurred by the state in connection with the implementation of Subsection (1) which exceed, in any year, the revenues received by the state from its collection fees received in connection with the implementation of Subsection (1) shall be paid over to the state General Fund by the cities and towns which impose the tax provided for in Subsection (1).

(b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among those cities and towns according to the amount of revenue the respective cities and towns generate in that year through imposition of that tax.

(3) To impose an additional resort communities sales tax under this section, the governing body of the municipality shall:

(a) pass a resolution approving the tax; and

(b) except as provided in Subsection (6), obtain voter approval for the tax as provided in Subsection (4).

(4) To obtain voter approval for an additional resort communities sales tax under Subsection (3)(b), a municipality shall:

(a) hold the additional resort communities sales tax election during:

(i) a regular general election; or

(ii) a municipal general election; and

(b) post notice of the election for the municipality, as a class A notice under Section 63G-30-102, for at least 15 days before the day on which the election is held.

(5) An ordinance approving an additional resort communities sales tax under this section shall provide an effective date for the tax as provided in Section 59-12-403.

(6) (a) Except as provided in Subsection (6)(b), a municipality is not subject to the voter approval requirements of Subsection (3)(b) if, on or before January 1, 1996, the municipality imposed a license fee or tax on businesses based on gross receipts pursuant to Section 10-1-203.

(b) The exception from the voter approval requirements in Subsection (6)(a) does not apply to a municipality that, on or before January 1, 1996, imposed a license fee or tax on only one class of businesses based on gross receipts pursuant to Section 10-1-203.

(7) A military installation development authority authorized to impose a resort communities tax under Section 59-12-401 may not impose an additional resort communities

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sales tax under this section.

(8) The Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, may impose an additional resort communities tax under this section on

~~{transactions}~~transaction that occur:

(a) within ~~{a fairpark}~~the district ~~{project}~~sales tax area, as defined in Subsection 59-12-401(4); and

(b) that occur on or after October 1, 2024.

Section ~~{56}~~57. Section **59-12-1201** is amended to read:

**59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration, collection, and enforcement of tax -- Administrative charge -- Deposits.**

(1) As used in this section:

(a) "Fairpark district board" means the board of the fairpark district.

(b) "Fairpark district" means the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.

(c) "Franchise agreement date" means the same as that term is defined in Section 11-70-101.

(d) "Stadium contribution" means the same as that term is defined in Section 11-70-101.

(e) "Transition date" means the first day of the calendar quarter that begins at least 90 days after the fairpark district board delivers to the commission the certificate described in Subsection (2)(a)(ii)(B).

~~[(+)]~~(2) (a) (i) Except as provided in Subsections ~~[(3) and (4)]~~ (4) and (5), there is imposed a tax of 2.5% on all short-term leases and rentals of motor vehicles not exceeding 30 days.

(ii) (A) ~~In addition to the tax imposed under Subsection (1)(a)(i), beginning the first day of the calendar quarter that begins 90 days after the board of the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, delivers to the commission the certificate described~~2)(a)(i) and except as provided in ~~{Subsection}~~Subsections (1)4) and (1a)(ii)(B)5), beginning on the transition date there is imposed a tax of 1.5% on all short-term leases and rentals of motor vehicles not exceeding 30 days.

(B) After the franchise agreement date, ~~{as defined in Section 11-70-101, the board of~~

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~~the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201,~~ the fairpark district board shall deliver to the commission a certificate verifying the execution of a franchise agreement, as defined in Section 11-70-101, and providing the franchise agreement date ~~as defined in Section 11-70-101~~.

(C) A tax under this Subsection ~~(1)2~~(a)(ii) is imposed only if the franchise agreement date ~~as defined in Section 11-70-101~~ is on or before June 30, 2032.

(b) The tax imposed in this section is in addition to all other state, county, or municipal fees and taxes imposed on rentals of motor vehicles.

~~(2)1~~ (3) (a) Subject to Subsection ~~(2)(b)~~ (3)(b), a tax rate repeal or tax rate change for the tax imposed under Subsection ~~(1)2~~ shall take effect on the first day of a calendar quarter.

(b) (i) For a transaction subject to a tax under Subsection ~~(1)2~~, a tax rate increase shall take effect on the first day of the first billing period:

(A) that begins after the effective date of the tax rate increase; and

(B) if the billing period for the transaction begins before the effective date of a tax rate increase imposed under Subsection ~~(1)2~~.

(ii) For a transaction subject to a tax under Subsection ~~(1)2~~, the repeal of a tax or a tax rate decrease shall take effect on the first day of the last billing period:

(A) that began before the effective date of the repeal of the tax or the tax rate decrease; and

(B) if the billing period for the transaction begins before the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection ~~(1)2~~.

~~(3)1~~ (4) Beginning on July 1, 2023, a tax imposed under ~~Subsection (1)~~ this section applies at the same rate to car sharing, except for:

(a) car sharing for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement; and

(b) car sharing for more than 30 days.

~~(4)1~~ (5) A motor vehicle is exempt from the tax imposed under ~~Subsection (1)~~ this section if:

(a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

(b) the motor vehicle is rented as a personal household goods moving van; or

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(c) the lease or rental of the motor vehicle is made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an insurance agreement.

~~[(5)]~~ [(6)] (a) (i) The tax authorized under this section shall be administered, collected, and enforced in accordance with:

(A) the same procedures used to administer, collect, and enforce the tax under Part 1, Tax Collection; and

(B) Chapter 1, General Taxation Policies.

(ii) Notwithstanding Subsection (5)(a)(i), a tax under this part is not subject to 59-12-103(4) through (9) or Section 59-12-107.1 or 59-12-123.

(b) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenues the commission collects from a tax under this part.

(c) Except as provided under ~~{}~~ Subsection ~~[(5)(b)]~~ ~~{Subsections }~~ [(5)] [(6)] (b) and (d), all revenue received by the commission under this section shall be deposited daily with the state treasurer and credited monthly to the Marda Dillree Corridor Preservation Fund under Section 72-2-117.

~~(d) ~~{All}~~ (i) Subject to Subsection (6)(d)(iii), all~~ revenue received by the commission under Subsection (~~{1}~~ 2)(a)(ii) shall be paid to the ~~{Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.~~

~~Section 57. Section 59-28-103 is amended to read:~~

~~59-28-103. Imposition -- Rate -- Revenue distribution.~~

~~(1) As used in this section:~~

~~(a) "Fairpark" fairpark district ~~{ board}~~ means the board of the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.~~

~~(b) "Franchise agreement" means the same as that term is defined in Section 11-70-101.~~

~~(c) "Franchise agreement date" means the same as that term is defined in Section 11-70-101.~~

~~(d) "Transition date" means the first day of the calendar quarter that begins at least 90~~.

(ii) Within 10 days after the fairpark district ~~{board delivers to the commission the certificate described in Subsection (2)(b)(ii).~~

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~~———— (2) (a) Subject to the other provisions of this chapter, the state shall impose a tax on the transactions described in Subsection 59-12-103(1)(i) at a rate of .32%.~~

~~———— [(2) The tax imposed under this chapter is in addition to any other taxes imposed on the transactions described in Subsection 59-12-103(1)(i).]~~

~~———— [(3) (a) (i)] (b) (i) (A) Subject to Subsection [(3)(a)(ii)] (2)(b)(i)(B), the commission shall deposit 6% of the revenue the state collects from the tax under this chapter into the Hospitality and Tourism Management Education Account created in Section 53F-9-501 to fund the Hospitality and Tourism Management Career and Technical Education Pilot Program created in Section 53E-3-515.~~

~~———— [(ii)] (B) The commission may not deposit more than \$300,000 into the Hospitality and Tourism Management Education Account under Subsection [(3)(a)(i)] (2)(b)(i)(A) in a fiscal year.~~

~~———— [(b)] (ii) Except for the amount deposited into the Hospitality and Tourism Management Education Account under Subsection [(3)(a)] (2)(b)(i)(A) and the administrative charge retained under Subsection 59-28-104(4), the commission shall deposit any revenue the state collects from the tax under [this chapter] Subsection (2)(a) into the Outdoor Recreation Infrastructure Account created in Section 79-8-106 to fund the Outdoor Recreational Infrastructure Grant Program created in Section 79-8-401 and the Recreation Restoration Infrastructure Grant Program created in Section 79-8-202.~~

~~———— (c) The tax imposed under Subsection (2)(a) is in addition to the taxes imposed under Subsections (3)(a) and (4)(a).~~

~~———— (3) (a) Beginning on the transition date and subject to Subsection (3)(c), there is imposed a tax on charges within the state for accommodations and services described in Subsection 59-12-103(1)(i) at the rate of 1.5%.~~

~~———— (b) After the franchise agreement date} completes payment of the stadium contribution, the fairpark district board shall deliver to the commission a certificate:~~

~~———— (i) verifying the execution of a franchise agreement, and~~

~~———— (ii) providing the franchise agreement date.~~

~~———— (c) A tax} written statement verifying that the fairpark district has completed payment of the stadium contribution.~~

(iii) Upon receipt of the written statement under Subsection ~~(3)(a) is imposed only if~~

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~~the franchise agreement date is on or before June 30, 2032.~~

~~—— (d) Subject to Section 59-28-104; 6)(d)(ii), the commission shall  ~~distribute revenue collected~~;~~

~~—— (A) discontinue collecting revenue under Subsection (~~3~~)(a) to the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.~~

~~—— (e) A tax 2)(a)(ii), beginning the first day of the calendar quarter that is at least 90 days after the commission's receipt of the written statement;~~

~~—— (B) discontinue distributing revenue under Subsection (~~3~~)(a) does not apply to charges for accommodations and services described in Subsection 59-12-103(1)(i) that result from a contract under which a person is obligated for 20 or more room nights.~~

~~—— (f) A tax 2)(a)(ii) to the fairpark district, beginning the first day of the calendar quarter that is at least 90 days after the commission's receipt of the written statement; and~~

~~—— (C) notify the Executive Appropriations Committee of the Legislature that the commission is discontinuing collecting and distributing revenue under Subsection (~~3~~)(a) is in addition to the taxes imposed under Subsections (2)(a) and (4)(a).~~

~~—— (4) (a) Beginning July 1, 2024, there is imposed a tax on charges within the state for accommodations and services described in Subsection 59-12-103(1)(i) at the rate of .1%.~~

~~—— (b) Subject to Section 59-28-104, the commission shall distribute the revenue collected under Subsection (4)(a) to counties of the fourth, fifth, and sixth class in proportion to the relative population of those counties, to be used only to pay for emergency medical services and search and rescue activities.~~

~~—— (c) A tax under Subsection (4)(a) is in addition to the taxes imposed under Subsections (2)(a) and (3)(a).~~

~~—— (5) The taxes imposed under this chapter are in addition to any other taxes imposed on the transactions described in Subsection 59-12-103(1)(i).~~

~~2)(a)(ii).~~

Section 58. Section **63A-3-401.5** is amended to read:

### **63A-3-401.5. Definitions.**

As used in this part:

(1) "Borrower" means a person who borrows money from an infrastructure fund for an infrastructure project.

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(2) "Fairpark district development fund" means the infrastructure fund created in Subsection 63A-3-402(1)(c).

~~[(2)]~~ (3) "Independent political subdivision" means:

(a) the Utah Inland Port Authority created in Section 11-58-201;

(b) the Point of the Mountain State Land Authority created in Section 11-59-201; ~~[or]~~

(c) the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201; or

~~[(c)]~~ (d) the Military Installation Development Authority created in Section 63H-1-201.

~~[(3)]~~ (4) "Infrastructure fund" means a fund created in Subsection 63A-3-402(1).

~~[(4)]~~ (5) "Infrastructure loan" means a loan of infrastructure fund money to finance an infrastructure project.

~~[(5)]~~ (6) "Infrastructure project" means a project to acquire, construct, reconstruct, rehabilitate, equip, or improve public infrastructure and improvements:

(a) within a project area; or

(b) outside a project area, if the respective loan approval body determines by resolution that the public infrastructure and improvements are of benefit to the project area.

~~[(6)]~~ (7) "Inland port" means the same as that term is defined in Section 11-58-102.

~~[(7)]~~ (8) "Inland port fund" means the infrastructure fund created in Subsection 63A-3-402(1)(a).

~~[(8)]~~ (9) "Military development fund" means the infrastructure fund created in Subsection ~~[63A-3-402(1)(c)]~~ 63A-3-402(1)(d).

~~[(9)]~~ (10) "Point of the mountain fund" means the infrastructure fund created in Subsection 63A-3-402(1)(b).

~~[(10)]~~ (11) "Project area" means:

(a) the same as that term is defined in Section 11-58-102, for purposes of an infrastructure loan from the inland port fund;

(b) the point of the mountain state land, as defined in Section 11-59-102, for purposes of an infrastructure loan from the point of the mountain fund; ~~[and]~~

(c) the same as that term is defined in Section 11-70-101, for purposes of an infrastructure loan from the fairpark district development fund; or

~~[(c)]~~ (d) the same as that term is defined in Section 63H-1-102, for purposes of an

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infrastructure loan from the military development fund.

~~[(11)]~~ (12) "Property tax revenue" means:

(a) property tax differential, as defined in Section 11-58-102, for purposes of an infrastructure loan from the inland port fund; ~~[or]~~

(b) enhanced property tax revenue, as defined in Section 11-70-101, for purposes of an infrastructure loan from the fairpark district development fund; or

~~[(b)]~~ (c) property tax allocation, as defined in Section 63H-1-102, for purposes of an infrastructure loan from the military development fund.

~~[(12)]~~ (13) "Public infrastructure and improvements" means:

(a) ~~[means]~~ the same as that term is defined in Section 11-58-102, for purposes of an infrastructure loan from the inland port fund;

(b) ~~[means]~~ publicly owned infrastructure and improvements, as defined in Section 11-59-102, for purposes of an infrastructure loan from the point of the mountain fund; ~~[and]~~

(c) the same as that term is defined in Section 11-70-101, for purposes of an infrastructure loan from the fairpark district development fund; or

~~[(c)]~~ (d) ~~[means]~~ the same as that term is defined in Section 63H-1-102, for purposes of an infrastructure loan from the military development fund.

~~[(13)]~~ (14) "Respective loan approval body" means:

(a) the board created in Section 11-58-301, for purposes of an infrastructure loan from the inland port fund;

(b) the board created in Section 11-59-301, for purposes of an infrastructure loan from the point of the mountain fund; ~~[and]~~

(c) the board created in Section 11-70-301, for purposes of an infrastructure loan from the fairpark area development fund; or

~~[(c)]~~ (d) the committee created in Section 63H-1-104, for purposes of an infrastructure loan from the military development fund.

Section 59. Section **63A-3-402** is amended to read:

**63A-3-402. Infrastructure funds established -- Purpose of funds -- Use of money in funds.**

(1) There are created, as enterprise revolving loan funds:

(a) the inland port infrastructure revolving loan fund;



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(b) the point of the mountain infrastructure revolving loan fund; ~~[and]~~

~~(c) the fairpark area development revolving loan fund; and~~

~~(c)~~ (d) the military development infrastructure revolving loan fund.

(2) The purpose of each infrastructure fund is to provide funding, through infrastructure loans, for infrastructure projects undertaken by a borrower.

(3) (a) Money in an infrastructure fund may be used only to provide loans for infrastructure projects.

(b) The division may not loan money in an infrastructure fund without the approval of:

(i) the respective loan approval body; and

(ii) the Executive Appropriations Committee of the Legislature, for a loan from the inland port fund ~~[or]~~, the point of the mountain fund, or the fairpark area development fund.

Section 60. Section **63A-5b-902** is amended to read:

### **63A-5b-902. Application of part.**

(1) The provisions of this part, other than this section, do not apply to:

(a) a conveyance, lease, or disposal under Subsection 63A-5b-303(1)(a)(viii);

(b) the division's disposal or lease of division-owned property with a value under \$500,000, as estimated by the division;

(c) a conveyance, lease, or disposal of division-owned property in connection with:

(i) the establishment of a state store, as defined in Section 32B-1-102; or

(ii) the construction of student housing; ~~[or]~~

(d) a conveyance, lease, or disposal of any part of the point of the mountain state land, as defined in Section 11-59-102, by the Point of the Mountain State Land Authority created in Section 11-59-201~~[-];~~ or

(e) a conveyance, lease, or disposal of any state-owned land, as defined in Section 11-70-101, by the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.

(2) Nothing in Subsection (1)(b) or (c) may be construed to diminish or eliminate the division's responsibility to manage division-owned property in the best interests of the state.

Section 61. Section **63C-25-101** is amended to read:

### **63C-25-101. Definitions.**

As used in this chapter:

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- (1) "Authority" means the same as that term is defined in Section 63B-1-303.
- (2) "Bond" means the same as that term is defined in Section 63B-1-101.
- (3) (a) "Bonding government entity" means the state or any entity that is authorized to issue bonds under any provision of state law.
  - (b) "Bonding government entity" includes:
    - (i) a bonding political subdivision; and
    - (ii) a public infrastructure district that is authorized to issue bonds either directly, or through the authority of a bonding political subdivision or other governmental entity.
  - (4) "Bonding political subdivision" means:
    - (a) the Utah Inland Port Authority, created in Section 11-58-201;
    - (b) the Military Installation Development Authority, created in Section 63H-1-201;
    - (c) the Point of the Mountain State Land Authority, created in Section 11-59-201;
    - (d) the Utah Lake Authority, created in Section 11-65-201; [~~or~~]
    - (e) the State Fair Park Authority, created in Section 11-68-201[~~;~~]; or
    - (f) the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.
- (5) "Commission" means the State Finance Review Commission created in Section 63C-25-201.
- (6) "Concessionaire" means a person who:
  - (a) operates, finances, maintains, or constructs a government facility under a contract with a bonding political subdivision; and
  - (b) is not a bonding government entity.
- (7) "Concessionaire contract" means a contract:
  - (a) between a bonding government entity and a concessionaire for the operation, finance, maintenance, or construction of a government facility;
  - (b) that authorizes the concessionaire to operate the government facility for a term of five years or longer, including any extension of the contract; and
  - (c) in which all or some of the annual source of payment to the concessionaire comes from state funds provided to the bonding government entity.
- (8) "Creating entity" means the same as that term is defined in Section 17D-4-102.
- (9) "Government facility" means infrastructure, improvements, or a building that:

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(a) costs more than \$5,000,000 to construct; and

(b) has a useful life greater than five years.

(10) "Large public transit district" means the same as that term is defined in Section 17B-2a-802.

(11) "Loan entity" means the board, person, unit, or agency with legal responsibility for making a loan from a revolving loan fund.

(12) "Obligation" means the same as that term is defined in Section 63B-1-303.

(13) "Parameters resolution" means a resolution of a bonding government entity that sets forth for proposed bonds:

(a) the maximum:

(i) amount of bonds;

(ii) term; and

(iii) interest rate; and

(b) the expected security for the bonds.

(14) "Public infrastructure district" means a public infrastructure district created under Title 17D, Chapter 4, Public Infrastructure District Act.

(15) "Revolving loan fund" means:

(a) the Water Resources Conservation and Development Fund, created in Section 73-10-24;

(b) the Water Resources Construction Fund, created in Section 73-10-8;

(c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;

(d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels and Emission Reduction Technology Program Act;

(e) the Water Development Security Fund and its subaccounts, created in Section 73-10c-5;

(f) the Agriculture Resource Development Fund, created in Section 4-18-106;

(g) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;

(h) the Permanent Community Impact Fund, created in Section 35A-8-303;

(i) the Petroleum Storage Tank Fund, created in Section 19-6-409;

(j) the School Building Revolving Account, created in Section 53F-9-206;

(k) the State Infrastructure Bank Fund, created in Section 72-2-202;

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- (l) the Uintah Basin Revitalization Fund, created in Section 35A-8-1602;
- (m) the Navajo Revitalization Fund, created in Section 35A-8-1704;
- (n) the Energy Efficiency Fund, created in Section 11-45-201;
- (o) the Brownfields Fund, created in Section 19-8-120;
- (p) [~~the following~~] any of the enterprise revolving loan funds created in Section 63A-3-402 ~~{:}{:}{:}~~ and
  - ~~[(i) the inland port infrastructure revolving loan fund;]~~
  - ~~[(ii) the point of the mountain infrastructure revolving loan fund; or]~~
  - ~~[(iii) the military development infrastructure revolving loan fund; and]~~
- (q) any other revolving loan fund created in statute where the borrower from the revolving loan fund is a public non-profit entity or political subdivision, including a fund listed in Section 63A-3-205, from which a loan entity is authorized to make a loan.

(16) (a) "State funds" means an appropriation by the Legislature identified as coming from the General Fund or Education Fund.

(b) "State funds" does not include:

- (i) a revolving loan fund; or
- (ii) revenues received by a bonding political subdivision from:
  - (A) a tax levied by the bonding political subdivision;
  - (B) a fee assessed by the bonding political subdivision; or
  - (C) operation of the bonding political subdivision's government facility.

Section 62. Section **63C-25-202** is amended to read:

### **63C-25-202. Powers and duties.**

(1) The commission shall annually review a report provided in accordance with Section 63B-1-305 or 63B-1a-102.

(2) (a) A loan entity other than a loan entity described in Subsection (2)(b) shall no later than January 1 of each year submit information on each revolving loan fund from which the loan entity made a loan in the previous fiscal year, including information identifying new and ongoing loan recipients, the terms of each loan, loan repayment, and any other information regarding a revolving loan fund requested by the commission.

(b) If a loan entity is:

- (i) the Utah Inland Port Authority, the loan entity shall submit the information in

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accordance with Section 11-58-106 and any other information regarding a revolving loan fund requested by the commission;

(ii) the Point of the Mountain State Land Authority, the loan entity shall submit the information in accordance with Section 11-59-104 and any other information regarding a revolving loan fund requested by the commission; [or]

(iii) the Utah Fairpark Area Investment and Restoration District, the loan entity shall submit the information in accordance with Section 11-70-104 and any other information regarding a revolving loan fund requested by the commission; or

~~(iii)~~ (iv) the Military Installation Development Authority, the loan entity shall submit the information in accordance with Section 63H-1-104 and any other information regarding a revolving loan fund requested by the commission.

(c) The commission may annually review and provide feedback for the following:

(i) each loan entity for compliance with state law authorizing and regulating the revolving loan fund, including, as applicable, Title 11, Chapter 14, Local Government Bonding Act;

(ii) each loan entity's revolving loan fund policies and practices, including policies and practices for approving and setting the terms of a loan; and

(iii) each borrower of funds from a revolving loan fund for accurate and timely reporting by the borrower to the appropriate debt repository.

(3) (a) The commission shall review and may approve a bond before a large public transit district may issue a bond.

(b) The commission may not approve issuance of a bond described in Subsection (3)(a) unless the execution and terms of the bond comply with state law.

(c) If, after review, the commission approves a bond described in Subsection (3)(a), the large public transit district:

(i) may not change before issuing the bond the terms of the bond that were reviewed by the commission if the change is outside the approved parameters and intended purposes; and

(ii) is under no obligation to issue the bond.

(d) A member of the commission who approves a bond under Subsection (3)(a) or reviews a parameters resolution under Subsection (4)(a) is not liable personally on the bond.

(e) The approval of a bond under Subsection (3)(a) or review under Subsection (4)(a)

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of a parameters resolution by the commission:

- (i) is not an obligation of the state; and
- (ii) is not an act that:
  - (A) lends the state's credit; or
  - (B) constitutes indebtedness within the meaning of any constitutional or statutory debt limitation.

(4) (a) The commission shall review and, at the commission's discretion, may make recommendations regarding a parameters resolution before:

- (i) a bonding political subdivision may issue a bond; or
- (ii) a public infrastructure district may issue a bond, if the creating entity of the public infrastructure district is a bonding political subdivision.

(b) The commission shall conduct the review under Subsection (4)(a) and forward any recommendations to the bonding political subdivision or public infrastructure district no later than 45 days after the day on which the commission receives the bonding political subdivision's or public infrastructure district's parameters resolution.

(c) Notwithstanding Subsection (4)(a), if the commission fails to review a parameters resolution or forward recommendations, if any, in the timeframe described in Subsection (4)(b), the bonding political subdivision or public infrastructure district, respectively, may proceed with the bond without review by the commission.

(d) After review by the commission under Subsection (4)(a), the bonding political subdivision or public infrastructure district:

- (i) shall consider recommendations by the commission; and
- (ii) may proceed with the bond but is under no obligation to issue the bond.

(5) The commission shall provide training and other information on debt management, lending and borrowing best practices, and compliance with state law to the authority, a bonding political subdivision, a large public transit district, and a loan entity.

(6) (a) Before a bonding government entity may enter into a concessionaire contract, the commission shall review and approve the concessionaire contract.

(b) If, after review, the commission approves the concessionaire contract, the bonding government entity:

- (i) may not change the terms of the concessionaire contract if the change is outside of:

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- (A) any applicable approved parameters of the concessionaire contract; or
- (B) the intended purposes of the concessionaire contract; and
- (ii) is under no obligation to enter into the concessionaire contract.

### Section 63. Repealer.

This bill repeals:

Section 11-68-401, Distribution of sales tax revenue to authority.

Section 11-68-402, Privilege tax -- Personal property tax revenue -- Deposit into  
**Utah State Fair Fund.**

Section 59-12-2301, Definitions.

Section 59-12-2302, Fair park authority may impose special event tax.

Section 59-12-2303, Seller or certified service provider reliance on commission  
information.

Section 59-12-2304, Certified service provider or model 2 seller reliance on  
commission certified software.

Section 59-12-2305, Purchaser relief from liability.

### Section 64. Effective date.

~~This~~(1) Except as provided in Subsection (2), this bill takes effect on May 1, 2024.

(2) The actions to Section 59-12-103 (Contingently Effective 01/01/25) contingently  
take effect on January 1, 2025.