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INDUSTRIAL HEMP AMENDMENTS
2024 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Jennifer Dailey-Provost
Senate Sponsor: Evan J. Vickers

LONG TITLE

General Description:

This bill modifies and enacts provisions related to industrial hemp.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ modifies serving size requirements;
- ▶ modifies provisions to allow the transportation of transportable industrial hemp concentrate under certain circumstances;
- ▶ repeals provisions related to the industrial hemp laboratory permit;
- ▶ repeals provisions related to the registration fee of a cannabinoid product;
- ▶ allows a local health department to notify the Department of Agriculture and Food regarding violations related to cannabinoid products;
- ▶ exempts a sale of a cannabinoid product from sales and use tax;
- ▶ enacts the Cannabinoid Product Licensing and Tax Act;
- ▶ authorizes the State Tax Commission to disclose to the Department of Agriculture information related to retailers that are licensed to sell and collect tax on a sale of a cannabinoid product;
- ▶ creates a grant program to encourage the production of industrial hemp products;
- ▶ requires law enforcement to conduct underage buying investigations regarding the sale of cannabinoid products that contain THC or a THC analog; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

28 This bill provides a special effective date.

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **4-41-102 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
32 Chapter 146

33 **4-41-103.1 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
34 Chapter 146

35 **4-41-103.4 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
36 Chapter 146

37 **4-41-104 (Effective 01/01/25)**, as last amended by Laws of Utah 2023, Chapter 146

38 **4-41-105 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
39 Chapter 146

40 **4-41-106 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
41 Chapter 146

42 **4-41-403 (Effective 01/01/25)**, as last amended by Laws of Utah 2023, Chapter 146

43 **26A-1-114 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
44 Chapters 90, 327

45 **58-37-2 (Effective upon governor's approval)**, as last amended by Laws of Utah 2022,
46 Chapters 165, 415

47 **58-37-3.6 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
48 Chapter 329

49 **59-1-306 (Effective 01/01/25)**, as last amended by Laws of Utah 2020, Chapter 294

50 **59-1-403 (Effective 01/01/25)**, as last amended by Laws of Utah 2023, Chapters 21, 52, 86,
51 259, and 329

52 **59-12-104 (Effective 01/01/25)**, as last amended by Laws of Utah 2023, Chapters 213, 518

53 **77-39-101 (Effective 01/01/25)**, as last amended by Laws of Utah 2021, Chapter 291

54 ENACTS:

55 **59-31-101 (Effective 01/01/25)**, as Utah Code Annotated 1953

56 **59-31-201 (Effective 01/01/25)**, as Utah Code Annotated 1953

57 **59-31-202 (Effective 01/01/25)**, as Utah Code Annotated 1953

58 **59-31-203 (Effective 01/01/25)**, as Utah Code Annotated 1953

59 **59-31-301 (Effective 01/01/25)**, as Utah Code Annotated 1953

60 **59-31-302 (Effective 01/01/25)**, as Utah Code Annotated 1953

61 **59-31-401 (Effective 01/01/25)**, as Utah Code Annotated 1953

62 **59-31-402 (Effective 01/01/25)**, as Utah Code Annotated 1953
63 **63N-3-1301 (Effective 01/01/25)**, as Utah Code Annotated 1953
64 **63N-3-1302 (Effective 01/01/25)**, as Utah Code Annotated 1953

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

67 Section 1. Section **4-41-102** is amended to read:

68 **4-41-102 (Effective upon governor's approval). Definitions.**

69 As used in this chapter:

- 70 (1) "Adulterant" means any poisonous or deleterious substance in a quantity that may be
71 injurious to human health, including:
- 72 (a) pesticides;
 - 73 (b) heavy metals;
 - 74 (c) solvents;
 - 75 (d) microbial life;
 - 76 (e) artificially derived cannabinoids;
 - 77 (f) toxins; or
 - 78 (g) foreign matter.
- 79 (2) (a) "Artificially derived cannabinoid" means a chemical substance that is created by
80 a chemical reaction that changes the molecular structure of any chemical substances
81 derived from the cannabis plant.
- 82 (b) "Artificially derived cannabinoid" does not include:
- 83 (i) a naturally occurring chemical substance that is separated from the cannabis plant
84 by a chemical or mechanical extraction process; or
 - 85 (ii) cannabinoids that are produced by decarboxylation from a naturally occurring
86 cannabinoid acid without the use of a chemical catalyst.
- 87 (3) "Cannabidiol" or "CBD" means the cannabinoid identified as CAS# 13956-29-1.
- 88 (4) "Cannabidiolic acid" or "CBDA" means the cannabinoid identified as CAS# 1244-58-2.
- 89 (5) "Cannabinoid processor license" means a license that the department issues to a person
90 for the purpose of processing a cannabinoid product.
- 91 (6) "Cannabinoid product" means a product that:
- 92 (a) contains or is represented to contain one or more naturally occurring cannabinoids;
 - 93 (b) contains less than the cannabinoid product THC level, by dry weight;
 - 94 (c) contains a combined amount of total THC and any THC analog that does not exceed
95 10% of the total cannabinoid content; ~~and~~

- 96 (d) does not exceed a total of THC and any THC analog that is greater than:
97 (i) 5 milligrams per serving; and
98 (ii) 150 milligrams per package[-] ; and
99 (e) unless the product is in an oil based suspension, has a serving size that:
100 (i) is an integer; and
101 (ii) is a discrete unit of the cannabinoid product.
- 102 (7) "Cannabinoid product class" means a group of cannabinoid products that:
103 (a) have all ingredients in common; and
104 (b) are produced by or for the same company.
- 105 (8) "Cannabinoid product THC level" means a combined concentration of total THC and
106 any THC analog of less than 0.3% on a dry weight basis if laboratory testing confirms a
107 result within a measurement of uncertainty that includes the combined concentration of
108 0.3%.
- 109 (9) "Cannabis" means the same as that term is defined in Section 26B-4-201.
- 110 ~~[(9)]~~ (10) "Delta-9-tetrahydrocannabinol" or "delta-9-THC" means the cannabinoid
111 identified as CAS# 1972-08-3, the primary psychotropic cannabinoid in cannabis.
- 112 ~~[(10)]~~ (11) "Industrial hemp" means any part of a cannabis plant, whether growing or not,
113 with a concentration of less than 0.3% tetrahydrocannabinol by dry weight.
- 114 ~~[(11) "Industrial hemp laboratory permit" means a permit that the department issues to a
115 laboratory qualified to test industrial hemp.]~~
- 116 (12) "Industrial hemp producer registration" means a registration that the department issues
117 to a person for the purpose of processing industrial hemp or an industrial hemp product.
- 118 (13) "Industrial hemp retailer permit" means a permit that the department issues to a retailer
119 who sells any viable industrial hemp seed or cannabinoid product.
- 120 (14) (a) "Industrial hemp product" means a product made by processing industrial hemp
121 plants or industrial hemp parts.
122 (b) "Industrial hemp product" does not include cannabinoid material.
- 123 (15) "Key participant" means any of the following:
124 (a) a licensee;
125 (b) an operation manager;
126 (c) a site manager; or
127 (d) an employee who has access to any industrial hemp material with a THC
128 concentration above 0.3%.
- 129 ~~[(16) "Laboratory permittee" means a person possessing an industrial hemp laboratory~~

- 130 ~~permit that the department issues under this chapter.]~~
- 131 [(17)] (16) "Licensee" means a person possessing a cannabinoid processor license that the
132 department issues under this chapter.
- 133 [(18)] (17) "Non-compliant material" means:
- 134 (a) a hemp plant that does not comply with this chapter, including a cannabis plant with
135 a concentration of 0.3% tetrahydrocannabinol or greater by dry weight; and
- 136 (b) a cannabinoid product, chemical, or compound with a concentration that exceeds the
137 cannabinoid product THC level.
- 138 [(19)] (18) "Permittee" means a person possessing a permit that the department issues under
139 this chapter.
- 140 [(20)] (19) "Person" means:
- 141 (a) an individual, partnership, association, firm, trust, limited liability company, or
142 corporation; and
- 143 (b) an agent or employee of an individual, partnership, association, firm, trust, limited
144 liability company, or corporation.
- 145 [(21)] (20) "Retailer permittee" means a person possessing an industrial hemp retailer permit
146 that the department issues under this chapter.
- 147 [(22)] (21) "Tetrahydrocannabinol" or "THC" means a delta-9-tetrahydrocannabinol, the
148 cannabinoid identified as CAS# 1972-08-3.
- 149 [(23)] (22) (a) "THC analog" means a substance that is structurally or pharmacologically
150 substantially similar to, or is represented as being similar to, delta-9-THC.
- 151 (b) "THC analog" does not include the following substances or the naturally occurring
152 acid forms of the following substances:
- 153 (i) cannabichromene (CBC), the cannabinoid identified as CAS# 20675-51-8;
- 154 (ii) cannabicyclol (CBL), the cannabinoid identified as CAS# 21366-63-2;
- 155 (iii) cannabidiol (CBD), the cannabinoid identified as CAS# 13956-29-1;
- 156 (iv) cannabidivanol (CBDV), the cannabinoid identified as CAS# 24274-48-4;
- 157 (v) cannabielsoin (CBE), the cannabinoid identified as CAS# 52025-76-0;
- 158 (vi) cannabigerol (CBG), the cannabinoid identified as CAS# 25654-31-3;
- 159 (vii) cannabigerovarin (CBGV), the cannabinoid identified as CAS# 55824-11-8;
- 160 (viii) cannabiol (CBN), the cannabinoid identified as CAS# 521-35-7;
- 161 (ix) cannabivarin (CBV), the cannabinoid identified as CAS# 33745-21-0; or
- 162 (x) delta-9-tetrahydrocannabivarin (THCV), the cannabinoid identified as CAS#
163 31262-37-0.

164 ~~[(24)]~~ (23) "Total cannabidiol" or "total CBD" means the combined amounts of cannabidiol
 165 and cannabidiolic acid, calculated as "total CBD = CBD + (CBDA x 0.877)".

166 ~~[(25)]~~ (24) "Total tetrahydrocannabinol" or "total THC" means the sum of the determined
 167 amounts of delta-9-THC, tetrahydrocannabinolic acid, calculated as "total THC =
 168 delta-9-THC + (THCA x 0.877)".

169 (25) "Transportable industrial hemp concentrate" means any amount of a natural
 170 cannabinoid in a purified state that:

171 (a) is the product of any chemical or physical process applied to naturally occurring
 172 biomass that concentrates or isolates the cannabinoids contained in the biomass;

173 (b) is derived from a cannabis plant that, based on sampling that was collected no more
 174 than 30 days before the day on which the cannabis plant was harvested, contains a
 175 combined concentration of total THC and any THC analog of less than 0.3% on a dry
 176 weight basis;

177 (c) has a THC and THC analog concentration total that is less than 20% when
 178 concentrated from the cannabis plant to the purified state; and

179 (d) is intended to be processed into a cannabinoid product.

180 Section 2. Section **4-41-103.1** is amended to read:

181 **4-41-103.1 (Effective upon governor's approval). Authority to regulate**
 182 **production, sale, and testing of cannabinoid products and industrial hemp --**
 183 **Information sharing with the State Tax Commission.**

184 (1) The department shall make rules in accordance with Title 63G, Chapter 3, Utah
 185 Administrative Rulemaking Act, to:

186 (a) establish requirements for a cannabinoid processor license to process cannabinoid
 187 products;

188 (b) establish requirements for an industrial hemp retailer permit to market or sell
 189 industrial hemp products;

190 (c) establish the standards, methods, practices, and procedures a laboratory must use [~~to~~
 191 ~~qualify for a permit to test~~] when:

192 (i) testing industrial hemp, transportable industrial hemp concentrate, and
 193 cannabinoid products; and [~~to dispose~~]

194 (ii) disposing of non-compliant material; [~~and~~]

195 (d) establish requirements for registration of processors of non-cannabinoid industrial
 196 hemp products[~~;~~] and

197 (e) establish standards for transporting transportable industrial hemp concentrate into

198 and out of the state.

199 (2) The department shall maintain a list of each licensee and permittee.

200 (3) Beginning January 1, 2025, the department shall provide to the State Tax Commission:

201 (a) a regularly updated list of every retailer permittee that sells a cannabinoid product;

202 (b) any information obtained by the department regarding a person who is not a retailer
 203 permittee and is selling a cannabinoid product; and

204 (c) the tax identification number:

205 (i) for a retailer permittee described in Subsection (3)(a); and

206 (ii) a person described in Subsection (3)(b).

207 Section 3. Section **4-41-103.4** is amended to read:

208 **4-41-103.4 (Effective upon governor's approval). Industrial hemp laboratory**
 209 **testing.**

210 (1) The department or a laboratory [~~permittee of~~] contracted with the department may test
 211 industrial hemp and cannabinoid products.

212 (2) The department or a laboratory [~~permittee of~~] contracted with the department may
 213 dispose of non-compliant material.

214 [~~(3) A laboratory seeking an industrial hemp laboratory permit shall:]~~

215 [~~(a) demonstrate to the department that:]~~

216 [~~(i) the laboratory and laboratory staff possess the professional certifications required by~~
 217 ~~department rule;]~~

218 [~~(ii) the laboratory has the ability to test industrial hemp and industrial hemp products~~
 219 ~~using the standards, methods, practices, and procedures required by department rule;]~~

220 [~~(iii) the laboratory has the ability to meet the department's minimum standards of~~
 221 ~~performance for detecting concentration levels of THC and any cannabinoid known to~~
 222 ~~be present; and]~~

223 [~~(iv) the laboratory has a plan that complies with the department's rule for the safe disposal~~
 224 ~~of non-compliant material; and]~~

225 [~~(b) provide to the department written consent allowing a representative of the department~~
 226 ~~and local law enforcement to enter all premises where the laboratory tests, processes, or~~
 227 ~~stores industrial hemp, industrial hemp products, and non-compliant plants for the~~
 228 ~~purpose of:]~~

229 [~~(i) conducting a physical inspection; or]~~

230 [~~(ii) ensuring compliance with the requirements of this chapter.]~~

231 [~~(4) An individual who has been convicted of a drug-related felony within the last 10 years~~

232 is not eligible to obtain a license under this chapter.]

233 [(5) The department may set a fee in accordance with Subsection 4-2-103(2) for the
234 application for an industrial hemp laboratory permit.]

235 Section 4. Section **4-41-104** is amended to read:

236 **4-41-104 (Effective 01/01/25). Product registration required for distribution --**
237 **Application -- Fees -- Renewal.**

238 (1) A cannabinoid product class or cannabinoid product that is not registered with the
239 department may not be distributed in this state.

240 (2) A person seeking registration for a cannabinoid product class or cannabinoid product
241 shall[~~(a)~~] apply to the department on forms provided by the department[~~;~~and] for a
242 registration for each cannabinoid product class or cannabinoid product the person
243 intends to distribute in the state.

244 [(b) submit an annual registration fee, determined by the department pursuant to
245 Subsection 4-2-103(2), for each cannabinoid product class or cannabinoid product the
246 person intends to distribute in this state.]

247 (3) The department may conduct tests, or require test results, to ensure that any claim made
248 by an applicant about a cannabinoid product class or cannabinoid product is accurate.

249 (4) Upon receipt by the department of a proper application [and payment of the appropriate
250 fee], as described in Subsection (2), the department shall issue a registration to the
251 applicant allowing the applicant to distribute the registered cannabinoid product class or
252 cannabinoid product in the state for one year from the date [of the payment of the fee] on
253 which the application is approved, subject to suspension or revocation for cause.

254 (5) The department shall mail, either through the postal service or electronically, forms for
255 the renewal of a registration to a registrant at least 30 days before the day on which the
256 registrant's registration expires.

257 Section 5. Section **4-41-105** is amended to read:

258 **4-41-105 (Effective upon governor's approval). Unlawful acts.**

259 (1) It is unlawful for a person to handle, process, or market living industrial hemp plants,
260 viable hemp seeds, leaf materials, or floral materials derived from industrial hemp
261 without the appropriate license or permit issued by the department under this chapter.

262 (2) (a) It is unlawful for any person to:

263 [(a)] (i) distribute, sell, or market a cannabinoid product that is:

264 [(i)] (A) not registered with the department under Section 4-41-104; or

265 [(ii)] (B) noncompliant material;

- 266 ~~[(b)]~~ (ii) except as provided in Subsection (2)(b), transport into or out of the state
 267 extracted material or final product that contains 0.3% or more of total THC and
 268 any THC analog;
- 269 ~~[(e)]~~ (iii) sell or use a cannabinoid product that is:
 270 ~~[(i)]~~ (A) added to a conventional food or beverage, as the department further
 271 defines in rules described in Section 4-41-403;
 272 ~~[(ii)]~~ (B) marketed or manufactured to be enticing to children, as further defined in
 273 rules described in Section 4-41-403; or
 274 ~~[(iii)]~~ (C) smokable flower; or
 275 ~~[(f)]~~ (iv) knowingly or intentionally sell or give a cannabinoid product that contains
 276 THC or a THC analog in the course of business to an individual who is not at least
 277 21 years old.
- 278 **(b) A person may transport transportable industrial hemp concentrate if the person:**
 279 **(i) complies with rules created by the department under Section 4-41-103.1 related to**
 280 **transportable industrial hemp concentrate; and**
 281 **(ii) (A) has an industrial hemp producer registration; or**
 282 **(B) the equivalent to an industrial hemp producer registration from another state.**
- 283 (3) The department may seize and destroy non-compliant material.
- 284 (4) Nothing in this chapter authorizes any person to violate federal law, regulation, or any
 285 provision of this title.
- 286 Section 6. Section **4-41-106** is amended to read:
 287 **4-41-106 (Effective upon governor's approval). Enforcement -- Fine -- Citation.**
- 288 (1) If a person violates this part, the department may:
 289 (a) revoke the person's license or permit;
 290 (b) decline to renew the person's license or permit; or
 291 (c) assess the person a civil penalty that the department establishes in accordance with
 292 Section 4-2-304.
- 293 (2) Except for a fine that the department assesses for an unlicensed processor, an
 294 unregistered product, or the sale of a cannabinoid product to an individual younger than
 295 21 years old, the department shall deposit a penalty imposed under this section into the
 296 General Fund.
- 297 (3) The department may take an action described in Subsection (4) if the department
 298 concludes, upon investigation, that a person has violated this chapter, a rule made under
 299 this chapter, or an order issued under this chapter.

- 300 (4) If the department makes the conclusion described in Subsection (3), the department
 301 shall:
- 302 (a) issue the person a written administrative citation;
- 303 (b) attempt to negotiate a stipulated settlement;
- 304 (c) seize, embargo, or destroy the industrial hemp batch or unregistered product;
- 305 (d) order the person to cease the violation; and
- 306 (e) if a stipulated settlement cannot be reached, conduct an adjudicative proceeding
 307 under Title 63G, Chapter 4, Administrative Procedures Act.
- 308 (5) The department may, for a person, other than an individual, that is subject to an
 309 uncontested citation, a stipulated settlement, or a finding of a violation in an adjudicative
 310 proceeding under this section, for a fine amount not already specified in law, assess the
 311 person a fine of up to \$5,000 per violation, in accordance with a fine schedule that the
 312 department establishes by rule in accordance with Title 63G, Chapter 3, Utah
 313 Administrative Rulemaking Act.
- 314 (6) The department may not revoke a cannabinoid processor license[;] or an industrial hemp
 315 retailer's permit[; ~~or an industrial hemp laboratory permit~~] without first giving the person
 316 the opportunity to appear before an adjudicative proceeding conducted under Title 63G,
 317 Chapter 4, Administrative Procedures Act.
- 318 (7) If, within 30 calendar days after the day on which a department serves a citation for a
 319 violation of this chapter, the person that is the subject of the citation fails to request a
 320 hearing to contest the citation, the citation becomes the department's final order.
- 321 (8) The department may, for a person who fails to comply with a citation under this section:
- 322 (a) refuse to issue or renew the person's processor license[;] or retailer permit[; ~~or~~
 323 ~~laboratory permit~~]; or
- 324 (b) suspend, revoke, or place on probation the person's processor license[;] or retailer
 325 permit[; ~~or laboratory permit~~].
- 326 Section 7. Section ~~4-41-403~~ is amended to read:
- 327 **4-41-403 (Effective 01/01/25). Standards for registration.**
- 328 (1) (a) The department shall make rules in accordance with Title 63G, Chapter 3, Utah
 329 Administrative Rulemaking Act:
- 330 (i) to determine standards for a registered cannabinoid product, including standards
 331 for:
- 332 (A) testing to ensure the product is safe for human consumption; and
- 333 (B) accurate labeling;

- 334 (ii) governing an entity that manufactures cannabinoid products, including standards
 335 for health and safety;
- 336 (iii) to determine when and how a cannabinoid processor's cannabinoid must be
 337 tested by the department at the expense of the cannabinoid processor;
- 338 (iv) regarding what constitutes:
- 339 (A) a conventional food or beverage; and
- 340 (B) a product that is marketed or manufactured to be enticing to children; ~~and~~
- 341 (v) regarding any other issue the department considers necessary for the safe
 342 production and sale of cannabinoid products[-] ; and
- 343 (vi) for a cannabinoid product that is not in an oil based suspension, prohibiting a
 344 serving size that is less than the full portion of a discrete unit of the cannabinoid
 345 product.
- 346 (b) Notwithstanding Subsection (1)(a), the department may not prohibit a sugar coating
 347 on a cannabinoid product to mask the product's taste, subject to the limitations
 348 described in Subsection (1)(a)(iv) or (v).
- 349 (2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 350 department may make rules to immediately ban or limit the presence of any substance in
 351 a cannabinoid product after receiving a recommendation to do so from a public health
 352 authority as defined in Section 26B-1-102.
- 353 ~~[(3) The department shall set a fee for a registered cannabinoid product, in accordance with~~
 354 ~~Section 4-2-103.]~~
- 355 ~~[(4) (a) A producer, manufacturer, or distributor of a cannabinoid product may pay the fee~~
 356 ~~described in Subsection (3).]~~
- 357 ~~[(b) A cannabinoid product may not be registered with the department until the fee~~
 358 ~~described in Subsection (3) is paid.]~~
- 359 ~~[(5) (3) The department shall set [an administrative fine, larger than the fee described in~~
 360 ~~Subsection (3).] a fine of not more than \$5,000 for a person who sells a cannabinoid~~
 361 ~~product that is not registered by the department.~~
- 362 Section 8. Section **26A-1-114** is amended to read:
- 363 **26A-1-114 (Effective upon governor's approval). Powers and duties of**
 364 **departments.**
- 365 (1) Subject to Subsections (7), (8), and (11), a local health department may:
- 366 (a) subject to the provisions in Section 26A-1-108, enforce state laws, local ordinances,
 367 department rules, and local health department standards and regulations relating to

- 368 public health and sanitation, including the plumbing code administered by the
369 Division of Professional Licensing under Title 15A, Chapter 1, Part 2, State
370 Construction Code Administration Act, and under Title 26B, Chapter 7, Part 4,
371 General Sanitation and Food Safety , in all incorporated and unincorporated areas
372 served by the local health department;
- 373 (b) establish, maintain, and enforce isolation and quarantine, and exercise physical
374 control over property and over individuals as the local health department finds
375 necessary for the protection of the public health;
- 376 (c) establish and maintain medical, environmental, occupational, and other laboratory
377 services considered necessary or proper for the protection of the public health;
- 378 (d) establish and operate reasonable health programs or measures not in conflict with
379 state law which:
- 380 (i) are necessary or desirable for the promotion or protection of the public health and
381 the control of disease; or
- 382 (ii) may be necessary to ameliorate the major risk factors associated with the major
383 causes of injury, sickness, death, and disability in the state;
- 384 (e) close theaters, schools, and other public places and prohibit gatherings of people
385 when necessary to protect the public health;
- 386 (f) abate nuisances or eliminate sources of filth and infectious and communicable
387 diseases affecting the public health and bill the owner or other person in charge of the
388 premises upon which this nuisance occurs for the cost of abatement;
- 389 (g) make necessary sanitary and health investigations and inspections on the local health
390 department's own initiative or in cooperation with the Department of Health and
391 Human Services or the Department of Environmental Quality, or both, as to any
392 matters affecting the public health;
- 393 (h) pursuant to county ordinance or interlocal agreement:
- 394 (i) establish and collect appropriate fees for the performance of services and
395 operation of authorized or required programs and duties;
- 396 (ii) accept, use, and administer all federal, state, or private donations or grants of
397 funds, property, services, or materials for public health purposes; and
- 398 (iii) make agreements not in conflict with state law which are conditional to receiving
399 a donation or grant;
- 400 (i) prepare, publish, and disseminate information necessary to inform and advise the
401 public concerning:

- 402 (i) the health and wellness of the population, specific hazards, and risk factors that
403 may adversely affect the health and wellness of the population; and
- 404 (ii) specific activities individuals and institutions can engage in to promote and
405 protect the health and wellness of the population;
- 406 (j) investigate the causes of morbidity and mortality;
- 407 (k) issue notices and orders necessary to carry out this part;
- 408 (l) conduct studies to identify injury problems, establish injury control systems, develop
409 standards for the correction and prevention of future occurrences, and provide public
410 information and instruction to special high risk groups;
- 411 (m) cooperate with boards created under Section 19-1-106 to enforce laws and rules
412 within the jurisdiction of the boards;
- 413 (n) cooperate with the state health department, the Department of Corrections, the
414 Administrative Office of the Courts, the Division of Juvenile Justice and Youth
415 Services, and the Crime Victim Reparations Board to conduct testing for HIV
416 infection of alleged sexual offenders, convicted sexual offenders, and any victims of
417 a sexual offense;
- 418 (o) investigate suspected bioterrorism and disease pursuant to Section 26B-7-321; ~~and~~
- 419 (p) provide public health assistance in response to a national, state, or local emergency, a
420 public health emergency as defined in Section 26B-7-301, or a declaration by the
421 President of the United States or other federal official requesting public health-related
422 activities[-] ; and
- 423 (q) when conducting routine inspections of businesses regulated by the local health
424 department, notify the Department of Agriculture and Food of a potential violation of
425 Title 4, Chapter 41, Hemp and Cannabinoid Act.
- 426 (2) The local health department shall:
- 427 (a) establish programs or measures to promote and protect the health and general
428 wellness of the people within the boundaries of the local health department;
- 429 (b) investigate infectious and other diseases of public health importance and implement
430 measures to control the causes of epidemic and communicable diseases and other
431 conditions significantly affecting the public health which may include involuntary
432 testing of alleged sexual offenders for the HIV infection pursuant to Section
433 53-10-802 and voluntary testing of victims of sexual offenses for HIV infection
434 pursuant to Section 53-10-803;
- 435 (c) cooperate with the department in matters pertaining to the public health and in the

- 436 administration of state health laws; and
- 437 (d) coordinate implementation of environmental programs to maximize efficient use of
438 resources by developing with the Department of Environmental Quality a
439 Comprehensive Environmental Service Delivery Plan which:
- 440 (i) recognizes that the Department of Environmental Quality and local health
441 departments are the foundation for providing environmental health programs in
442 the state;
- 443 (ii) delineates the responsibilities of the department and each local health department
444 for the efficient delivery of environmental programs using federal, state, and local
445 authorities, responsibilities, and resources;
- 446 (iii) provides for the delegation of authority and pass through of funding to local
447 health departments for environmental programs, to the extent allowed by
448 applicable law, identified in the plan, and requested by the local health
449 department; and
- 450 (iv) is reviewed and updated annually.
- 451 (3) The local health department has the following duties regarding public and private
452 schools within the local health department's boundaries:
- 453 (a) enforce all ordinances, standards, and regulations pertaining to the public health of
454 persons attending public and private schools;
- 455 (b) exclude from school attendance any person, including teachers, who is suffering
456 from any communicable or infectious disease, whether acute or chronic, if the person
457 is likely to convey the disease to those in attendance; and
- 458 (c) (i) make regular inspections of the health-related condition of all school buildings
459 and premises;
- 460 (ii) report the inspections on forms furnished by the department to those responsible
461 for the condition and provide instructions for correction of any conditions that
462 impair or endanger the health or life of those attending the schools; and
- 463 (iii) provide a copy of the report to the department at the time the report is made.
- 464 (4) If those responsible for the health-related condition of the school buildings and premises
465 do not carry out any instructions for corrections provided in a report in Subsection
466 (3)(c), the local health board shall cause the conditions to be corrected at the expense of
467 the persons responsible.
- 468 (5) The local health department may exercise incidental authority as necessary to carry out
469 the provisions and purposes of this part.

- 470 (6) Nothing in this part may be construed to authorize a local health department to enforce
471 an ordinance, rule, or regulation requiring the installation or maintenance of a carbon
472 monoxide detector in a residential dwelling against anyone other than the occupant of
473 the dwelling.
- 474 (7) (a) Except as provided in Subsection (7)(c), a local health department may not
475 declare a public health emergency or issue an order of constraint until the local health
476 department has provided notice of the proposed action to the chief executive officer
477 of the relevant county no later than 24 hours before the local health department issues
478 the order or declaration.
- 479 (b) The local health department:
- 480 (i) shall provide the notice required by Subsection (7)(a) using the best available
481 method under the circumstances as determined by the local health department;
- 482 (ii) may provide the notice required by Subsection (7)(a) in electronic format; and
- 483 (iii) shall provide the notice in written form, if practicable.
- 484 (c) (i) Notwithstanding Subsection (7)(a), a local health department may declare a
485 public health emergency or issue an order of constraint without approval of the
486 chief executive officer of the relevant county if the passage of time necessary to
487 obtain approval of the chief executive officer of the relevant county as required in
488 Subsection (7)(a) would substantially increase the likelihood of loss of life due to
489 an imminent threat.
- 490 (ii) If a local health department declares a public health emergency or issues an order
491 of constraint as described in Subsection (7)(c)(i), the local health department shall
492 notify the chief executive officer of the relevant county before issuing the order of
493 constraint.
- 494 (iii) The chief executive officer of the relevant county may terminate a declaration of
495 a public health emergency or an order of constraint issued as described in
496 Subsection (7)(c)(i) within 72 hours of declaration of the public health emergency
497 or issuance of the order of constraint.
- 498 (d) (i) The relevant county governing body may at any time terminate a public health
499 emergency or an order of constraint issued by the local health department by
500 majority vote of the county governing body in response to a declared public health
501 emergency.
- 502 (ii) A vote by the relevant county governing body to terminate a public health
503 emergency or an order of constraint as described in Subsection (7)(d)(i) is not

- 504 subject to veto by the relevant chief executive officer.
- 505 (8) (a) Except as provided in Subsection (8)(b), a public health emergency declared by a
506 local health department expires at the earliest of:
- 507 (i) the local health department or the chief executive officer of the relevant county
508 finding that the threat or danger has passed or the public health emergency
509 reduced to the extent that emergency conditions no longer exist;
- 510 (ii) 30 days after the date on which the local health department declared the public
511 health emergency; or
- 512 (iii) the day on which the public health emergency is terminated by majority vote of
513 the county governing body.
- 514 (b) (i) The relevant county legislative body, by majority vote, may extend a public
515 health emergency for a time period designated by the county legislative body.
- 516 (ii) If the county legislative body extends a public health emergency as described in
517 Subsection (8)(b)(i), the public health emergency expires on the date designated
518 by the county legislative body.
- 519 (c) Except as provided in Subsection (8)(d), if a public health emergency declared by a
520 local health department expires as described in Subsection (8)(a), the local health
521 department may not declare a public health emergency for the same illness or
522 occurrence that precipitated the previous public health emergency declaration.
- 523 (d) (i) Notwithstanding Subsection (8)(c), subject to Subsection (8)(f), if the local
524 health department finds that exigent circumstances exist, after providing notice to
525 the county legislative body, the department may declare a new public health
526 emergency for the same illness or occurrence that precipitated a previous public
527 health emergency declaration.
- 528 (ii) A public health emergency declared as described in Subsection (8)(d)(i) expires
529 in accordance with Subsection (8)(a) or (b).
- 530 (e) For a public health emergency declared by a local health department under this
531 chapter or under Title 26B, Chapter 7, Part 3, Treatment, Isolation, and Quarantine
532 Procedures for Communicable Diseases, the Legislature may terminate by joint
533 resolution a public health emergency that was declared based on exigent
534 circumstances or that has been in effect for more than 30 days.
- 535 (f) If the Legislature or county legislative body terminates a public health emergency
536 declared due to exigent circumstances as described in Subsection (8)(d)(i), the local
537 health department may not declare a new public health emergency for the same

- 538 illness, occurrence, or exigent circumstances.
- 539 (9) (a) During a public health emergency declared under this chapter or under Title 26B,
540 Chapter 7, Part 3, Treatment, Isolation, and Quarantine Procedures for
541 Communicable Diseases:
- 542 (i) except as provided in Subsection (9)(b), a local health department may not issue
543 an order of constraint without approval of the chief executive officer of the
544 relevant county;
 - 545 (ii) the Legislature may at any time terminate by joint resolution an order of
546 constraint issued by a local health department in response to a declared public
547 health emergency that has been in effect for more than 30 days; and
 - 548 (iii) a county governing body may at any time terminate by majority vote of the
549 governing body an order of constraint issued by a local health department in
550 response to a declared public health emergency.
- 551 (b) (i) Notwithstanding Subsection (9)(a)(i), a local health department may issue an
552 order of constraint without approval of the chief executive officer of the relevant
553 county if the passage of time necessary to obtain approval of the chief executive
554 officer of the relevant county as required in Subsection (9)(a)(i) would
555 substantially increase the likelihood of loss of life due to an imminent threat.
- 556 (ii) If a local health department issues an order of constraint as described in
557 Subsection (9)(b), the local health department shall notify the chief executive
558 officer of the relevant county before issuing the order of constraint.
 - 559 (iii) The chief executive officer of the relevant county may terminate an order of
560 constraint issued as described in Subsection (9)(b) within 72 hours of issuance of
561 the order of constraint.
- 562 (c) (i) For a local health department that serves more than one county, the approval
563 described in Subsection (9)(a)(i) is required for the chief executive officer for
564 which the order of constraint is applicable.
- 565 (ii) For a local health department that serves more than one county, a county
566 governing body may only terminate an order of constraint as described in
567 Subsection (9)(a)(iii) for the county served by the county governing body.
- 568 (10) (a) During a public health emergency declared as described in this title:
- 569 (i) the department or a local health department may not impose an order of constraint
570 on a religious gathering that is more restrictive than an order of constraint that
571 applies to any other relevantly similar gathering; and

- 572 (ii) an individual, while acting or purporting to act within the course and scope of the
 573 individual's official department or local health department capacity, may not:
 574 (A) prevent a religious gathering that is held in a manner consistent with any order
 575 of constraint issued pursuant to this title; or
 576 (B) impose a penalty for a previous religious gathering that was held in a manner
 577 consistent with any order of constraint issued pursuant to this title.
- 578 (b) Upon proper grounds, a court of competent jurisdiction may grant an injunction to
 579 prevent the violation of this Subsection (10).
- 580 (c) During a public health emergency declared as described in this title, the department
 581 or a local health department shall not issue a public health order or impose or
 582 implement a regulation that substantially burdens an individual's exercise of religion
 583 unless the department or local health department demonstrates that the application of
 584 the burden to the individual:
- 585 (i) is in furtherance of a compelling government interest; and
 586 (ii) is the least restrictive means of furthering that compelling government interest.
- 587 (d) Notwithstanding Subsections (8)(a) and (c), the department or a local health
 588 department shall allow reasonable accommodations for an individual to perform or
 589 participate in a religious practice or rite.
- 590 (11) An order of constraint issued by a local health department pursuant to a declared
 591 public health emergency does not apply to a facility, property, or area owned or leased
 592 by the state, including the capitol hill complex, as that term is defined in Section
 593 63C-9-102.
- 594 (12) A local health department may not:
- 595 (a) require a person to obtain an inspection, license, or permit from the local health
 596 department to engage in a practice described in Subsection 58-11a-304(5); or
 597 (b) prevent or limit a person's ability to engage in a practice described in Subsection
 598 58-11a-304(5) by:
- 599 (i) requiring the person to engage in the practice at a specific location or at a
 600 particular type of facility or location; or
 601 (ii) enforcing a regulation applicable to a facility or location where the person
 602 chooses to engage in the practice.
- 603 Section 9. Section **58-37-2** is amended to read:
 604 **58-37-2 (Effective upon governor's approval). Definitions.**
 605 (1) As used in this chapter:

- 606 (a) "Administer" means the direct application of a controlled substance, whether by
607 injection, inhalation, ingestion, or any other means, to the body of a patient or
608 research subject by:
- 609 (i) a practitioner or, in the practitioner's presence, by the practitioner's authorized
610 agent; or
- 611 (ii) the patient or research subject at the direction and in the presence of the
612 practitioner.
- 613 (b) "Agent" means an authorized person who acts on behalf of or at the direction of a
614 manufacturer, distributor, or practitioner but does not include a motor carrier, public
615 warehouseman, or employee of any of them.
- 616 (c) "Consumption" means ingesting or having any measurable amount of a controlled
617 substance in a person's body, but this Subsection (1)(c) does not include the
618 metabolite of a controlled substance.
- 619 (d) "Continuing criminal enterprise" means any individual, sole proprietorship,
620 partnership, corporation, business trust, association, or other legal entity, and any
621 union or groups of individuals associated in fact although not a legal entity, and
622 includes illicit as well as licit entities created or maintained for the purpose of
623 engaging in conduct which constitutes the commission of episodes of activity made
624 unlawful by Chapter 37, Utah Controlled Substances Act, Chapter 37a, Utah Drug
625 Paraphernalia Act, Chapter 37b, Imitation Controlled Substances Act, Chapter 37c,
626 Utah Controlled Substance Precursor Act, or Chapter 37d, Clandestine Drug Lab Act,
627 which episodes are not isolated, but have the same or similar purposes, results,
628 participants, victims, methods of commission, or otherwise are interrelated by
629 distinguishing characteristics. Taken together, the episodes shall demonstrate
630 continuing unlawful conduct and be related either to each other or to the enterprise.
- 631 (e) "Control" means to add, remove, or change the placement of a drug, substance, or
632 immediate precursor under Section 58-37-3.
- 633 (f) (i) "Controlled substance" means a drug or substance:
- 634 (A) included in Schedules I, II, III, IV, or V of Section 58-37-4;
- 635 (B) included in Schedules I, II, III, IV, or V of the federal Controlled Substances
636 Act, Title II, P.L. 91-513;
- 637 (C) that is a controlled substance analog; or
- 638 (D) listed in Section 58-37-4.2.
- 639 (ii) "Controlled substance" does not include:

- 640 (A) distilled spirits, wine, or malt beverages, as those terms are defined in Title
641 32B, Alcoholic Beverage Control Act;
- 642 (B) any drug intended for lawful use in the diagnosis, cure, mitigation, treatment,
643 or prevention of disease in human or other animals, which contains ephedrine,
644 pseudoephedrine, norpseudoephedrine, or phenylpropanolamine if the drug is
645 lawfully purchased, sold, transferred, or furnished as an over-the-counter
646 medication without prescription; or
- 647 (C) dietary supplements, vitamins, minerals, herbs, or other similar substances
648 including concentrates or extracts, which:
- 649 (I) are not otherwise regulated by law; and
- 650 (II) may contain naturally occurring amounts of chemical or substances listed
651 in this chapter, or in rules adopted pursuant to Title 63G, Chapter 3, Utah
652 Administrative Rulemaking Act.
- 653 (g) (i) "Controlled substance analog" means:
- 654 (A) a substance the chemical structure of which is substantially similar to the
655 chemical structure of a controlled substance listed in Schedules I and II of
656 Section 58-37-4, a substance listed in Section 58-37-4.2, or in Schedules I and
657 II of the federal Controlled Substances Act, Title II, P.L. 91-513;
- 658 (B) a substance which has a stimulant, depressant, or hallucinogenic effect on the
659 central nervous system substantially similar to the stimulant, depressant, or
660 hallucinogenic effect on the central nervous system of controlled substances
661 listed in Schedules I and II of Section 58-37-4, substances listed in Section
662 58-37-4.2, or substances listed in Schedules I and II of the federal Controlled
663 Substances Act, Title II, P.L. 91-513; or
- 664 (C) A substance which, with respect to a particular individual, is represented or
665 intended to have a stimulant, depressant, or hallucinogenic effect on the central
666 nervous system substantially similar to the stimulant, depressant, or
667 hallucinogenic effect on the central nervous system of controlled substances
668 listed in Schedules I and II of Section 58-37-4, substances listed in Section
669 58-37-4.2, or substances listed in Schedules I and II of the federal Controlled
670 Substances Act, Title II, P.L. 91-513.
- 671 (ii) "Controlled substance analog" does not include:
- 672 (A) a controlled substance currently scheduled in Schedules I through V of
673 Section 58-37-4;

- 674 (B) a substance for which there is an approved new drug application;
- 675 (C) a substance with respect to which an exemption is in effect for investigational
676 use by a particular person under Section 505 of the Food, Drug, and Cosmetic
677 Act, 21 U.S.C. 355, to the extent the conduct with respect to the substance is
678 permitted by the exemption;
- 679 (D) any substance to the extent not intended for human consumption before an
680 exemption takes effect with respect to the substance;
- 681 (E) any drug intended for lawful use in the diagnosis, cure, mitigation, treatment,
682 or prevention of disease in man or other animals, which contains ephedrine,
683 pseudoephedrine, norpseudoephedrine, or phenylpropanolamine if the drug is
684 lawfully purchased, sold, transferred, or furnished as an over-the-counter
685 medication without prescription; or
- 686 (F) dietary supplements, vitamins, minerals, herbs, or other similar substances
687 including concentrates or extracts, which are not otherwise regulated by law,
688 which may contain naturally occurring amounts of chemical or substances
689 listed in this chapter, or in rules adopted pursuant to Title 63G, Chapter 3, Utah
690 Administrative Rulemaking Act.
- 691 (h) (i) "Conviction" means a determination of guilt by verdict, whether jury or bench,
692 or plea, whether guilty or no contest, for any offense proscribed by:
- 693 (A) Chapter 37, Utah Controlled Substances Act;
- 694 (B) Chapter 37a, Utah Drug Paraphernalia Act;
- 695 (C) Chapter 37b, Imitation Controlled Substances Act;
- 696 (D) Chapter 37c, Utah Controlled Substance Precursor Act; or
- 697 (E) Chapter 37d, Clandestine Drug Lab Act; or
- 698 (ii) for any offense under the laws of the United States and any other state which, if
699 committed in this state, would be an offense under:
- 700 (A) Chapter 37, Utah Controlled Substances Act;
- 701 (B) Chapter 37a, Utah Drug Paraphernalia Act;
- 702 (C) Chapter 37b, Imitation Controlled Substances Act;
- 703 (D) Chapter 37c, Utah Controlled Substance Precursor Act; or
- 704 (E) Chapter 37d, Clandestine Drug Lab Act.
- 705 (i) "Counterfeit substance" means:
- 706 (i) any controlled substance or container or labeling of any controlled substance that:
- 707 (A) without authorization bears the trademark, trade name, or other identifying

- 708 mark, imprint, number, device, or any likeness of them, of a manufacturer,
709 distributor, or dispenser other than the person or persons who in fact
710 manufactured, distributed, or dispensed the substance which falsely purports to
711 be a controlled substance distributed by any other manufacturer, distributor, or
712 dispenser; and
- 713 (B) a reasonable person would believe to be a controlled substance distributed by
714 an authorized manufacturer, distributor, or dispenser based on the appearance
715 of the substance as described under Subsection (1)(i)(i)(A) or the appearance of
716 the container of that controlled substance; or
- 717 (ii) any substance other than under Subsection (1)(i)(i) that:
- 718 (A) is falsely represented to be any legally or illegally manufactured controlled
719 substance; and
- 720 (B) a reasonable person would believe to be a legal or illegal controlled substance.
- 721 (j) "Deliver" or "delivery" means the actual, constructive, or attempted transfer of a
722 controlled substance or a listed chemical, whether or not an agency relationship exists.
- 723 (k) "Department" means the Department of Commerce.
- 724 (l) "Depressant or stimulant substance" means:
- 725 (i) a drug which contains any quantity of barbituric acid or any of the salts of
726 barbituric acid;
- 727 (ii) a drug which contains any quantity of:
- 728 (A) amphetamine or any of its optical isomers;
- 729 (B) any salt of amphetamine or any salt of an optical isomer of amphetamine; or
- 730 (C) any substance which the Secretary of Health and Human Services or the
731 Attorney General of the United States after investigation has found and by
732 regulation designated habit-forming because of its stimulant effect on the
733 central nervous system;
- 734 (iii) lysergic acid diethylamide; or
- 735 (iv) any drug which contains any quantity of a substance which the Secretary of
736 Health and Human Services or the Attorney General of the United States after
737 investigation has found to have, and by regulation designated as having, a
738 potential for abuse because of its depressant or stimulant effect on the central
739 nervous system or its hallucinogenic effect.
- 740 (m) "Dispense" means the delivery of a controlled substance by a pharmacist to an
741 ultimate user pursuant to the lawful order or prescription of a practitioner, and

- 742 includes distributing to, leaving with, giving away, or disposing of that substance as
743 well as the packaging, labeling, or compounding necessary to prepare the substance
744 for delivery.
- 745 (n) "Dispenser" means a pharmacist who dispenses a controlled substance.
- 746 (o) "Distribute" means to deliver other than by administering or dispensing a controlled
747 substance or a listed chemical.
- 748 (p) "Distributor" means a person who distributes controlled substances.
- 749 (q) "Division" means the Division of Professional Licensing created in Section 58-1-103.
- 750 (r) (i) "Drug" means:
- 751 (A) a substance recognized in the official United States Pharmacopoeia, Official
752 Homeopathic Pharmacopoeia of the United States, or Official National
753 Formulary, or any supplement to any of them, intended for use in the
754 diagnosis, cure, mitigation, treatment, or prevention of disease in humans or
755 animals;
- 756 (B) a substance that is required by any applicable federal or state law or rule to be
757 dispensed by prescription only or is restricted to administration by practitioners
758 only;
- 759 (C) a substance other than food intended to affect the structure or any function of
760 the body of humans or other animals; and
- 761 (D) substances intended for use as a component of any substance specified in
762 Subsections (1)(r)(i)(A), (B), and (C).
- 763 (ii) "Drug" does not include dietary supplements.
- 764 (s) "Drug dependent person" means any individual who unlawfully and habitually uses
765 any controlled substance to endanger the public morals, health, safety, or welfare, or
766 who is so dependent upon the use of controlled substances as to have lost the power
767 of self-control with reference to the individual's dependency.
- 768 (t) "Food" means:
- 769 (i) any nutrient or substance of plant, mineral, or animal origin other than a drug as
770 specified in this chapter, and normally ingested by human beings; and
- 771 (ii) foods for special dietary uses as exist by reason of a physical, physiological,
772 pathological, or other condition including but not limited to the conditions of
773 disease, convalescence, pregnancy, lactation, allergy, hypersensitivity to food,
774 underweight, and overweight; uses for supplying a particular dietary need which
775 exist by reason of age including but not limited to the ages of infancy and

776 childbirth, and also uses for supplementing and for fortifying the ordinary or
777 unusual diet with any vitamin, mineral, or other dietary property for use of a food.
778 Any particular use of a food is a special dietary use regardless of the nutritional
779 purposes.

780 (u) "Immediate precursor" means a substance which the Attorney General of the United
781 States has found to be, and by regulation designated as being, the principal compound
782 used or produced primarily for use in the manufacture of a controlled substance, or
783 which is an immediate chemical intermediary used or likely to be used in the
784 manufacture of a controlled substance, the control of which is necessary to prevent,
785 curtail, or limit the manufacture of the controlled substance.

786 (v) "Indian" means a member of an Indian tribe.

787 (w) "Indian religion" means any religion:

788 (i) the origin and interpretation of which is from within a traditional Indian culture or
789 community; and

790 (ii) which is practiced by Indians.

791 (x) "Indian tribe" means any tribe, band, nation, pueblo, or other organized group or
792 community of Indians, including any Alaska Native village, which is legally
793 recognized as eligible for and is consistent with the special programs, services, and
794 entitlements provided by the United States to Indians because of their status as
795 Indians.

796 (y) "Manufacture" means the production, preparation, propagation, compounding, or
797 processing of a controlled substance, either directly or indirectly by extraction from
798 substances of natural origin, or independently by means of chemical synthesis or by a
799 combination of extraction and chemical synthesis.

800 (z) "Manufacturer" includes any person who packages, repackages, or labels any
801 container of any controlled substance, except pharmacists who dispense or compound
802 prescription orders for delivery to the ultimate consumer.

803 (aa) (i) "Marijuana" means all species of the genus cannabis and all parts of the
804 genus, whether growing or not, including:

805 (A) seeds;

806 (B) resin extracted from any part of the plant, including the resin extracted from
807 the mature stalks;

808 (C) every compound, manufacture, salt, derivative, mixture, or preparation of the
809 plant, seeds, or resin;

- 810 (D) any synthetic equivalents of the substances contained in the plant cannabis
811 sativa or any other species of the genus cannabis which are chemically
812 indistinguishable and pharmacologically active; and
- 813 (E) any component part or cannabinoid extracted or isolated from the plant,
814 including extracted or isolated tetrahydrocannabinols.
- 815 (ii) "Marijuana" does not include:
- 816 (A) the mature stalks of the plant;
- 817 (B) fiber produced from the stalks;
- 818 (C) oil or cake made from the seeds of the plant;
- 819 (D) except as provided in Subsection (1)(aa)(i), any other compound,
820 manufacture, salt, derivative, mixture, or preparation of the mature stalks,
821 fiber, oil or cake;
- 822 (E) the sterilized seed of the plant which is incapable of germination; [ø†]
- 823 (F) any compound, mixture, or preparation approved by the federal Food and
824 Drug Administration under the federal Food, Drug, and Cosmetic Act, 21
825 U.S.C. Sec. 301 et seq. that is not listed in a schedule of controlled substances
826 in Section 58-37-4 or in the federal Controlled Substances Act, Title II, P.L.
827 91-513[-] ; or
- 828 (G) transportable industrial hemp concentrate as that term is defined in Section
829 4-41-102.
- 830 (bb) "Money" means officially issued coin and currency of the United States or any
831 foreign country.
- 832 (cc) "Narcotic drug" means any of the following, whether produced directly or indirectly
833 by extraction from substances of vegetable origin, or independently by means of
834 chemical synthesis, or by a combination of extraction and chemical synthesis:
- 835 (i) opium, coca leaves, and opiates;
- 836 (ii) a compound, manufacture, salt, derivative, or preparation of opium, coca leaves,
837 or opiates;
- 838 (iii) opium poppy and poppy straw; or
- 839 (iv) a substance, and any compound, manufacture, salt, derivative, or preparation of
840 the substance, which is chemically identical with any of the substances referred to
841 in Subsection (1)(cc)(i), (ii), or (iii), except narcotic drug does not include
842 decocainized coca leaves or extracts of coca leaves which do not contain cocaine
843 or ecgonine.

- 844 (dd) "Negotiable instrument" means documents, containing an unconditional promise to
845 pay a sum of money, which are legally transferable to another party by endorsement
846 or delivery.
- 847 (ee) "Opiate" means any drug or other substance having an addiction-forming or
848 addiction-sustaining liability similar to morphine or being capable of conversion into
849 a drug having addiction-forming or addiction-sustaining liability.
- 850 (ff) "Opium poppy" means the plant of the species *papaver somniferum* L., except the
851 seeds of the plant.
- 852 (gg) "Person" means any corporation, association, partnership, trust, other institution or
853 entity or one or more individuals.
- 854 (hh) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.
- 855 (ii) "Possession" or "use" means the joint or individual ownership, control, occupancy,
856 holding, retaining, belonging, maintaining, or the application, inhalation, swallowing,
857 injection, or consumption, as distinguished from distribution, of controlled
858 substances and includes individual, joint, or group possession or use of controlled
859 substances. For a person to be a possessor or user of a controlled substance, it is not
860 required that the person be shown to have individually possessed, used, or controlled
861 the substance, but it is sufficient if it is shown that the person jointly participated with
862 one or more persons in the use, possession, or control of any substances with
863 knowledge that the activity was occurring, or the controlled substance is found in a
864 place or under circumstances indicating that the person had the ability and the intent
865 to exercise dominion and control over it.
- 866 (jj) "Practitioner" means a physician, dentist, naturopathic physician, veterinarian,
867 pharmacist, scientific investigator, pharmacy, hospital, or other person licensed,
868 registered, or otherwise permitted to distribute, dispense, conduct research with
869 respect to, administer, or use in teaching or chemical analysis a controlled substance
870 in the course of professional practice or research in this state.
- 871 (kk) "Prescribe" means to issue a prescription:
- 872 (i) orally or in writing; or
- 873 (ii) by telephone, facsimile transmission, computer, or other electronic means of
874 communication as defined by division rule.
- 875 (ll) "Prescription" means an order issued:
- 876 (i) by a licensed practitioner, in the course of that practitioner's professional practice
877 or by collaborative pharmacy practice agreement; and

878 (ii) for a controlled substance or other prescription drug or device for use by a patient
 879 or an animal.

880 (mm) "Production" means the manufacture, planting, cultivation, growing, or harvesting
 881 of a controlled substance.

882 (nn) "Securities" means any stocks, bonds, notes, or other evidences of debt or of
 883 property.

884 (oo) "State" means the state of Utah.

885 (pp) "Ultimate user" means any person who lawfully possesses a controlled substance
 886 for the person's own use, for the use of a member of the person's household, or for
 887 administration to an animal owned by the person or a member of the person's
 888 household.

889 (2) If a term used in this chapter is not defined, the definition and terms of Title 76, Utah
 890 Criminal Code, shall apply.

891 Section 10. Section **58-37-3.6** is amended to read:

892 **58-37-3.6 (Effective upon governor's approval). Exemption for possession or**
 893 **distribution of a cannabinoid product, expanded cannabinoid product, or**
 894 **transportable industrial hemp concentrate.**

895 (1) As used in this section:

896 (a) "Cannabinoid product" means a product intended for human ingestion that:

- 897 (i) contains an extract or concentrate that is obtained from cannabis;
- 898 (ii) is prepared in a medicinal dosage form; and
- 899 (iii) contains at least 10 units of cannabidiol for every one unit of
 900 tetrahydrocannabinol.

901 (b) "Cannabis" means any part of the plant cannabis sativa, whether growing or not.

902 (c) "Drug paraphernalia" means the same as that term is defined in Section 58-37a-3.

903 (d) "Expanded cannabinoid product" means a product intended for human ingestion that:

- 904 (i) contains an extract or concentrate that is obtained from cannabis;
- 905 (ii) is prepared in a medicinal dosage form; and
- 906 (iii) contains less than 10 units of cannabidiol for every one unit of
 907 tetrahydrocannabinol.

908 (e) "Hemp cannabinoid product" means a product that:

- 909 (i) contains or is represented to contain one or more naturally occurring cannabinoids;
- 910 (ii) contains less than the cannabinoid product THC level, by dry weight;
- 911 (iii) contains a combined amount of total THC and any THC analog that does not

- 912 exceed 10% of the total cannabinoid content;
- 913 (iv) does not exceed a total of THC and any THC analog that is greater than five
- 914 milligrams per serving and 150 milligrams per package; and
- 915 (v) unless the product is in an oil based suspension, has a serving size that is an
- 916 integer.
- 917 (f) "Transportable industrial hemp concentrate" means any amount of a natural
- 918 cannabinoid in a purified state that:
- 919 (i) is the product of any chemical or physical process applied to naturally occurring
- 920 biomass that concentrates or isolates the cannabinoids contained in the biomass;
- 921 (ii) is derived from a cannabis plant that, based on sampling that was collected no
- 922 more than 30 days before the day on which the cannabis plant was harvested,
- 923 contains a combined concentration of total THC and any THC analog of less than
- 924 0.3% on a dry weight basis; and
- 925 (iii) has a THC and THC analog concentration total less than 20% when concentrated
- 926 from the cannabis plant to the purified state.
- 927 [(e)] (g) "Medicinal dosage form" means:
- 928 (i) a tablet;
- 929 (ii) a capsule;
- 930 (iii) a concentrated oil;
- 931 (iv) a liquid suspension;
- 932 (v) a transdermal preparation; or
- 933 (vi) a sublingual preparation.
- 934 [(f)] (h) "Tetrahydrocannabinol" means a substance derived from cannabis that meets the
- 935 description in Subsection 58-37-4(2)(a)(iii)(AA).
- 936 (2) Notwithstanding any other provision of this chapter an individual who possesses or
- 937 distributes a cannabinoid product or an expanded cannabinoid product is not subject to
- 938 the penalties described in this title for the possession or distribution of marijuana or
- 939 tetrahydrocannabinol to the extent that the individual's possession or distribution of the
- 940 cannabinoid product or expanded cannabinoid product complies with Title 26B, Chapter
- 941 4, Part 2, Cannabinoid Research and Medical Cannabis.
- 942 (3) Notwithstanding any other provision of this chapter, a person who possesses and
- 943 distributes transportable industrial hemp concentrate is not subject to the penalties
- 944 described in this chapter for the possession or distribution of transportable industrial
- 945 hemp concentrate if the transportable industrial hemp concentrate is handled in

946 accordance with the rules established under Subsection 4-41-103.1(1)(e) or is destroyed.

947 Section 11. Section **59-1-306** is amended to read:

948 **59-1-306 (Effective 01/01/25). Definition -- State Tax Commission**

949 **Administrative Charge Account -- Amount of administrative charge -- Deposit of**

950 **revenue into the restricted account -- Interest deposited into General Fund --**

951 **Expenditure of money deposited into the restricted account.**

952 (1) As used in this section, "qualifying tax, fee, or charge" means a tax, fee, or charge the
953 commission administers under:

954 (a) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

955 (b) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

956 (c) Section 19-6-714;

957 (d) Section 19-6-805;

958 (e) Chapter 12, Sales and Use Tax Act, other than a tax under Chapter 12, Part 1, Tax
959 Collection, or Chapter 12, Part 18, Additional State Sales and Use Tax Act;

960 (f) Section 59-27-105;

961 (g) Chapter 31, Cannabinoid Licensing and Tax Act;

962 [~~(g)~~] (h) Section 63H-1-205; or

963 [~~(h)~~] (i) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service
964 Charges.

965 (2) There is created a restricted account within the General Fund known as the "State Tax
966 Commission Administrative Charge Account."

967 (3) Subject to the other provisions of this section, the restricted account shall consist of
968 administrative charges the commission retains and deposits in accordance with this
969 section.

970 (4) For purposes of this section, the administrative charge is a percentage of [~~revenues~~]
971 revenue the commission collects from each qualifying tax, fee, or charge of not to
972 exceed the lesser of:

973 (a) 1.5%; or

974 (b) an equal percentage of [~~revenues~~] revenue the commission collects from each
975 qualifying tax, fee, or charge sufficient to cover the cost to the commission of
976 administering the qualifying taxes, fees, or charges.

977 (5) The commission shall deposit an administrative charge into the restricted account.

978 (6) Interest earned on the restricted account shall be deposited into the General Fund.

979 (7) The commission shall expend money appropriated by the Legislature to the commission

980 from the restricted account to administer qualifying taxes, fees, or charges.

981 Section 12. Section **59-1-403** is amended to read:

982 **59-1-403 (Effective 01/01/25). Confidentiality -- Exceptions -- Penalty --**
983 **Application to property tax.**

984 (1) As used in this section:

985 (a) "Distributed tax, fee, or charge" means a tax, fee, or charge:

986 (i) the commission administers under:

987 (A) this title, other than a tax under Chapter 12, Part 2, Local Sales and Use Tax
988 Act;

989 (B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

990 (C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

991 (D) Section 19-6-805;

992 (E) Section 63H-1-205; or

993 (F) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service
994 Charges; and

995 (ii) with respect to which the commission distributes the revenue collected from the
996 tax, fee, or charge to a qualifying jurisdiction.

997 (b) "Qualifying jurisdiction" means:

998 (i) a county, city, town, or metro township;

999 (ii) the military installation development authority created in Section 63H-1-201; or

1000 (iii) the Utah Inland Port Authority created in Section 11-58-201.

1001 (2) (a) Any of the following may not divulge or make known in any manner any
1002 information gained by that person from any return filed with the commission:

1003 (i) a tax commissioner;

1004 (ii) an agent, clerk, or other officer or employee of the commission; or

1005 (iii) a representative, agent, clerk, or other officer or employee of any county, city, or
1006 town.

1007 (b) An official charged with the custody of a return filed with the commission is not
1008 required to produce the return or evidence of anything contained in the return in any
1009 action or proceeding in any court, except:

1010 (i) in accordance with judicial order;

1011 (ii) on behalf of the commission in any action or proceeding under:

1012 (A) this title; or

1013 (B) other law under which persons are required to file returns with the

- 1014 commission;
- 1015 (iii) on behalf of the commission in any action or proceeding to which the
- 1016 commission is a party; or
- 1017 (iv) on behalf of any party to any action or proceeding under this title if the report or
- 1018 facts shown by the return are directly involved in the action or proceeding.
- 1019 (c) Notwithstanding Subsection (2)(b), a court may require the production of, and may
- 1020 admit in evidence, any portion of a return or of the facts shown by the return, as are
- 1021 specifically pertinent to the action or proceeding.
- 1022 (3) This section does not prohibit:
- 1023 (a) a person or that person's duly authorized representative from receiving a copy of any
- 1024 return or report filed in connection with that person's own tax;
- 1025 (b) the publication of statistics as long as the statistics are classified to prevent the
- 1026 identification of particular reports or returns; and
- 1027 (c) the inspection by the attorney general or other legal representative of the state of the
- 1028 report or return of any taxpayer:
- 1029 (i) who brings action to set aside or review a tax based on the report or return;
- 1030 (ii) against whom an action or proceeding is contemplated or has been instituted
- 1031 under this title; or
- 1032 (iii) against whom the state has an unsatisfied money judgment.
- 1033 (4) (a) Notwithstanding Subsection (2) and for purposes of administration, the
- 1034 commission may by rule, made in accordance with Title 63G, Chapter 3, Utah
- 1035 Administrative Rulemaking Act, provide for a reciprocal exchange of information
- 1036 with:
- 1037 (i) the United States Internal Revenue Service; or
- 1038 (ii) the revenue service of any other state.
- 1039 (b) Notwithstanding Subsection (2) and for all taxes except individual income tax and
- 1040 corporate franchise tax, the commission may by rule, made in accordance with Title
- 1041 63G, Chapter 3, Utah Administrative Rulemaking Act, share information gathered
- 1042 from returns and other written statements with the federal government, any other
- 1043 state, any of the political subdivisions of another state, or any political subdivision of
- 1044 this state, except as limited by Sections 59-12-209 and 59-12-210, if the political
- 1045 subdivision, other state, or the federal government grant substantially similar
- 1046 privileges to this state.
- 1047 (c) Notwithstanding Subsection (2) and for all taxes except individual income tax and

- 1048 corporate franchise tax, the commission may by rule, in accordance with Title 63G,
1049 Chapter 3, Utah Administrative Rulemaking Act, provide for the issuance of
1050 information concerning the identity and other information of taxpayers who have
1051 failed to file tax returns or to pay any tax due.
- 1052 (d) Notwithstanding Subsection (2), the commission shall provide to the director of the
1053 Division of Environmental Response and Remediation, as defined in Section
1054 19-6-402, as requested by the director of the Division of Environmental Response
1055 and Remediation, any records, returns, or other information filed with the
1056 commission under Chapter 13, Motor and Special Fuel Tax Act, or Section
1057 19-6-410.5 regarding the environmental assurance program participation fee.
- 1058 (e) Notwithstanding Subsection (2), at the request of any person the commission shall
1059 provide that person sales and purchase volume data reported to the commission on a
1060 report, return, or other information filed with the commission under:
- 1061 (i) Chapter 13, Part 2, Motor Fuel; or
1062 (ii) Chapter 13, Part 4, Aviation Fuel.
- 1063 (f) Notwithstanding Subsection (2), upon request from a tobacco product manufacturer,
1064 as defined in Section 59-22-202, the commission shall report to the manufacturer:
- 1065 (i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
1066 manufacturer and reported to the commission for the previous calendar year under
1067 Section 59-14-407; and
- 1068 (ii) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
1069 manufacturer for which a tax refund was granted during the previous calendar
1070 year under Section 59-14-401 and reported to the commission under Subsection
1071 59-14-401(1)(a)(v).
- 1072 (g) Notwithstanding Subsection (2), the commission shall notify manufacturers,
1073 distributors, wholesalers, and retail dealers of a tobacco product manufacturer that is
1074 prohibited from selling cigarettes to consumers within the state under Subsection
1075 59-14-210(2).
- 1076 (h) Notwithstanding Subsection (2), the commission may:
- 1077 (i) provide to the Division of Consumer Protection within the Department of
1078 Commerce and the attorney general data:
1079 (A) reported to the commission under Section 59-14-212; or
1080 (B) related to a violation under Section 59-14-211; and
1081 (ii) upon request, provide to any person data reported to the commission under

- 1082 Subsections 59-14-212(1)(a) through (c) and Subsection 59-14-212(1)(g).
- 1083 (i) Notwithstanding Subsection (2), the commission shall, at the request of a committee
1084 of the Legislature, the Office of the Legislative Fiscal Analyst, or the Governor's
1085 Office of Planning and Budget, provide to the committee or office the total amount of
1086 revenues collected by the commission under Chapter 24, Radioactive Waste Facility
1087 Tax Act, for the time period specified by the committee or office.
- 1088 (j) Notwithstanding Subsection (2), the commission shall make the directory required by
1089 Section 59-14-603 available for public inspection.
- 1090 (k) Notwithstanding Subsection (2), the commission may share information with federal,
1091 state, or local agencies as provided in Subsection 59-14-606(3).
- 1092 (l) (i) Notwithstanding Subsection (2), the commission shall provide the Office of
1093 Recovery Services within the Department of Health and Human Services any
1094 relevant information obtained from a return filed under Chapter 10, Individual
1095 Income Tax Act, regarding a taxpayer who has become obligated to the Office of
1096 Recovery Services.
- 1097 (ii) The information described in Subsection (4)(l)(i) may be provided by the Office
1098 of Recovery Services to any other state's child support collection agency involved
1099 in enforcing that support obligation.
- 1100 (m) (i) Notwithstanding Subsection (2), upon request from the state court
1101 administrator, the commission shall provide to the state court administrator, the
1102 name, address, telephone number, county of residence, and social security number
1103 on resident returns filed under Chapter 10, Individual Income Tax Act.
- 1104 (ii) The state court administrator may use the information described in Subsection
1105 (4)(m)(i) only as a source list for the master jury list described in Section
1106 78B-1-106.
- 1107 (n) (i) As used in this Subsection (4)(n):
- 1108 (A) "GO Utah office" means the Governor's Office of Economic Opportunity
1109 created in Section 63N-1a-301.
- 1110 (B) "Income tax information" means information gained by the commission that is
1111 required to be attached to or included in a return filed with the commission
1112 under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10,
1113 Individual Income Tax Act.
- 1114 (C) "Other tax information" means information gained by the commission that is
1115 required to be attached to or included in a return filed with the commission

- 1116 except for a return filed under Chapter 7, Corporate Franchise and Income
1117 Taxes, or Chapter 10, Individual Income Tax Act.
- 1118 (D) "Tax information" means income tax information or other tax information.
- 1119 (ii) (A) Notwithstanding Subsection (2) and except as provided in Subsection
1120 (4)(n)(ii)(B) or (C), the commission shall at the request of the GO Utah office
1121 provide to the GO Utah office all income tax information.
- 1122 (B) For purposes of a request for income tax information made under Subsection
1123 (4)(n)(ii)(A), the GO Utah office may not request and the commission may not
1124 provide to the GO Utah office a person's address, name, social security
1125 number, or taxpayer identification number.
- 1126 (C) In providing income tax information to the GO Utah office, the commission
1127 shall in all instances protect the privacy of a person as required by Subsection
1128 (4)(n)(ii)(B).
- 1129 (iii) (A) Notwithstanding Subsection (2) and except as provided in Subsection
1130 (4)(n)(iii)(B), the commission shall at the request of the GO Utah office
1131 provide to the GO Utah office other tax information.
- 1132 (B) Before providing other tax information to the GO Utah office, the commission
1133 shall redact or remove any name, address, social security number, or taxpayer
1134 identification number.
- 1135 (iv) The GO Utah office may provide tax information received from the commission
1136 in accordance with this Subsection (4)(n) only:
- 1137 (A) as a fiscal estimate, fiscal note information, or statistical information; and
1138 (B) if the tax information is classified to prevent the identification of a particular
1139 return.
- 1140 (v) (A) A person may not request tax information from the GO Utah office under
1141 Title 63G, Chapter 2, Government Records Access and Management Act, or
1142 this section, if the GO Utah office received the tax information from the
1143 commission in accordance with this Subsection (4)(n).
- 1144 (B) The GO Utah office may not provide to a person that requests tax information
1145 in accordance with Subsection (4)(n)(v)(A) any tax information other than the
1146 tax information the GO Utah office provides in accordance with Subsection
1147 (4)(n)(iv).
- 1148 (o) Notwithstanding Subsection (2), the commission may provide to the governing board
1149 of the agreement or a taxing official of another state, the District of Columbia, the

- 1150 United States, or a territory of the United States:
- 1151 (i) the following relating to an agreement sales and use tax:
- 1152 (A) information contained in a return filed with the commission;
- 1153 (B) information contained in a report filed with the commission;
- 1154 (C) a schedule related to Subsection (4)(o)(i)(A) or (B); or
- 1155 (D) a document filed with the commission; or
- 1156 (ii) a report of an audit or investigation made with respect to an agreement sales and
- 1157 use tax.
- 1158 (p) Notwithstanding Subsection (2), the commission may provide information
- 1159 concerning a taxpayer's state income tax return or state income tax withholding
- 1160 information to the Driver License Division if the Driver License Division:
- 1161 (i) requests the information; and
- 1162 (ii) provides the commission with a signed release form from the taxpayer allowing
- 1163 the Driver License Division access to the information.
- 1164 (q) Notwithstanding Subsection (2), the commission shall provide to the Utah
- 1165 Communications Authority, or a division of the Utah Communications Authority, the
- 1166 information requested by the authority under Sections 63H-7a-302, 63H-7a-402, and
- 1167 63H-7a-502.
- 1168 (r) Notwithstanding Subsection (2), the commission shall provide to the Utah
- 1169 Educational Savings Plan information related to a resident or nonresident individual's
- 1170 contribution to a Utah Educational Savings Plan account as designated on the
- 1171 resident or nonresident's individual income tax return as provided under Section
- 1172 59-10-1313.
- 1173 (s) Notwithstanding Subsection (2), for the purpose of verifying eligibility under
- 1174 Sections 26B-3-106 and 26B-3-903, the commission shall provide an eligibility
- 1175 worker with the Department of Health and Human Services or its designee with the
- 1176 adjusted gross income of an individual if:
- 1177 (i) an eligibility worker with the Department of Health and Human Services or its
- 1178 designee requests the information from the commission; and
- 1179 (ii) the eligibility worker has complied with the identity verification and consent
- 1180 provisions of Sections 26B-3-106 and 26B-3-903.
- 1181 (t) Notwithstanding Subsection (2), the commission may provide to a county, as
- 1182 determined by the commission, information declared on an individual income tax
- 1183 return in accordance with Section 59-10-103.1 that relates to eligibility to claim a

- 1184 residential exemption authorized under Section 59-2-103.
- 1185 (u) Notwithstanding Subsection (2), the commission shall provide a report regarding any
1186 access line provider that is over 90 days delinquent in payment to the commission of
1187 amounts the access line provider owes under Title 69, Chapter 2, Part 4, Prepaid
1188 Wireless Telecommunications Service Charges, to the board of the Utah
1189 Communications Authority created in Section 63H-7a-201.
- 1190 (v) Notwithstanding Subsection (2), the commission shall provide the Department of
1191 Environmental Quality a report on the amount of tax paid by a radioactive waste
1192 facility for the previous calendar year under Section 59-24-103.5.
- 1193 (w) Notwithstanding Subsection (2), the commission may, upon request, provide to the
1194 Department of Workforce Services any information received under Chapter 10, Part
1195 4, Withholding of Tax, that is relevant to the duties of the Department of Workforce
1196 Services.
- 1197 (x) Notwithstanding Subsection (2), the commission may provide the Public Service
1198 Commission or the Division of Public Utilities information related to a seller that
1199 collects and remits to the commission a charge described in Subsection 69-2-405(2),
1200 including the seller's identity and the number of charges described in Subsection
1201 69-2-405(2) that the seller collects.
- 1202 (y) (i) Notwithstanding Subsection (2), the commission shall provide to each
1203 qualifying jurisdiction the collection data necessary to verify the revenue collected
1204 by the commission for a distributed tax, fee, or charge collected within the
1205 qualifying jurisdiction.
- 1206 (ii) In addition to the information provided under Subsection (4)(y)(i), the
1207 commission shall provide a qualifying jurisdiction with copies of returns and other
1208 information relating to a distributed tax, fee, or charge collected within the
1209 qualifying jurisdiction.
- 1210 (iii) (A) To obtain the information described in Subsection (4)(y)(ii), the chief
1211 executive officer or the chief executive officer's designee of the qualifying
1212 jurisdiction shall submit a written request to the commission that states the
1213 specific information sought and how the qualifying jurisdiction intends to use
1214 the information.
- 1215 (B) The information described in Subsection (4)(y)(ii) is available only in official
1216 matters of the qualifying jurisdiction.
- 1217 (iv) Information that a qualifying jurisdiction receives in response to a request under

- 1218 this subsection is:
- 1219 (A) classified as a private record under Title 63G, Chapter 2, Government Records
- 1220 Access and Management Act; and
- 1221 (B) subject to the confidentiality requirements of this section.
- 1222 (z) Notwithstanding Subsection (2), the commission shall provide the Alcoholic
- 1223 Beverage Services Commission, upon request, with taxpayer status information
- 1224 related to state tax obligations necessary to comply with the requirements described
- 1225 in Section 32B-1-203.
- 1226 (aa) Notwithstanding Subsection (2), the commission shall inform the Department of
- 1227 Workforce Services, as soon as practicable, whether an individual claimed and is
- 1228 entitled to claim a federal earned income tax credit for the year requested by the
- 1229 Department of Workforce Services if:
- 1230 (i) the Department of Workforce Services requests this information; and
- 1231 (ii) the commission has received the information release described in Section
- 1232 35A-9-604.
- 1233 (bb) (i) As used in this Subsection (4)(bb), "unclaimed property administrator" means
- 1234 the administrator or the administrator's agent, as those terms are defined in Section
- 1235 67-4a-102.
- 1236 (ii) (A) Notwithstanding Subsection (2), upon request from the unclaimed
- 1237 property administrator and to the extent allowed under federal law, the
- 1238 commission shall provide the unclaimed property administrator the name,
- 1239 address, telephone number, county of residence, and social security number or
- 1240 federal employer identification number on any return filed under Chapter 7,
- 1241 Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax
- 1242 Act.
- 1243 (B) The unclaimed property administrator may use the information described in
- 1244 Subsection (4)(aa)(ii)(A) only for the purpose of returning unclaimed property
- 1245 to the property's owner in accordance with Title 67, Chapter 4a, Revised
- 1246 Uniform Unclaimed Property Act.
- 1247 (iii) The unclaimed property administrator is subject to the confidentiality provisions
- 1248 of this section with respect to any information the unclaimed property
- 1249 administrator receives under this Subsection (4)(aa).
- 1250 (cc) Notwithstanding Subsection (2), the commission may provide the Department of
- 1251 Agriculture and Food with information from a return filed in accordance with

- 1252 Chapter 31, Cannabinoid Licensing and Tax Act.
- 1253 (5) (a) Each report and return shall be preserved for at least three years.
- 1254 (b) After the three-year period provided in Subsection (5)(a) the commission may
- 1255 destroy a report or return.
- 1256 (6) (a) Any individual who violates this section is guilty of a class A misdemeanor.
- 1257 (b) If the individual described in Subsection (6)(a) is an officer or employee of the state,
- 1258 the individual shall be dismissed from office and be disqualified from holding public
- 1259 office in this state for a period of five years thereafter.
- 1260 (c) Notwithstanding Subsection (6)(a) or (b), the GO Utah office, when requesting
- 1261 information in accordance with Subsection (4)(n)(iii), or an individual who requests
- 1262 information in accordance with Subsection (4)(n)(v):
- 1263 (i) is not guilty of a class A misdemeanor; and
- 1264 (ii) is not subject to:
- 1265 (A) dismissal from office in accordance with Subsection (6)(b); or
- 1266 (B) disqualification from holding public office in accordance with Subsection
- 1267 (6)(b).
- 1268 (d) Notwithstanding Subsection (6)(a) or (b), for a disclosure of information to the
- 1269 Office of the Legislative Auditor General in accordance with Title 36, Chapter 12,
- 1270 Legislative Organization, an individual described in Subsection (2):
- 1271 (i) is not guilty of a class A misdemeanor; and
- 1272 (ii) is not subject to:
- 1273 (A) dismissal from office in accordance with Subsection (6)(b); or
- 1274 (B) disqualification from holding public office in accordance with Subsection
- 1275 (6)(b).
- 1276 (7) Except as provided in Section 59-1-404, this part does not apply to the property tax.
- 1277 Section 13. Section **59-12-104** is amended to read:
- 1278 **59-12-104 (Effective 01/01/25). Exemptions.**
- 1279 Exemptions from the taxes imposed by this chapter are as follows:
- 1280 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
- 1281 under Chapter 13, Motor and Special Fuel Tax Act;
- 1282 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political
- 1283 subdivisions; however, this exemption does not apply to sales of:
- 1284 (a) construction materials except:
- 1285 (i) construction materials purchased by or on behalf of institutions of the public

- 1286 education system as defined in Utah Constitution, Article X, Section 2, provided
1287 the construction materials are clearly identified and segregated and installed or
1288 converted to real property which is owned by institutions of the public education
1289 system; and
- 1290 (ii) construction materials purchased by the state, its institutions, or its political
1291 subdivisions which are installed or converted to real property by employees of the
1292 state, its institutions, or its political subdivisions; or
- 1293 (b) tangible personal property in connection with the construction, operation,
1294 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or
1295 facilities providing additional project capacity, as defined in Section 11-13-103;
- 1296 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:
1297 (i) the proceeds of each sale do not exceed \$1; and
1298 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
1299 the cost of the item described in Subsection (3)(b) as goods consumed; and
- 1300 (b) Subsection (3)(a) applies to:
1301 (i) food and food ingredients; or
1302 (ii) prepared food;
- 1303 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:
1304 (i) alcoholic beverages;
1305 (ii) food and food ingredients; or
1306 (iii) prepared food;
- 1307 (b) sales of tangible personal property or a product transferred electronically:
1308 (i) to a passenger;
1309 (ii) by a commercial airline carrier; and
1310 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 1311 (c) services related to Subsection (4)(a) or (b);
- 1312 (5) sales of parts and equipment for installation in an aircraft operated by a common carrier
1313 in interstate or foreign commerce;
- 1314 (6) sales of commercials, motion picture films, prerecorded audio program tapes or records,
1315 and prerecorded video tapes by a producer, distributor, or studio to a motion picture
1316 exhibitor, distributor, or commercial television or radio broadcaster;
- 1317 (7) (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of
1318 cleaning or washing of tangible personal property if the cleaning or washing of the
1319 tangible personal property is not assisted cleaning or washing of tangible personal

- 1320 property;
- 1321 (b) if a seller that sells at the same business location assisted cleaning or washing of
- 1322 tangible personal property and cleaning or washing of tangible personal property that
- 1323 is not assisted cleaning or washing of tangible personal property, the exemption
- 1324 described in Subsection (7)(a) applies if the seller separately accounts for the sales of
- 1325 the assisted cleaning or washing of the tangible personal property; and
- 1326 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah
- 1327 Administrative Rulemaking Act, the commission may make rules:
- 1328 (i) governing the circumstances under which sales are at the same business location;
- 1329 and
- 1330 (ii) establishing the procedures and requirements for a seller to separately account for
- 1331 sales of assisted cleaning or washing of tangible personal property;
- 1332 (8) sales made to or by religious or charitable institutions in the conduct of their regular
- 1333 religious or charitable functions and activities, if the requirements of Section 59-12-104.1
- 1334 are fulfilled;
- 1335 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this
- 1336 state if:
- 1337 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;
- 1338 (b) the vehicle is not registered in this state; and
- 1339 (c) (i) the vehicle is not used in this state; or
- 1340 (ii) the vehicle is used in this state:
- 1341 (A) if the vehicle is not used to conduct business, for a time period that does not
- 1342 exceed the longer of:
- 1343 (I) 30 days in any calendar year; or
- 1344 (II) the time period necessary to transport the vehicle to the borders of this
- 1345 state; or
- 1346 (B) if the vehicle is used to conduct business, for the time period necessary to
- 1347 transport the vehicle to the borders of this state;
- 1348 (10) (a) amounts paid for an item described in Subsection (10)(b) if:
- 1349 (i) the item is intended for human use; and
- 1350 (ii) (A) a prescription was issued for the item; or
- 1351 (B) the item was purchased by a hospital or other medical facility; and
- 1352 (b) (i) Subsection (10)(a) applies to:
- 1353 (A) a drug;

- 1354 (B) a syringe; or
1355 (C) a stoma supply; and
1356 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1357 the commission may by rule define the terms:
1358 (A) "syringe"; or
1359 (B) "stoma supply";
- 1360 (11) purchases or leases exempt under Section 19-12-201;
1361 (12) (a) sales of an item described in Subsection (12)(c) served by:
1362 (i) the following if the item described in Subsection (12)(c) is not available to the
1363 general public:
1364 (A) a church; or
1365 (B) a charitable institution; or
1366 (ii) an institution of higher education if:
1367 (A) the item described in Subsection (12)(c) is not available to the general public;
1368 or
1369 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal
1370 plan offered by the institution of higher education; or
1371 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
1372 (i) a medical facility; or
1373 (ii) a nursing facility; and
1374 (c) Subsections (12)(a) and (b) apply to:
1375 (i) food and food ingredients;
1376 (ii) prepared food; or
1377 (iii) alcoholic beverages;
- 1378 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
1379 or a product transferred electronically by a person:
1380 (i) regardless of the number of transactions involving the sale of that tangible
1381 personal property or product transferred electronically by that person; and
1382 (ii) not regularly engaged in the business of selling that type of tangible personal
1383 property or product transferred electronically;
1384 (b) this Subsection (13) does not apply if:
1385 (i) the sale is one of a series of sales of a character to indicate that the person is
1386 regularly engaged in the business of selling that type of tangible personal property
1387 or product transferred electronically;

- 1388 (ii) the person holds that person out as regularly engaged in the business of selling
 1389 that type of tangible personal property or product transferred electronically;
- 1390 (iii) the person sells an item of tangible personal property or product transferred
 1391 electronically that the person purchased as a sale that is exempt under Subsection
 1392 (25); or
- 1393 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws
 1394 of this state in which case the tax is based upon:
- 1395 (A) the bill of sale, lease agreement, or other written evidence of value of the
 1396 vehicle or vessel being sold; or
- 1397 (B) in the absence of a bill of sale, lease agreement, or other written evidence of
 1398 value, the fair market value of the vehicle or vessel being sold at the time of the
 1399 sale as determined by the commission; and
- 1400 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 1401 commission shall make rules establishing the circumstances under which:
- 1402 (i) a person is regularly engaged in the business of selling a type of tangible personal
 1403 property or product transferred electronically;
- 1404 (ii) a sale of tangible personal property or a product transferred electronically is one
 1405 of a series of sales of a character to indicate that a person is regularly engaged in
 1406 the business of selling that type of tangible personal property or product
 1407 transferred electronically; or
- 1408 (iii) a person holds that person out as regularly engaged in the business of selling a
 1409 type of tangible personal property or product transferred electronically;
- 1410 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal
 1411 operating repair or replacement parts, or materials, except for office equipment or office
 1412 supplies, by:
- 1413 (a) a manufacturing facility that:
- 1414 (i) is located in the state; and
- 1415 (ii) uses or consumes the machinery, equipment, normal operating repair or
 1416 replacement parts, or materials:
- 1417 (A) in the manufacturing process to manufacture an item sold as tangible personal
 1418 property, as the commission may define that phrase in accordance with Title
 1419 63G, Chapter 3, Utah Administrative Rulemaking Act; or
- 1420 (B) for a scrap recycler, to process an item sold as tangible personal property, as
 1421 the commission may define that phrase in accordance with Title 63G, Chapter

- 1422 3, Utah Administrative Rulemaking Act;
- 1423 (b) an establishment, as the commission defines that term in accordance with Title 63G,
1424 Chapter 3, Utah Administrative Rulemaking Act, that:
- 1425 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
1426 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for
1427 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except
1428 Fuels) Mining, of the 2002 North American Industry Classification System of the
1429 federal Executive Office of the President, Office of Management and Budget;
- 1430 (ii) is located in the state; and
- 1431 (iii) uses or consumes the machinery, equipment, normal operating repair or
1432 replacement parts, or materials in:
- 1433 (A) the production process to produce an item sold as tangible personal property,
1434 as the commission may define that phrase in accordance with Title 63G,
1435 Chapter 3, Utah Administrative Rulemaking Act;
- 1436 (B) research and development, as the commission may define that phrase in
1437 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 1438 (C) transporting, storing, or managing tailings, overburden, or similar waste
1439 materials produced from mining;
- 1440 (D) developing or maintaining a road, tunnel, excavation, or similar feature used
1441 in mining; or
- 1442 (E) preventing, controlling, or reducing dust or other pollutants from mining; or
- 1443 (c) an establishment, as the commission defines that term in accordance with Title 63G,
1444 Chapter 3, Utah Administrative Rulemaking Act, that:
- 1445 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
1446 American Industry Classification System of the federal Executive Office of the
1447 President, Office of Management and Budget;
- 1448 (ii) is located in the state; and
- 1449 (iii) uses or consumes the machinery, equipment, normal operating repair or
1450 replacement parts, or materials in the operation of the web search portal;
- 1451 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:
- 1452 (i) tooling;
- 1453 (ii) special tooling;
- 1454 (iii) support equipment;
- 1455 (iv) special test equipment; or

- 1456 (v) parts used in the repairs or renovations of tooling or equipment described in
1457 Subsections (15)(a)(i) through (iv); and
- 1458 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
- 1459 (i) the tooling, equipment, or parts are used or consumed exclusively in the
1460 performance of any aerospace or electronics industry contract with the United
1461 States government or any subcontract under that contract; and
- 1462 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
1463 title to the tooling, equipment, or parts is vested in the United States government
1464 as evidenced by:
- 1465 (A) a government identification tag placed on the tooling, equipment, or parts; or
1466 (B) listing on a government-approved property record if placing a government
1467 identification tag on the tooling, equipment, or parts is impractical;
- 1468 (16) sales of newspapers or newspaper subscriptions;
- 1469 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a product
1470 transferred electronically traded in as full or part payment of the purchase price,
1471 except that for purposes of calculating sales or use tax upon vehicles not sold by a
1472 vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:
- 1473 (i) the bill of sale or other written evidence of value of the vehicle being sold and the
1474 vehicle being traded in; or
- 1475 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
1476 fair market value of the vehicle being sold and the vehicle being traded in, as
1477 determined by the commission; and
- 1478 (b) Subsection (17)(a) does not apply to the following items of tangible personal
1479 property or products transferred electronically traded in as full or part payment of the
1480 purchase price:
- 1481 (i) money;
- 1482 (ii) electricity;
- 1483 (iii) water;
- 1484 (iv) gas; or
- 1485 (v) steam;
- 1486 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal
1487 property or a product transferred electronically used or consumed primarily and
1488 directly in farming operations, regardless of whether the tangible personal
1489 property or product transferred electronically:

- 1490 (A) becomes part of real estate; or
- 1491 (B) is installed by a farmer, contractor, or subcontractor; or
- 1492 (ii) sales of parts used in the repairs or renovations of tangible personal property or a
- 1493 product transferred electronically if the tangible personal property or product
- 1494 transferred electronically is exempt under Subsection (18)(a)(i); and
- 1495 (b) amounts paid or charged for the following are subject to the taxes imposed by this
- 1496 chapter:
- 1497 (i) (A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or
- 1498 supplies if used in a manner that is incidental to farming; and
- 1499 (B) tangible personal property that is considered to be used in a manner that is
- 1500 incidental to farming includes:
- 1501 (I) hand tools; or
- 1502 (II) maintenance and janitorial equipment and supplies;
- 1503 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a
- 1504 product transferred electronically if the tangible personal property or product
- 1505 transferred electronically is used in an activity other than farming; and
- 1506 (B) tangible personal property or a product transferred electronically that is
- 1507 considered to be used in an activity other than farming includes:
- 1508 (I) office equipment and supplies; or
- 1509 (II) equipment and supplies used in:
- 1510 (Aa) the sale or distribution of farm products;
- 1511 (Bb) research; or
- 1512 (Cc) transportation; or
- 1513 (iii) a vehicle required to be registered by the laws of this state during the period
- 1514 ending two years after the date of the vehicle's purchase;
- 1515 (19) sales of hay;
- 1516 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden,
- 1517 farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
- 1518 garden, farm, or other agricultural produce is sold by:
- 1519 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
- 1520 agricultural produce;
- 1521 (b) an employee of the producer described in Subsection (20)(a); or
- 1522 (c) a member of the immediate family of the producer described in Subsection (20)(a);
- 1523 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under

- 1524 the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
- 1525 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
- 1526 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
- 1527 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
- 1528 manufacturer, processor, wholesaler, or retailer;
- 1529 (23) a product stored in the state for resale;
- 1530 (24) (a) purchases of a product if:
- 1531 (i) the product is:
- 1532 (A) purchased outside of this state;
- 1533 (B) brought into this state:
- 1534 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
- 1535 (II) by a nonresident person who is not living or working in this state at the
- 1536 time of the purchase;
- 1537 (C) used for the personal use or enjoyment of the nonresident person described in
- 1538 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state;
- 1539 and
- 1540 (D) not used in conducting business in this state; and
- 1541 (ii) for:
- 1542 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use
- 1543 of the product for a purpose for which the product is designed occurs outside of
- 1544 this state;
- 1545 (B) a boat, the boat is registered outside of this state; or
- 1546 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
- 1547 registered outside of this state;
- 1548 (b) the exemption provided for in Subsection (24)(a) does not apply to:
- 1549 (i) a lease or rental of a product; or
- 1550 (ii) a sale of a vehicle exempt under Subsection (33); and
- 1551 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
- 1552 purposes of Subsection (24)(a), the commission may by rule define what constitutes
- 1553 the following:
- 1554 (i) conducting business in this state if that phrase has the same meaning in this
- 1555 Subsection (24) as in Subsection (63);
- 1556 (ii) the first use of a product if that phrase has the same meaning in this Subsection
- 1557 (24) as in Subsection (63); or

- 1558 (iii) a purpose for which a product is designed if that phrase has the same meaning in
1559 this Subsection (24) as in Subsection (63);
- 1560 (25) a product purchased for resale in the regular course of business, either in its original
1561 form or as an ingredient or component part of a manufactured or compounded product;
- 1562 (26) a product upon which a sales or use tax was paid to some other state, or one of its
1563 subdivisions, except that the state shall be paid any difference between the tax paid and
1564 the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment
1565 is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local
1566 Sales and Use Tax Act;
- 1567 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person
1568 for use in compounding a service taxable under the subsections;
- 1569 (28) purchases made in accordance with the special supplemental nutrition program for
1570 women, infants, and children established in 42 U.S.C. Sec. 1786;
- 1571 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement
1572 parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of
1573 the 1987 Standard Industrial Classification Manual of the federal Executive Office of the
1574 President, Office of Management and Budget;
- 1575 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
1576 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard
1577 motor is:
- 1578 (a) not registered in this state; and
- 1579 (b) (i) not used in this state; or
- 1580 (ii) used in this state:
- 1581 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for
1582 a time period that does not exceed the longer of:
- 1583 (I) 30 days in any calendar year; or
- 1584 (II) the time period necessary to transport the boat, boat trailer, or outboard
1585 motor to the borders of this state; or
- 1586 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the
1587 time period necessary to transport the boat, boat trailer, or outboard motor to
1588 the borders of this state;
- 1589 (31) sales of aircraft manufactured in Utah;
- 1590 (32) amounts paid for the purchase of telecommunications service for purposes of
1591 providing telecommunications service;

- 1592 (33) sales, leases, or uses of the following:
- 1593 (a) a vehicle by an authorized carrier; or
- 1594 (b) tangible personal property that is installed on a vehicle:
- 1595 (i) sold or leased to or used by an authorized carrier; and
- 1596 (ii) before the vehicle is placed in service for the first time;
- 1597 (34) (a) 45% of the sales price of any new manufactured home; and
- 1598 (b) 100% of the sales price of any used manufactured home;
- 1599 (35) sales relating to schools and fundraising sales;
- 1600 (36) sales or rentals of durable medical equipment if:
- 1601 (a) a person presents a prescription for the durable medical equipment; and
- 1602 (b) the durable medical equipment is used for home use only;
- 1603 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
- 1604 Section 72-11-102; and
- 1605 (b) the commission shall by rule determine the method for calculating sales exempt
- 1606 under Subsection (37)(a) that are not separately metered and accounted for in utility
- 1607 billings;
- 1608 (38) sales to a ski resort of:
- 1609 (a) snowmaking equipment;
- 1610 (b) ski slope grooming equipment;
- 1611 (c) passenger ropeways as defined in Section 72-11-102; or
- 1612 (d) parts used in the repairs or renovations of equipment or passenger ropeways
- 1613 described in Subsections (38)(a) through (c);
- 1614 (39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel
- 1615 oil, or other fuels for industrial use;
- 1616 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
- 1617 amusement, entertainment, or recreation an unassisted amusement device as defined
- 1618 in Section 59-12-102;
- 1619 (b) if a seller that sells or rents at the same business location the right to use or operate
- 1620 for amusement, entertainment, or recreation one or more unassisted amusement
- 1621 devices and one or more assisted amusement devices, the exemption described in
- 1622 Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of
- 1623 the right to use or operate for amusement, entertainment, or recreation for the assisted
- 1624 amusement devices; and
- 1625 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah

- 1626 Administrative Rulemaking Act, the commission may make rules:
- 1627 (i) governing the circumstances under which sales are at the same business location;
- 1628 and
- 1629 (ii) establishing the procedures and requirements for a seller to separately account for
- 1630 the sales or rentals of the right to use or operate for amusement, entertainment, or
- 1631 recreation for assisted amusement devices;
- 1632 (41) (a) sales of photocopies by:
- 1633 (i) a governmental entity; or
- 1634 (ii) an entity within the state system of public education, including:
- 1635 (A) a school; or
- 1636 (B) the State Board of Education; or
- 1637 (b) sales of publications by a governmental entity;
- 1638 (42) amounts paid for admission to an athletic event at an institution of higher education
- 1639 that is subject to the provisions of Title IX of the Education Amendments of 1972, 20
- 1640 U.S.C. Sec. 1681 et seq.;
- 1641 (43) (a) sales made to or by:
- 1642 (i) an area agency on aging; or
- 1643 (ii) a senior citizen center owned by a county, city, or town; or
- 1644 (b) sales made by a senior citizen center that contracts with an area agency on aging;
- 1645 (44) sales or leases of semiconductor fabricating, processing, research, or development
- 1646 materials regardless of whether the semiconductor fabricating, processing, research, or
- 1647 development materials:
- 1648 (a) actually come into contact with a semiconductor; or
- 1649 (b) ultimately become incorporated into real property;
- 1650 (45) an amount paid by or charged to a purchaser for accommodations and services
- 1651 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under
- 1652 Section 59-12-104.2;
- 1653 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in
- 1654 accordance with Section 41-3-306 for the event period specified on the temporary sports
- 1655 event registration certificate;
- 1656 (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff
- 1657 adopted by the Public Service Commission only for purchase of electricity produced
- 1658 from a new alternative energy source built after January 1, 2016, as designated in the
- 1659 tariff by the Public Service Commission; and

- 1660 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
1661 only to the portion of the tariff rate a customer pays under the tariff described in
1662 Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection
1663 (47)(a) that the customer would have paid absent the tariff;
- 1664 (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for
1665 the mobility enhancing equipment;
- 1666 (49) sales of water in a:
- 1667 (a) pipe;
- 1668 (b) conduit;
- 1669 (c) ditch; or
- 1670 (d) reservoir;
- 1671 (50) sales of currency or coins that constitute legal tender of a state, the United States, or a
1672 foreign nation;
- 1673 (51) (a) sales of an item described in Subsection (51)(b) if the item:
- 1674 (i) does not constitute legal tender of a state, the United States, or a foreign nation;
- 1675 and
- 1676 (ii) has a gold, silver, or platinum content of 50% or more; and
- 1677 (b) Subsection (51)(a) applies to a gold, silver, or platinum:
- 1678 (i) ingot;
- 1679 (ii) bar;
- 1680 (iii) medallion; or
- 1681 (iv) decorative coin;
- 1682 (52) amounts paid on a sale-leaseback transaction;
- 1683 (53) sales of a prosthetic device:
- 1684 (a) for use on or in a human; and
- 1685 (b) (i) for which a prescription is required; or
- 1686 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
- 1687 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
1688 machinery or equipment by an establishment described in Subsection (54)(c) if the
1689 machinery or equipment is primarily used in the production or postproduction of the
1690 following media for commercial distribution:
- 1691 (i) a motion picture;
- 1692 (ii) a television program;
- 1693 (iii) a movie made for television;

- 1694 (iv) a music video;
- 1695 (v) a commercial;
- 1696 (vi) a documentary; or
- 1697 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
- 1698 commission by administrative rule made in accordance with Subsection (54)(d); or
- 1699 (b) purchases, leases, or rentals of machinery or equipment by an establishment
- 1700 described in Subsection (54)(c) that is used for the production or postproduction of
- 1701 the following are subject to the taxes imposed by this chapter:
- 1702 (i) a live musical performance;
- 1703 (ii) a live news program; or
- 1704 (iii) a live sporting event;
- 1705 (c) the following establishments listed in the 1997 North American Industry
- 1706 Classification System of the federal Executive Office of the President, Office of
- 1707 Management and Budget, apply to Subsections (54)(a) and (b):
- 1708 (i) NAICS Code 512110; or
- 1709 (ii) NAICS Code 51219; and
- 1710 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1711 commission may by rule:
- 1712 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);
- 1713 or
- 1714 (ii) define:
- 1715 (A) "commercial distribution";
- 1716 (B) "live musical performance";
- 1717 (C) "live news program"; or
- 1718 (D) "live sporting event";
- 1719 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but on
- 1720 or before June 30, 2027, of tangible personal property that:
- 1721 (i) is leased or purchased for or by a facility that:
- 1722 (A) is an alternative energy electricity production facility;
- 1723 (B) is located in the state; and
- 1724 (C) (I) becomes operational on or after July 1, 2004; or
- 1725 (II) has its generation capacity increased by one or more megawatts on or after
- 1726 July 1, 2004, as a result of the use of the tangible personal property;
- 1727 (ii) has an economic life of five or more years; and

- 1728 (iii) is used to make the facility or the increase in capacity of the facility described in
 1729 Subsection (55)(a)(i) operational up to the point of interconnection with an
 1730 existing transmission grid including:
- 1731 (A) a wind turbine;
 - 1732 (B) generating equipment;
 - 1733 (C) a control and monitoring system;
 - 1734 (D) a power line;
 - 1735 (E) substation equipment;
 - 1736 (F) lighting;
 - 1737 (G) fencing;
 - 1738 (H) pipes; or
 - 1739 (I) other equipment used for locating a power line or pole; and
- 1740 (b) this Subsection (55) does not apply to:
- 1741 (i) tangible personal property used in construction of:
 - 1742 (A) a new alternative energy electricity production facility; or
 - 1743 (B) the increase in the capacity of an alternative energy electricity production
 - 1744 facility;
 - 1745 (ii) contracted services required for construction and routine maintenance activities;
 - 1746 and
 - 1747 (iii) unless the tangible personal property is used or acquired for an increase in
 - 1748 capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal
 - 1749 property used or acquired after:
 - 1750 (A) the alternative energy electricity production facility described in Subsection
 - 1751 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
 - 1752 (B) the increased capacity described in Subsection (55)(a)(i) is operational as
 - 1753 described in Subsection (55)(a)(iii);
- 1754 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but on
 1755 or before June 30, 2027, of tangible personal property that:
- 1756 (i) is leased or purchased for or by a facility that:
 - 1757 (A) is a waste energy production facility;
 - 1758 (B) is located in the state; and
 - 1759 (C) (I) becomes operational on or after July 1, 2004; or
 - 1760 (II) has its generation capacity increased by one or more megawatts on or after
 - 1761 July 1, 2004, as a result of the use of the tangible personal property;

- 1762 (ii) has an economic life of five or more years; and
1763 (iii) is used to make the facility or the increase in capacity of the facility described in
1764 Subsection (56)(a)(i) operational up to the point of interconnection with an
1765 existing transmission grid including:
1766 (A) generating equipment;
1767 (B) a control and monitoring system;
1768 (C) a power line;
1769 (D) substation equipment;
1770 (E) lighting;
1771 (F) fencing;
1772 (G) pipes; or
1773 (H) other equipment used for locating a power line or pole; and
1774 (b) this Subsection (56) does not apply to:
1775 (i) tangible personal property used in construction of:
1776 (A) a new waste energy facility; or
1777 (B) the increase in the capacity of a waste energy facility;
1778 (ii) contracted services required for construction and routine maintenance activities;
1779 and
1780 (iii) unless the tangible personal property is used or acquired for an increase in
1781 capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used
1782 or acquired after:
1783 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as
1784 described in Subsection (56)(a)(iii); or
1785 (B) the increased capacity described in Subsection (56)(a)(i) is operational as
1786 described in Subsection (56)(a)(iii);
1787 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on
1788 or before June 30, 2027, of tangible personal property that:
1789 (i) is leased or purchased for or by a facility that:
1790 (A) is located in the state;
1791 (B) produces fuel from alternative energy, including:
1792 (I) methanol; or
1793 (II) ethanol; and
1794 (C) (I) becomes operational on or after July 1, 2004; or
1795 (II) has its capacity to produce fuel increase by 25% or more on or after July 1,

- 1796 2004, as a result of the installation of the tangible personal property;
- 1797 (ii) has an economic life of five or more years; and
- 1798 (iii) is installed on the facility described in Subsection (57)(a)(i);
- 1799 (b) this Subsection (57) does not apply to:
- 1800 (i) tangible personal property used in construction of:
- 1801 (A) a new facility described in Subsection (57)(a)(i); or
- 1802 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or
- 1803 (ii) contracted services required for construction and routine maintenance activities;
- 1804 and
- 1805 (iii) unless the tangible personal property is used or acquired for an increase in
- 1806 capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used
- 1807 or acquired after:
- 1808 (A) the facility described in Subsection (57)(a)(i) is operational; or
- 1809 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
- 1810 (58) (a) subject to Subsection (58)(b), sales of tangible personal property or a product
- 1811 transferred electronically to a person within this state if that tangible personal
- 1812 property or product transferred electronically is subsequently shipped outside the
- 1813 state and incorporated pursuant to contract into and becomes a part of real property
- 1814 located outside of this state; and
- 1815 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
- 1816 state or political entity to which the tangible personal property is shipped imposes a
- 1817 sales, use, gross receipts, or other similar transaction excise tax on the transaction
- 1818 against which the other state or political entity allows a credit for sales and use taxes
- 1819 imposed by this chapter;
- 1820 (59) purchases:
- 1821 (a) of one or more of the following items in printed or electronic format:
- 1822 (i) a list containing information that includes one or more:
- 1823 (A) names; or
- 1824 (B) addresses; or
- 1825 (ii) a database containing information that includes one or more:
- 1826 (A) names; or
- 1827 (B) addresses; and
- 1828 (b) used to send direct mail;
- 1829 (60) redemptions or repurchases of a product by a person if that product was:

- 1830 (a) delivered to a pawnbroker as part of a pawn transaction; and
- 1831 (b) redeemed or repurchased within the time period established in a written agreement
- 1832 between the person and the pawnbroker for redeeming or repurchasing the product;
- 1833 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:
- 1834 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
- 1835 and
- 1836 (ii) has a useful economic life of one or more years; and
- 1837 (b) the following apply to Subsection (61)(a):
- 1838 (i) telecommunications enabling or facilitating equipment, machinery, or software;
- 1839 (ii) telecommunications equipment, machinery, or software required for 911 service;
- 1840 (iii) telecommunications maintenance or repair equipment, machinery, or software;
- 1841 (iv) telecommunications switching or routing equipment, machinery, or software; or
- 1842 (v) telecommunications transmission equipment, machinery, or software;
- 1843 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
- 1844 personal property or a product transferred electronically that are used in the research
- 1845 and development of alternative energy technology; and
- 1846 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1847 commission may, for purposes of Subsection (62)(a), make rules defining what
- 1848 constitutes purchases of tangible personal property or a product transferred
- 1849 electronically that are used in the research and development of alternative energy
- 1850 technology;
- 1851 (63) (a) purchases of tangible personal property or a product transferred electronically if:
- 1852 (i) the tangible personal property or product transferred electronically is:
- 1853 (A) purchased outside of this state;
- 1854 (B) brought into this state at any time after the purchase described in Subsection
- 1855 (63)(a)(i)(A); and
- 1856 (C) used in conducting business in this state; and
- 1857 (ii) for:
- 1858 (A) tangible personal property or a product transferred electronically other than
- 1859 the tangible personal property described in Subsection (63)(a)(ii)(B), the first
- 1860 use of the property for a purpose for which the property is designed occurs
- 1861 outside of this state; or
- 1862 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
- 1863 registered outside of this state and not required to be registered in this state

- 1864 under Section 41-1a-202 or 73-18-9 based on residency;
- 1865 (b) the exemption provided for in Subsection (63)(a) does not apply to:
- 1866 (i) a lease or rental of tangible personal property or a product transferred
- 1867 electronically; or
- 1868 (ii) a sale of a vehicle exempt under Subsection (33); and
- 1869 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
- 1870 purposes of Subsection (63)(a), the commission may by rule define what constitutes
- 1871 the following:
- 1872 (i) conducting business in this state if that phrase has the same meaning in this
- 1873 Subsection (63) as in Subsection (24);
- 1874 (ii) the first use of tangible personal property or a product transferred electronically if
- 1875 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or
- 1876 (iii) a purpose for which tangible personal property or a product transferred
- 1877 electronically is designed if that phrase has the same meaning in this Subsection
- 1878 (63) as in Subsection (24);
- 1879 (64) sales of disposable home medical equipment or supplies if:
- 1880 (a) a person presents a prescription for the disposable home medical equipment or
- 1881 supplies;
- 1882 (b) the disposable home medical equipment or supplies are used exclusively by the
- 1883 person to whom the prescription described in Subsection (64)(a) is issued; and
- 1884 (c) the disposable home medical equipment and supplies are listed as eligible for
- 1885 payment under:
- 1886 (i) Title XVIII, federal Social Security Act; or
- 1887 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;
- 1888 (65) sales:
- 1889 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District
- 1890 Act; or
- 1891 (b) of tangible personal property to a subcontractor of a public transit district, if the
- 1892 tangible personal property is:
- 1893 (i) clearly identified; and
- 1894 (ii) installed or converted to real property owned by the public transit district;
- 1895 (66) sales of construction materials:
- 1896 (a) purchased on or after July 1, 2010;
- 1897 (b) purchased by, on behalf of, or for the benefit of an international airport:

- 1898 (i) located within a county of the first class; and
1899 (ii) that has a United States customs office on its premises; and
1900 (c) if the construction materials are:
1901 (i) clearly identified;
1902 (ii) segregated; and
1903 (iii) installed or converted to real property:
1904 (A) owned or operated by the international airport described in Subsection
1905 (66)(b); and
1906 (B) located at the international airport described in Subsection (66)(b);
1907 (67) sales of construction materials:
1908 (a) purchased on or after July 1, 2008;
1909 (b) purchased by, on behalf of, or for the benefit of a new airport:
1910 (i) located within a county of the second class; and
1911 (ii) that is owned or operated by a city in which an airline as defined in Section
1912 59-2-102 is headquartered; and
1913 (c) if the construction materials are:
1914 (i) clearly identified;
1915 (ii) segregated; and
1916 (iii) installed or converted to real property:
1917 (A) owned or operated by the new airport described in Subsection (67)(b);
1918 (B) located at the new airport described in Subsection (67)(b); and
1919 (C) as part of the construction of the new airport described in Subsection (67)(b);
1920 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common
1921 carrier that is a railroad for use in a locomotive engine;
1922 (69) purchases and sales described in Section 63H-4-111;
1923 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and
1924 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in
1925 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
1926 aircraft's registration lists a state or country other than this state as the location of
1927 registry of the fixed wing turbine powered aircraft; or
1928 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
1929 provider in connection with the maintenance, repair, overhaul, or refurbishment in
1930 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
1931 aircraft's registration lists a state or country other than this state as the location of

- 1932 registry of the fixed wing turbine powered aircraft;
- 1933 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
- 1934 (a) to a person admitted to an institution of higher education; and
- 1935 (b) by a seller, other than a bookstore owned by an institution of higher education, if
- 1936 51% or more of that seller's sales revenue for the previous calendar quarter are sales
- 1937 of a textbook for a higher education course;
- 1938 (72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5)
- 1939 on a purchaser from a business for which the municipality provides an enhanced level of
- 1940 municipal services;
- 1941 (73) amounts paid or charged for construction materials used in the construction of a new or
- 1942 expanding life science research and development facility in the state, if the construction
- 1943 materials are:
- 1944 (a) clearly identified;
- 1945 (b) segregated; and
- 1946 (c) installed or converted to real property;
- 1947 (74) amounts paid or charged for:
- 1948 (a) a purchase or lease of machinery and equipment that:
- 1949 (i) are used in performing qualified research:
- 1950 (A) as defined in Section 41(d), Internal Revenue Code; and
- 1951 (B) in the state; and
- 1952 (ii) have an economic life of three or more years; and
- 1953 (b) normal operating repair or replacement parts:
- 1954 (i) for the machinery and equipment described in Subsection (74)(a); and
- 1955 (ii) that have an economic life of three or more years;
- 1956 (75) a sale or lease of tangible personal property used in the preparation of prepared food if:
- 1957 (a) for a sale:
- 1958 (i) the ownership of the seller and the ownership of the purchaser are identical; and
- 1959 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
- 1960 tangible personal property prior to making the sale; or
- 1961 (b) for a lease:
- 1962 (i) the ownership of the lessor and the ownership of the lessee are identical; and
- 1963 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that
- 1964 tangible personal property prior to making the lease;
- 1965 (76) (a) purchases of machinery or equipment if:

- 1966 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
 1967 Gambling, and Recreation Industries, of the 2012 North American Industry
 1968 Classification System of the federal Executive Office of the President, Office of
 1969 Management and Budget;
- 1970 (ii) the machinery or equipment:
 1971 (A) has an economic life of three or more years; and
 1972 (B) is used by one or more persons who pay admission or user fees described in
 1973 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment;
 1974 and
- 1975 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
 1976 (A) amounts paid or charged as admission or user fees described in Subsection
 1977 59-12-103(1)(f); and
 1978 (B) subject to taxation under this chapter; and
- 1979 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 1980 commission may make rules for verifying that 51% of a purchaser's sales revenue for
 1981 the previous calendar quarter is:
- 1982 (i) amounts paid or charged as admission or user fees described in Subsection
 1983 59-12-103(1)(f); and
 1984 (ii) subject to taxation under this chapter;
- 1985 (77) purchases of a short-term lodging consumable by a business that provides
 1986 accommodations and services described in Subsection 59-12-103(1)(i);
- 1987 (78) amounts paid or charged to access a database:
 1988 (a) if the primary purpose for accessing the database is to view or retrieve information
 1989 from the database; and
 1990 (b) not including amounts paid or charged for a:
 1991 (i) digital audio work;
 1992 (ii) digital audio-visual work; or
 1993 (iii) digital book;
- 1994 (79) amounts paid or charged for a purchase or lease made by an electronic financial
 1995 payment service, of:
 1996 (a) machinery and equipment that:
 1997 (i) are used in the operation of the electronic financial payment service; and
 1998 (ii) have an economic life of three or more years; and
 1999 (b) normal operating repair or replacement parts that:

- 2000 (i) are used in the operation of the electronic financial payment service; and
- 2001 (ii) have an economic life of three or more years;
- 2002 (80) sales of a fuel cell as defined in Section 54-15-102;
- 2003 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
- 2004 product transferred electronically if the tangible personal property or product transferred
- 2005 electronically:
- 2006 (a) is stored, used, or consumed in the state; and
- 2007 (b) is temporarily brought into the state from another state:
- 2008 (i) during a disaster period as defined in Section 53-2a-1202;
- 2009 (ii) by an out-of-state business as defined in Section 53-2a-1202;
- 2010 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
- 2011 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
- 2012 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined in
- 2013 Section 39A-7-102, made pursuant to Title 39A, Chapter 7, Morale, Welfare, and
- 2014 Recreation Program;
- 2015 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 2016 (84) amounts paid or charged for a purchase or lease made by a qualifying data center or an
- 2017 occupant of a qualifying data center of machinery, equipment, or normal operating
- 2018 repair or replacement parts, if the machinery, equipment, or normal operating repair or
- 2019 replacement parts:
- 2020 (a) are used in:
- 2021 (i) the operation of the qualifying data center; or
- 2022 (ii) the occupant's operations in the qualifying data center; and
- 2023 (b) have an economic life of one or more years;
- 2024 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle
- 2025 that includes cleaning or washing of the interior of the vehicle;
- 2026 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
- 2027 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or
- 2028 supplies used or consumed:
- 2029 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
- 2030 in Section 79-6-701 located in the state;
- 2031 (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts,
- 2032 chemicals, reagents, solutions, or supplies are used or consumed in:
- 2033 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is

- 2034 added to gasoline or diesel fuel;
- 2035 (ii) research and development;
- 2036 (iii) transporting, storing, or managing raw materials, work in process, finished
- 2037 products, and waste materials produced from refining gasoline or diesel fuel, or
- 2038 adding blendstock to gasoline or diesel fuel;
- 2039 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
- 2040 refining; or
- 2041 (v) preventing, controlling, or reducing pollutants from refining; and
- 2042 (c) if the person holds a valid refiner tax exemption certification as defined in Section
- 2043 79-6-701;
- 2044 (87) amounts paid to or charged by a proprietor for accommodations and services, as
- 2045 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations
- 2046 tax imposed under Section 63H-1-205;
- 2047 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal
- 2048 operating repair or replacement parts, or materials, except for office equipment or office
- 2049 supplies, by an establishment, as the commission defines that term in accordance with
- 2050 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 2051 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North
- 2052 American Industry Classification System of the federal Executive Office of the
- 2053 President, Office of Management and Budget;
- 2054 (b) is located in this state; and
- 2055 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
- 2056 materials in the operation of the establishment;
- 2057 (89) amounts paid or charged for an item exempt under Section 59-12-104.10;
- 2058 (90) sales of a note, leaf, foil, or film, if the item:
- 2059 (a) is used as currency;
- 2060 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 2061 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any
- 2062 transparent polymer holder, coating, or encasement;
- 2063 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or
- 2064 surfing facility, if a trained instructor:
- 2065 (a) is present with the participant, in person or by video, for the duration of the activity;
- 2066 and
- 2067 (b) actively instructs the participant, including providing observation or feedback;

- 2068 (92) amounts paid or charged in connection with the construction, operation, maintenance,
 2069 repair, or replacement of facilities owned by or constructed for:
 2070 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or
 2071 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;
- 2072 (93) amounts paid by the service provider for tangible personal property, other than
 2073 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels,
 2074 that:
 2075 (a) is consumed in the performance of a service that is subject to tax under Subsection
 2076 59-12-103(1)(b), (f), (g), (h), (i), or (j);
 2077 (b) has to be consumed for the service provider to provide the service described in
 2078 Subsection (93)(a); and
 2079 (c) will be consumed in the performance of the service described in Subsection (93)(a),
 2080 to one or more customers, to the point that the tangible personal property disappears
 2081 or cannot be used for any other purpose;
- 2082 (94) sales of rail rolling stock manufactured in Utah; [~~and~~]
- 2083 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or
 2084 construction materials between establishments, as the commission defines that term in
 2085 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:
 2086 (a) the establishments are related directly or indirectly through 100% common
 2087 ownership or control; and
 2088 (b) each establishment is described in one of the following subsectors of the 2022 North
 2089 American Industry Classification System of the federal Executive Office of the
 2090 President, Office of Management and Budget:
 2091 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or
 2092 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing[-] ; and
- 2093 (96) amounts paid or charged for sales of a cannabinoid product as that term is defined in
 2094 Section 4-41-102.

2095 Section 14. Section **59-31-101** is enacted to read:

2096 **CHAPTER 31. CANNABINOID LICENSING AND TAX ACT**

2097 **Part 1. General Provisions.**

2098 **59-31-101 (Effective 01/01/25). Definitions.**

2099 As used in this chapter:

- 2100 (1) "Cannabinoid product" means the same as that term is defined in Section 4-41-102.

- 2101 (2) "Licensee" means a retailer that holds a valid license under Part 2, Licensing, to sell a
 2102 cannabinoid product.
- 2103 (3) "Retail price" means the amount charged by a retailer for a cannabinoid product.
- 2104 (4) "Retailer" means a person that sells a cannabinoid product to a consumer for personal
 2105 use.

2106 Section 15. Section **59-31-201** is enacted to read:

2107

Part 2. Licensing.

2108 **59-31-201 (Effective 01/01/25). Prohibition on the sale of a cannabinoid product**
 2109 **without license.**

- 2110 (1) A person may not sell, offer to sell, or distribute a cannabinoid product in this state
 2111 without first:
- 2112 (a) obtaining a license from the commission under Section 59-31-202; and
- 2113 (b) complying with the bonding requirement described in Section 59-31-202.
- 2114 (2) It is a class B misdemeanor for a person to violate Subsection (1).

2115 Section 16. Section **59-31-202** is enacted to read:

2116 **59-31-202 (Effective 01/01/25). Issuance of license.**

- 2117 (1) The commission shall issue a license to sell a cannabinoid product to a retailer that
 2118 submits an application, on a form created by the commission, that includes:
- 2119 (a) the retailer's name;
- 2120 (b) the address of the location permitted under Section 4-41-103.3 where the retailer
 2121 sells the cannabinoid product; and
- 2122 (c) any other information the commission requires to implement this chapter.
- 2123 (2) A license is:
- 2124 (a) valid at only one fixed business address;
- 2125 (b) valid for three years;
- 2126 (c) valid only for a physical location; and
- 2127 (d) renewable if a licensee meets the criteria for licensing described in Subsection (1).
- 2128 (3) (a) The commission shall require a retailer that is responsible under this part for the
 2129 collection of tax on a cannabinoid product to post a bond.
- 2130 (b) Subject to Subsection (3)(c), the commission shall determine the form and amount of
 2131 the bond.
- 2132 (c) The minimum amount of the bond shall be \$500.
- 2133 (4) In accordance with Title 63G, Chapter 3, Utah Rulemaking Authority, the commission

2134 may make rules to establish the additional information described in Subsection (1)(c)
 2135 that a retailer shall provide in the application described in Subsection (1).

2136 (5) The commission may not charge a fee for a license under this section.

2137 (6) The license under this section is in addition to a license required under Section
 2138 4-41-103.3.

2139 (7) (a) The commission shall maintain a public list that includes the identity of each
 2140 person licensed under this section.

2141 (b) The list shall:

2142 (i) include the type of license possessed; and

2143 (ii) be updated by the commission at least once per quarter.

2144 Section 17. Section **59-31-203** is enacted to read:

2145 **59-31-203 (Effective 01/01/25). License revocation and reinstatement.**

2146 (1) The commission shall, on a reasonable notice and after a hearing, revoke the license of
 2147 any licensee violating any provisions of this chapter.

2148 (2) A license may not be reissued to a licensee described in Subsection (1) until the licensee
 2149 has complied with the requirements of this chapter, including paying any:

2150 (a) tax due under Part 3, Tax;

2151 (b) penalty as provided in Section 59-1-401; and

2152 (c) interest as provided in Section 59-1-402.

2153 Section 18. Section **59-31-301** is enacted to read:

2154

Part 3. Tax

2155 **59-31-301 (Effective 01/01/25). Taxation of cannabinoid product.**

2156 (1) A tax is imposed on a cannabinoid product at a rate of .10 multiplied by the retail price.

2157 (2) (a) A licensee shall collect the tax imposed under Subsection (1) from a purchaser at
 2158 the time the cannabinoid product is sold.

2159 (b) A consumer that purchases or receives an untaxed cannabinoid product shall pay the
 2160 tax at the time the cannabinoid product is first received in this state.

2161 Section 19. Section **59-31-302** is enacted to read:

2162 **59-31-302 (Effective 01/01/25). Remittance of tax.**

2163 (1) (a) The licensee that collects the tax imposed on a cannabinoid product shall remit to
 2164 the commission, in an electronic format approved by the commission:

2165 (i) the tax due in the previous quarter; and

2166 (ii) the tax return.

- 2167 (b) The tax collected and the return are due on or before the last day of April, July,
2168 October, and January.
- 2169 (2) A licensee that sells a cannabinoid product to a purchaser shall maintain records to
2170 determine the amount of tax due under this part for a period of three years.
- 2171 (3) (a) A consumer that receives or purchases an untaxed cannabinoid product for use or
2172 other consumption shall:
- 2173 (i) file with the commission, on a form provided by the commission, a statement
2174 showing the quantity and description of the cannabinoid product subject to tax
2175 under this part; and
- 2176 (ii) pay the tax imposed by this part on the cannabinoid product.
- 2177 (b) The consumer shall file the statement described in Subsection (3)(a) and pay the tax
2178 due on or before the last day of the month immediately following the month during
2179 which the consumer purchased an untaxed cannabinoid product.
- 2180 (c) A consumer shall maintain records necessary to determine the amount of tax the
2181 consumer is liable to pay under this part for a period of three years after the day on
2182 which the consumer filed the statement required by this section.
- 2183 (4) A tourist who imports an untaxed cannabinoid product into the state does not need to
2184 file the statement described in Subsection (3) or pay the tax if the cannabinoid product is
2185 for the tourist's own use or consumption while in this state.
- 2186 (5) In addition to the tax required by this part, a person shall pay a penalty as provided in
2187 Section 59-1-401, plus interest at the rate and in the manner provide in Section 59-1-402,
2188 if a person subject to this section fails to:
- 2189 (a) pay the tax imposed by this part;
2190 (b) pay the tax on time; or
2191 (c) file a return or statement required by this part.
- 2192 (6) An overpayment of a tax imposed by this part shall accrue interest at the rate and in the
2193 manner provided in Section 59-1-402.
- 2194 (7) (a) The commission shall retain and deposit an administrative charge in accordance
2195 with Section 59-1-306 from revenue generated by the tax under this part.
- 2196 (b) The commission shall deposit 47% of the revenue generated by the tax imposed by
2197 this part into the General Fund and the remaining revenue into the Cannabinoid
2198 Proceeds Restricted Account created in Section 59-31-401.
- 2199 Section 20. Section **59-31-401** is enacted to read:
- 2200

Part 4. Miscellaneous Provisions.

- 2201 **59-31-401 (Effective 01/01/25). Cannabinoid Proceeds Restricted Account.**
- 2202 (1) There is created within the General Fund a restricted account known as the
- 2203 "Cannabinoid Proceeds Restricted Account."
- 2204 (2) The Cannabinoid Proceeds Restricted Account consists of:
- 2205 (a) revenue collected from the tax imposed by Section 59-31-301; and
- 2206 (b) amounts appropriated by the Legislature.
- 2207 (3) Subject to appropriation, money in the account may be used for the following:
- 2208 (a) enforcement of Title 4, Chapter 41, Hemp and Cannabinoid Act by the Department
- 2209 of Agriculture and Food;
- 2210 (b) investigations described in Section 77-39-101, regarding cannabinoid products;
- 2211 (c) the Industrial Hemp Grant Program created in Section 63N-3-1302; and
- 2212 (d) provided to counties, cities, and towns in proportion to the county's, city's, or town's
- 2213 distribution under Section 59-12-205 for the preceding fiscal year.

2214 Section 21. Section **59-31-402** is enacted to read:

2215 **59-31-402 (Effective 01/01/25). Report to Department of Agriculture and Food of**

2216 **illegal cannabinoid product.**

2217 If the commission suspects that a cannabinoid product is being sold in the state in

2218 violation of a law other than a law described in this chapter, the commission shall

2219 report the name and tax identification number of the seller and the cannabinoid

2220 product:

- 2221 (1) to the Department of Agriculture and Food; and
- 2222 (2) within 30 days after the day on which the commission becomes aware of the sale.

2223 Section 22. Section **63N-3-1301** is enacted to read:

2224

Part 13. Industrial Hemp Grant Program

2225 **63N-3-1301 (Effective 01/01/25). Definitions.**

2226 As used in this part:

- 2227 (1) "Cannabinoid processor license" means the same as that term is defined in Section
- 2228 4-41-102.
- 2229 (2) "Cannabinoid product" means the same as that term is defined in Section 4-41-102.
- 2230 (3) "Industrial hemp" means the same as that term is defined in Section 4-41-102.
- 2231 (4) "Industrial hemp producer registration" means the same as that term is defined in
- 2232 Section 4-41-102.

- 2233 Section 23. Section **63N-3-1302** is enacted to read:
- 2234 **63N-3-1302 (Effective 01/01/25). Industrial Hemp Grant Program.**
- 2235 (1) (a) There is created the Industrial Hemp Grant Program to be administered by the
- 2236 office.
- 2237 (b) The purpose of the program is to award grants to existing Utah businesses that have a
- 2238 cannabinoid processor license or an industrial hemp producer registration to develop
- 2239 industrial hemp products.
- 2240 (2) (a) An entity that submits a proposal for a grant to the office shall include details in
- 2241 the proposal regarding:
- 2242 (i) how the entity plans to use the grant to fulfill the purpose described in Subsection
- 2243 (1)(b);
- 2244 (ii) any plan to use funding sources in addition to a grant for the proposal; and
- 2245 (iii) any existing or planned partnerships between the entity and another individual or
- 2246 entity to implement the proposal.
- 2247 (b) In evaluating a proposal for a grant, the office shall consider:
- 2248 (i) the likelihood the proposal will accomplish the purpose described in Subsection
- 2249 (1)(b);
- 2250 (ii) the extent to which any additional funding sources or existing or planned
- 2251 partnerships will benefit the proposal; and
- 2252 (iii) the viability and sustainability of the proposal.
- 2253 (c) In determining a grant award, the office:
- 2254 (i) shall consult with the Department of Agriculture and Food; and
- 2255 (ii) may prioritize a business that is committed to switching from producing
- 2256 cannabinoid products to industrial hemp products.
- 2257 (3) Before receiving the grant, a grant recipient shall enter into a written agreement with the
- 2258 office that specifies:
- 2259 (a) the grant amount;
- 2260 (b) the time period and structure for distribution of the grant, including any terms and
- 2261 conditions the recipient is required to meet to receive a distribution; and
- 2262 (c) the expenses for which the recipient may use the grant.
- 2263 (4) Subject to Subsection (2), the office may, in accordance with Title 63G, Chapter 3, Utah
- 2264 Administrative Rulemaking Act, make rules to establish:
- 2265 (a) the form and process for submitting a proposal to the office for a grant;
- 2266 (b) which entities are eligible to apply for a grant;

- 2267 (c) the method and formula for determining a grant amount; and
 2268 (d) the reporting requirements for a grant recipient.

2269 Section 24. Section 77-39-101 is amended to read:

2270 **77-39-101 (Effective 01/01/25). Investigation of sales of alcohol, tobacco**
 2271 **products, electronic cigarette products, nicotine products, and cannabinoid**
 2272 **products to underage individuals.**

2273 (1) As used in this section:

2274 (a) "Cannabinoid product" means the same as that term is defined in Section 4-41-102.

2275 (b) "Electronic cigarette product" means the same as that term is defined in Section
 2276 76-10-101.

2277 [~~(b)~~] (c) "Nicotine product" means the same as that term is defined in Section 76-10-101.

2278 [~~(e)~~] (d) "Peace officer" means the same as the term is described in Section 53-13-109.

2279 [~~(d)~~] (e) "Tobacco product" means the same as that term is defined in Section 76-10-101.

2280 (2) (a) A peace officer may investigate the possible violation of:

2281 (i) Section 32B-4-403 by requesting an individual under 21 years old to enter into
 2282 and attempt to purchase or make a purchase of alcohol from a retail establishment; [~~or~~]
 2283 ~~or~~]

2284 (ii) Section 76-10-114 by requesting an individual under 21 years old to enter into
 2285 and attempt to purchase or make a purchase from a retail establishment of:

- 2286 (A) a tobacco product;
 2287 (B) an electronic cigarette product; or
 2288 (C) a nicotine product[~~;~~] ; or

2289 (iii) Subsection 4-41-105(2)(d) by requesting an individual under 21 years old to
 2290 enter into and attempt to purchase or make a purchase of a cannabinoid product
 2291 that contains THC or a THC analog from a retail establishment.

2292 (b) A peace officer who is present at the site of a proposed purchase shall direct,
 2293 supervise, and monitor the individual requested to make the purchase.

2294 (c) Immediately following a purchase or attempted purchase or as soon as practical the
 2295 supervising peace officer shall inform the cashier and the proprietor or manager of
 2296 the retail establishment that the attempted purchaser was under the legal age to
 2297 purchase:

- 2298 (i) alcohol; [~~or~~]
 2299 (ii) (A) a tobacco product;
 2300 (B) an electronic cigarette product; or

- 2301 (C) a nicotine product~~[-]~~ ; or
 2302 (iii) a cannabinoid product that contains THC or a THC analog.
- 2303 (d) If a citation or information is issued, the citation or information shall be issued
 2304 within seven days after the day on which the purchase occurs.
- 2305 (3) (a) If an individual under 18 years old is requested to attempt a purchase, a written
 2306 consent of that individual's parent or guardian shall be obtained before the individual
 2307 participates in any attempted purchase.
- 2308 (b) An individual requested by the peace officer to attempt a purchase may:
 2309 (i) be a trained volunteer; or
 2310 (ii) receive payment, but may not be paid based on the number of successful
 2311 purchases of alcohol, tobacco products, electronic cigarette products, ~~[or]~~ nicotine
 2312 products, or cannabinoid products that contain THC or a THC analog.
- 2313 (4) The individual requested by the peace officer to attempt a purchase and anyone
 2314 accompanying the individual attempting a purchase may use false identification in
 2315 attempting the purchase if:
 2316 (a) the Department of Public Safety created in Section 53-1-103 provides the false
 2317 identification;
 2318 (b) the false identification:
 2319 (i) accurately represents the individual's age; and
 2320 (ii) displays a current photo of the individual; and
 2321 (c) the peace officer maintains possession of the false identification at all times outside
 2322 the attempt to purchase.
- 2323 (5) An individual requested to attempt to purchase or make a purchase pursuant to this
 2324 section is immune from prosecution, suit, or civil liability for the purchase of, attempted
 2325 purchase of, or possession of alcohol, a tobacco product, an electronic cigarette product, [
 2326 ~~or~~] a nicotine product, or a cannabinoid product that contains THC or a THC analog if a
 2327 peace officer directs, supervises, and monitors the individual.
- 2328 (6) (a) Except as provided in Subsection (6)(b), a purchase attempted under this section
 2329 shall be conducted within a 12-month period:
 2330 (i) on a random basis at any one retail establishment location, not more often than
 2331 four times for the attempted purchase of alcohol; ~~[and]~~
 2332 (ii) a minimum of two times at a retail establishment that sells tobacco products,
 2333 electronic cigarette products, or nicotine products for the attempted purchase of a
 2334 tobacco product, an electronic cigarette product, or a nicotine product~~[-]~~ ; and

2335 (iii) a minimum of one time at a retail establishment that sells a cannabinoid product
 2336 that contains THC or a THC analog.

2337 (b) This section does not prohibit an investigation or an attempt to purchase alcohol, a
 2338 tobacco product, an electronic cigarette product, or a nicotine product under this
 2339 section if:

2340 (i) there is reasonable suspicion to believe the retail establishment has sold alcohol, a
 2341 tobacco product, an electronic cigarette product, ~~[or]~~ a nicotine product, or a
 2342 cannabinoid product that contains THC or a THC analog to an individual under
 2343 the age established by Section 32B-4-403, ~~[or]~~ Section 76-10-114, or Subsection
 2344 4-41-105(2)(d); and

2345 (ii) the supervising peace officer makes a written record of the grounds for the
 2346 reasonable suspicion.

2347 (7) (a) The peace officer exercising direction, supervision, and monitoring of the
 2348 attempted purchase shall make a report of the attempted purchase, whether or not a
 2349 purchase was made.

2350 (b) The report required by this Subsection (7) shall include:

2351 (i) the name of the supervising peace officer;

2352 (ii) the name of the individual attempting the purchase;

2353 (iii) a photograph of the individual attempting the purchase showing how that
 2354 individual appeared at the time of the attempted purchase;

2355 (iv) the name and description of the cashier or proprietor from whom the individual
 2356 attempted the purchase;

2357 (v) the name and address of the retail establishment; and

2358 (vi) the date and time of the attempted purchase.

2359 Section 25. **Effective date.**

2360 (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2025.

2361 (2) If approved by two-thirds of all the members elected to each house, the actions affecting
 2362 the following sections take effect upon approval by the governor, or the day following
 2363 the constitutional time limit of Utah Constitution, Article VII, Section 8, without the
 2364 governor's signature, or in the case of a veto, the date of veto override:

2365 (a) Section 4-41-102;

2366 (b) Section 4-41-103.1;

2367 (c) Section 4-41-103.4;

2368 (d) Section 4-41-105;

- 2369 (e) Section 4-41-106;
- 2370 (f) Section 26A-1-114;
- 2371 (g) Section 58-37-2; and
- 2372 (h) Section 58-37-3.6.