

**TAX MODIFICATIONS**

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Robert M. Spendlove**

Senate Sponsor: Chris H. Wilson

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**LONG TITLE**

**Committee Note:**

The Revenue and Taxation Interim Committee recommended this bill.

Legislative Vote: 15 voting for 0 voting against 3 absent

**General Description:**

This bill modifies provisions related to tax.

**Highlighted Provisions:**

This bill:

- ▶ makes corrections to provisions related to tax, including eliminating redundant or obsolete language and updating cross-references;
- ▶ clarifies that the State Tax Commission, not the Division of Finance, is responsible for certain sales tax deposits and transfers; and
- ▶ repeals language related to expired income tax credits.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**

AMENDS:

**17C-1-409**, as last amended by Laws of Utah 2022, Chapter 307

**17C-1-411**, as last amended by Laws of Utah 2018, Chapter 312



- 28 [17C-1-412](#), as last amended by Laws of Utah 2022, Chapter 21
- 29 [59-1-401](#), as last amended by Laws of Utah 2022, Chapter 238
- 30 [59-1-1420](#), as last amended by Laws of Utah 2022, Chapter 273
- 31 [59-2-109](#), as last amended by Laws of Utah 2021, Chapter 377
- 32 [59-2-201](#), as last amended by Laws of Utah 2022, Chapter 239
- 33 [59-2-1101](#), as last amended by Laws of Utah 2022, Chapter 235
- 34 [59-2-1102](#), as last amended by Laws of Utah 2022, Chapter 235
- 35 [59-2-1710](#), as enacted by Laws of Utah 2012, Chapter 197
- 36 [59-10-552](#), as enacted by Laws of Utah 2022, Chapter 258
- 37 [59-12-103](#), as last amended by Laws of Utah 2022, Chapters 77, 106 and 433
- 38 [59-12-205](#), as last amended by Laws of Utah 2022, Chapters 59, 82 and 403
- 39 [59-12-302](#), as last amended by Laws of Utah 2021, Chapter 376
- 40 [59-12-354](#), as last amended by Laws of Utah 2018, Chapters 258, 312
- 41 [59-12-403](#), as last amended by Laws of Utah 2018, Chapters 258, 312
- 42 [59-12-603](#), as last amended by Laws of Utah 2020, Chapter 407
- 43 [59-12-703](#), as last amended by Laws of Utah 2017, Chapters 181, 422
- 44 [59-12-802](#), as last amended by Laws of Utah 2020, Chapter 427
- 45 [59-12-804](#), as last amended by Laws of Utah 2017, Chapter 422
- 46 [59-12-1102](#), as last amended by Laws of Utah 2021, Chapters 84, 345
- 47 [59-12-1302](#), as last amended by Laws of Utah 2017, Chapter 422
- 48 [59-12-1402](#), as last amended by Laws of Utah 2017, Chapter 422
- 49 [59-12-2103](#), as last amended by Laws of Utah 2017, Chapter 422
- 50 [59-12-2206](#), as last amended by Laws of Utah 2018, Chapters 258, 312
- 51 [63G-2-302](#), as last amended by Laws of Utah 2022, Chapters 169, 334

52 ENACTS:

- 53 [59-2-1806](#), Utah Code Annotated 1953
- 54 [59-2-1906](#), Utah Code Annotated 1953

55 REPEALS:

- 56 [59-7-613](#), as last amended by Laws of Utah 2016, Chapter 135
- 57 [59-7-614.9](#), as enacted by Laws of Utah 2012, Chapter 306
- 58 [59-7-617](#), as enacted by Laws of Utah 2014, Chapter 315

59            [59-7-622](#), as enacted by Laws of Utah 2017, Chapter 479  
60            [59-10-1013](#), as last amended by Laws of Utah 2016, Third Special Session, Chapter 1  
61            [59-10-1040](#), as enacted by Laws of Utah 2017, Chapter 479

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

64            Section 1. Section [17C-1-409](#) is amended to read:

65            **17C-1-409. Allowable uses of agency funds.**

66            (1) (a) An agency may use agency funds:

67            (i) for any purpose authorized under this title;

68            (ii) for administrative, overhead, legal, or other operating expenses of the agency,  
69 including consultant fees and expenses under Subsection [17C-2-102](#)(1)(b)(ii)(B) or funding for  
70 a business resource center;

71            (iii) subject to Section [11-41-103](#), to pay for, including financing or refinancing, all or  
72 part of:

73            (A) project area development in a project area, including environmental remediation  
74 activities occurring before or after adoption of the project area plan;

75            (B) housing-related expenditures, projects, or programs as described in Section  
76 [17C-1-411](#) or [17C-1-412](#);

77            (C) an incentive or other consideration paid to a participant under a participation  
78 agreement;

79            (D) subject to Subsections (1)(c) and (4), the value of the land for and the cost of the  
80 installation and construction of any publicly owned building, facility, structure, landscaping, or  
81 other improvement within the project area from which the project area funds are collected; or

82            (E) the cost of the installation of publicly owned infrastructure and improvements  
83 outside the project area from which the project area funds are collected if the board and the  
84 community legislative body determine by resolution that the publicly owned infrastructure and  
85 improvements benefit the project area;

86            (iv) in an urban renewal project area that includes some or all of an inactive industrial  
87 site and subject to Subsection (1)(e), to reimburse the Department of Transportation created  
88 under Section [72-1-201](#), or a public transit district created under Title 17B, Chapter 2a, Part 8,  
89 Public Transit District Act, for the cost of:

- 90 (A) construction of a public road, bridge, or overpass;
- 91 (B) relocation of a railroad track within the urban renewal project area; or
- 92 (C) relocation of a railroad facility within the urban renewal project area;
- 93 (v) subject to Subsection (5), to transfer funds to a community that created the agency;

94 or

- 95 (vi) subject to Subsection (1)(f), for agency-wide project development under Part 10,
- 96 Agency Taxing Authority.

97 (b) The determination of the board and the community legislative body under  
98 Subsection (1)(a)(iii)(E) regarding benefit to the project area shall be final and conclusive.

99 (c) An agency may not use project area funds received from a taxing entity for the  
100 purposes stated in Subsection (1)(a)(iii)(D) under an urban renewal project area plan, an  
101 economic development project area plan, or a community reinvestment project area plan  
102 without the community legislative body's consent.

103 (d) (i) Subject to Subsection (1)(d)(ii), an agency may loan project area funds from a  
104 project area fund to another project area fund if:

- 105 (A) the board approves; and
- 106 (B) the community legislative body approves.

107 (ii) An agency may not loan project area funds under Subsection (1)(d)(i) unless the  
108 projections for agency funds are sufficient to repay the loan amount.

109 (iii) A loan described in Subsection (1)(d) is not subject to Title 10, Chapter 5,  
110 Uniform Fiscal Procedures Act for Utah Towns, Title 10, Chapter 6, Uniform Fiscal  
111 Procedures Act for Utah Cities, Title 17, Chapter 36, Uniform Fiscal Procedures Act for  
112 Counties, or Title 17B, Chapter 1, Part 6, Fiscal Procedures for Local Districts.

113 (e) Before an agency may pay any tax increment or sales tax revenue under Subsection  
114 (1)(a)(iv), the agency shall enter into an interlocal agreement defining the terms of the  
115 reimbursement with:

- 116 (i) the Department of Transportation; or
- 117 (ii) a public transit district.

118 (f) Before an agency may use project area funds for agency-wide project development,  
119 as defined in Section [17C-1-1001](#), the agency shall obtain the consent of the taxing entity  
120 committee or each taxing entity party to an interlocal agreement with the agency.

121 (2) (a) Sales and use tax revenue that an agency receives from a taxing entity is not  
122 subject to the prohibition or limitations of Title 11, Chapter 41, Prohibition on Retail Facility  
123 Incentive Payments Act.

124 (b) An agency may use sales and use tax revenue that the agency receives under an  
125 interlocal agreement under Section 17C-4-201 or 17C-5-204 for the uses authorized in the  
126 interlocal agreement.

127 (3) (a) An agency may contract with the community that created the agency or another  
128 public entity to use agency funds to reimburse the cost of items authorized by this title to be  
129 paid by the agency that are paid by the community or other public entity.

130 (b) If land is acquired or the cost of an improvement is paid by another public entity  
131 and the land or improvement is leased to the community, an agency may contract with and  
132 make reimbursement from agency funds to the community.

133 (4) Notwithstanding any other provision of this title, an agency may not use project  
134 area funds, project area incremental revenue as defined in Section 17C-1-1001, or property tax  
135 revenue as defined in Section 17C-1-1001, to construct a local government building unless the  
136 taxing entity committee or each taxing entity party to an interlocal agreement with the agency  
137 consents.

138 (5) For the purpose of offsetting the community's annual local contribution to the  
139 Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in  
140 a calendar year to a community under Subsections (1)(a)(v), 17C-1-411(1)(d), and  
141 17C-1-412(1)(a)(x) may not exceed the community's annual local contribution as defined in  
142 Subsection [~~59-12-205(5)~~] 59-12-205(4).

143 Section 2. Section 17C-1-411 is amended to read:

144 **17C-1-411. Use of project area funds for housing-related improvements and for**  
145 **relocating mobile home park residents -- Funds to be held in separate accounts.**

146 (1) An agency may use project area funds:

147 (a) to pay all or part of the value of the land for and the cost of installation,  
148 construction, or rehabilitation of any housing-related building, facility, structure, or other  
149 housing improvement, including infrastructure improvements related to housing, located in any  
150 project area within the agency's boundaries;

151 (b) outside of a project area for the purpose of:

- 152 (i) replacing housing units lost by project area development; or
- 153 (ii) increasing, improving, or preserving the affordable housing supply within the
- 154 boundary of the agency;
- 155 (c) for relocating mobile home park residents displaced by project area development,
- 156 whether inside or outside a project area; or
- 157 (d) subject to Subsection (4), to transfer funds to a community that created the agency.

158 (2) (a) Each agency shall create a housing fund and separately account for project area  
 159 funds allocated under this section.

160 (b) Interest earned by the housing fund described in Subsection (2)(a), and any  
 161 payments or repayments made to the agency for loans, advances, or grants of any kind from the  
 162 housing fund, shall accrue to the housing fund.

163 (c) An agency that designates a housing fund under this section shall use the housing  
 164 fund for the purposes set forth in this section or Section 17C-1-412.

165 (3) An agency may lend, grant, or contribute funds from the housing fund to a person,  
 166 public entity, housing authority, private entity or business, or nonprofit corporation for  
 167 affordable housing or homeless assistance.

168 (4) For the purpose of offsetting the community's annual local contribution to the  
 169 Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in  
 170 a calendar year to a community under Subsections (1)(d), 17C-1-409(1)(a)(v), and  
 171 17C-1-412(1)(a)(x) may not exceed the community's annual local contribution as defined in  
 172 Subsection [~~59-12-205(5)~~] 59-12-205(4).

173 Section 3. Section 17C-1-412 is amended to read:

174 **17C-1-412. Use of housing allocation -- Separate accounting required -- Issuance**  
 175 **of bonds for housing -- Action to compel agency to provide housing allocation.**

- 176 (1) (a) An agency shall use the agency's housing allocation to:
- 177 (i) pay part or all of the cost of land or construction of income targeted housing within
- 178 the boundary of the agency, if practicable in a mixed income development or area;
- 179 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the
- 180 boundary of the agency;
- 181 (iii) lend, grant, or contribute money to a person, public entity, housing authority,
- 182 private entity or business, or nonprofit corporation for income targeted housing within the

183 boundary of the agency;

184 (iv) plan or otherwise promote income targeted housing within the boundary of the  
185 agency;

186 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of  
187 any building, facility, structure, or other housing improvement, including infrastructure  
188 improvements, related to housing located in a project area where a board has determined that a  
189 development impediment exists;

190 (vi) replace housing units lost as a result of the project area development;

191 (vii) make payments on or establish a reserve fund for bonds:

192 (A) issued by the agency, the community, or the housing authority that provides  
193 income targeted housing within the community; and

194 (B) all or part of the proceeds of which are used within the community for the purposes  
195 stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);

196 (viii) if the community's fair share ratio at the time of the first adoption of the project  
197 area budget is at least 1.1 to 1.0, make payments on bonds:

198 (A) that were previously issued by the agency, the community, or the housing authority  
199 that provides income targeted housing within the community; and

200 (B) all or part of the proceeds of which were used within the community for the  
201 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);

202 (ix) relocate mobile home park residents displaced by project area development;

203 (x) subject to Subsection (7), transfer funds to a community that created the agency; or

204 (xi) pay for or make a contribution toward the acquisition, construction, or  
205 rehabilitation of housing that:

206 (A) is located in the same county as the agency;

207 (B) is owned in whole or in part by, or is dedicated to supporting, a public nonprofit  
208 college or university; and

209 (C) only students of the relevant college or university, including the students'  
210 immediate families, occupy.

211 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or  
212 any portion of the agency's housing allocation to:

213 (i) the community for use as described in Subsection (1)(a);

214 (ii) a housing authority that provides income targeted housing within the community  
215 for use in providing income targeted housing within the community;

216 (iii) a housing authority established by the county in which the agency is located for  
217 providing:

218 (A) income targeted housing within the county;

219 (B) permanent housing, permanent supportive housing, or a transitional facility, as  
220 defined in Section 35A-5-302, within the county; or

221 (C) homeless assistance within the county;

222 (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,  
223 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within  
224 the community;

225 (v) pay for or make a contribution toward the acquisition, construction, or  
226 rehabilitation of income targeted housing that is outside of the community if the housing is  
227 located along or near a major transit investment corridor that services the community and the  
228 related project has been approved by the community in which the housing is or will be located;  
229 or

230 (vi) pay for or make a contribution toward the expansion of child care facilities within  
231 the boundary of the agency, provided that any recipient of funds from the agency's housing  
232 allocation reports annually to the agency on how the funds were used.

233 (2) (a) An agency may combine all or any portion of the agency's housing allocation  
234 with all or any portion of one or more additional agency's housing allocations if the agencies  
235 execute an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation  
236 Act.

237 (b) An agency that has entered into an interlocal agreement as described in Subsection  
238 (2)(a), meets the requirements of Subsection (1)(a) or (1)(b) if the use of the housing allocation  
239 meets the requirements for at least one agency that is a party to the interlocal agreement.

240 (3) The agency shall create a housing fund and separately account for the agency's  
241 housing allocation, together with all interest earned by the housing allocation and all payments  
242 or repayments for loans, advances, or grants from the housing allocation.

243 (4) An agency may:

244 (a) issue bonds to finance a housing-related project under this section, including the



245 payment of principal and interest upon advances for surveys and plans or preliminary loans;  
246 and

247 (b) issue refunding bonds for the payment or retirement of bonds under Subsection  
248 (4)(a) previously issued by the agency.

249 (5) (a) Except as provided in Subsection (5)(b), an agency shall allocate money to the  
250 housing fund each year in which the agency receives sufficient tax increment to make a  
251 housing allocation required by the project area budget.

252 (b) Subsection (5)(a) does not apply in a year in which tax increment is insufficient.

253 (6) (a) Except as provided in Subsection (5)(b), if an agency fails to provide a housing  
254 allocation in accordance with the project area budget and the housing plan adopted under  
255 Subsection [17C-2-204\(2\)](#), the loan fund board may bring legal action to compel the agency to  
256 provide the housing allocation.

257 (b) In an action under Subsection (6)(a), the court:

258 (i) shall award the loan fund board reasonable attorney fees, unless the court finds that  
259 the action was frivolous; and

260 (ii) may not award the agency the agency's attorney fees, unless the court finds that the  
261 action was frivolous.

262 (7) For the purpose of offsetting the community's annual local contribution to the  
263 Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in  
264 a calendar year to a community under Subsections (1)(a)(x), [17C-1-409\(1\)\(a\)\(v\)](#), and  
265 [17C-1-411\(1\)\(d\)](#) may not exceed the community's annual local contribution as defined in  
266 Subsection [~~[59-12-205\(5\)](#)~~ [59-12-205\(4\)](#)].

267 Section 4. Section **59-1-401** is amended to read:

268 **59-1-401. Definitions -- Offenses and penalties -- Rulemaking authority -- Statute**  
269 **of limitations -- Commission authority to waive, reduce, or compromise penalty or**  
270 **interest.**

271 (1) As used in this section:

272 [~~(a) "Activated tax, fee, or charge" means a tax, fee, or charge with respect to which the~~  
273 ~~commission:~~]

274 [~~(i) has implemented the commission's GenTax system; and]~~

275 [~~(ii) at least 30 days before implementing the commission's GenTax system as~~

276 described in Subsection (1)(a)(i), has provided notice in a conspicuous place on the  
277 commission's website stating:]

278 [~~(A)~~ the date the commission will implement the GenTax system with respect to the  
279 tax, fee, or charge; and]

280 [~~(B)~~ that, at the time the commission implements the GenTax system with respect to  
281 the tax, fee, or charge:]

282 [~~(F)~~ a person that files a return after the due date as described in Subsection (2)(a) is  
283 subject to the penalty described in Subsection (2)(c)(ii); and]

284 [~~(H)~~ a person that fails to pay the tax, fee, or charge as described in Subsection (3)(a) is  
285 subject to the penalty described in Subsection (3)(b)(ii).]

286 [(b) "Activation date for a tax, fee, or charge" means with respect to a tax, fee, or  
287 charge, the later of:]

288 [(i) the date on which the commission implements the commission's GenTax system  
289 with respect to the tax, fee, or charge; or]

290 [(ii) 30 days after the date the commission provides the notice described in Subsection  
291 (1)(a)(ii) with respect to the tax, fee, or charge.]

292 [(c) (a) [(i) Except as provided in Subsection (1)(c)(ii), "tax] "Tax, fee, or charge"  
293 means:

294 [~~(A)~~] (i) a tax, fee, or charge the commission administers under:

295 [~~(F)~~] (A) this title;

296 [~~(H)~~] (B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

297 [~~(H)~~] (C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

298 [~~(V)~~] (D) Section 19-6-410.5;

299 [~~(V)~~] (E) Section 19-6-714;

300 [~~(V)~~] (F) Section 19-6-805;

301 [~~(V)~~] (G) Section 34A-2-202;

302 [~~(V)~~] (H) Section 40-6-14; or

303 [~~(X)~~] (I) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service  
304 Charges; or

305 [~~(B)~~] (ii) another amount that by statute is subject to a penalty imposed under this  
306 section.

307           ~~[(H)]~~ (b) "Tax, fee, or charge" does not include a tax, fee, or charge imposed under:  
 308           ~~[(A)]~~ (i) Title 41, Chapter 1a, Motor Vehicle Act, except for Section [41-1a-301](#);  
 309           ~~[(B)]~~ (ii) Title 41, Chapter 3, Motor Vehicle Business Regulation Act;  
 310           ~~[(C)]~~ (iii) Chapter 2, Property Tax Act, except for Section [59-2-1309](#);  
 311           ~~[(D)]~~ (iv) Chapter 3, Tax Equivalent Property Act; or  
 312           ~~[(E)]~~ (v) Chapter 4, Privilege Tax.

313           ~~[(d) "Unactivated tax, fee, or charge" means a tax, fee, or charge except for an~~  
 314 ~~activated tax, fee, or charge.]~~

315           (2) (a) The due date for filing a return is:

316           (i) if the person filing the return is not allowed by law an extension of time for filing  
 317 the return, the day on which the return is due as provided by law; or

318           (ii) if the person filing the return is allowed by law an extension of time for filing the  
 319 return, the earlier of:

320           (A) the date the person files the return; or

321           (B) the last day of that extension of time as allowed by law.

322           (b) A penalty in the amount described in Subsection (2)(c) is imposed if a person files a  
 323 return after the due date described in Subsection (2)(a).

324           (c) For purposes of Subsection (2)(b), the penalty is an amount equal to the greater of:

325           ~~[(i) if the return described in Subsection (2)(b) is filed with respect to an unactivated~~  
 326 ~~tax, fee, or charge:]~~

327           ~~[(A) \$20; or]~~

328           ~~[(B) 10% of the unpaid unactivated tax, fee, or charge due on the return; or]~~

329           ~~[(ii) if the return described in Subsection (2)(b) is filed with respect to an activated tax,~~  
 330 ~~fee, or charge, beginning on the activation date for the tax, fee, or charge:]~~

331           ~~[(A)]~~ (i) \$20; or

332           ~~[(B)]~~ (ii) ~~[(H)]~~ (A) 2% of the unpaid ~~[activated]~~ tax, fee, or charge due on the return if  
 333 the return is filed no later than five days after the due date described in Subsection (2)(a);

334           ~~[(H)]~~ (B) 5% of the unpaid ~~[activated]~~ tax, fee, or charge due on the return if the return  
 335 is filed more than five days after the due date but no later than 15 days after the due date  
 336 described in Subsection (2)(a); or

337           ~~[(H)]~~ (C) 10% of the unpaid ~~[activated]~~ tax, fee, or charge due on the return if the

338 return is filed more than 15 days after the due date described in Subsection (2)(a).  
339 (d) This Subsection (2) does not apply to:  
340 (i) an amended return; or  
341 (ii) a return with no tax due.  
342 (3) (a) Except as provided in Subsection (15), a person is subject to a penalty for  
343 failure to pay a tax, fee, or charge if:  
344 (i) the person files a return on or before the due date for filing a return described in  
345 Subsection (2)(a), but fails to pay the tax, fee, or charge due on the return on or before that due  
346 date;  
347 (ii) the person:  
348 (A) is subject to a penalty under Subsection (2)(b); and  
349 (B) fails to pay the tax, fee, or charge due on a return within a 90-day period after the  
350 due date for filing a return described in Subsection (2)(a);  
351 (iii) (A) the person is subject to a penalty under Subsection (2)(b); and  
352 (B) the commission estimates an amount of tax due for that person in accordance with  
353 Subsection 59-1-1406(2);  
354 (iv) the person:  
355 (A) is mailed a notice of deficiency; and  
356 (B) within a 30-day period after the day on which the notice of deficiency described in  
357 Subsection (3)(a)(iv)(A) is mailed:  
358 (I) does not file a petition for redetermination or a request for agency action; and  
359 (II) fails to pay the tax, fee, or charge due on a return;  
360 (v) (A) the commission:  
361 (I) issues an order constituting final agency action resulting from a timely filed petition  
362 for redetermination or a timely filed request for agency action; or  
363 (II) is considered to have denied a request for reconsideration under Subsection  
364 63G-4-302(3)(b) resulting from a timely filed petition for redetermination or a timely filed  
365 request for agency action; and  
366 (B) the person fails to pay the tax, fee, or charge due on a return within a 30-day period  
367 after the date the commission:  
368 (I) issues the order constituting final agency action described in Subsection

369 (3)(a)(v)(A)(I); or

370 (II) is considered to have denied the request for reconsideration described in

371 Subsection (3)(a)(v)(A)(II); or

372 (vi) the person fails to pay the tax, fee, or charge within a 30-day period after the date  
373 of a final judicial decision resulting from a timely filed petition for judicial review.

374 (b) For purposes of Subsection (3)(a), the penalty is an amount equal to the greater of:

375 ~~[(i) if the failure to pay a tax, fee, or charge as described in Subsection (3)(a) is with  
376 respect to an unactivated tax, fee, or charge:]~~

377 ~~[(A) \$20; or]~~

378 ~~[(B) 10% of the unpaid unactivated tax, fee, or charge due on the return; or]~~

379 ~~[(ii) if the failure to pay a tax, fee, or charge as described in Subsection (3)(a) is with  
380 respect to an activated tax, fee, or charge, beginning on the activation date:]~~

381 ~~[(A)] (i) \$20; or~~

382 ~~[(B)] (ii) [(H)] (A) 2% of the unpaid [activated] tax, fee, or charge due on the return if  
383 the activated tax, fee, or charge due on the return is paid no later than five days after the due  
384 date for filing a return described in Subsection (2)(a);~~

385 ~~[(H)] (B) 5% of the unpaid [activated] tax, fee, or charge due on the return if the  
386 activated tax, fee, or charge due on the return is paid more than five days after the due date for  
387 filing a return described in Subsection (2)(a) but no later than 15 days after that due date; or~~

388 ~~[(HH)] (C) 10% of the unpaid [activated] tax, fee, or charge due on the return if the  
389 activated tax, fee, or charge due on the return is paid more than 15 days after the due date for  
390 filing a return described in Subsection (2)(a).~~

391 (4) (a) In the case of any underpayment of estimated tax or quarterly installments  
392 required by Sections 59-5-107, 59-5-207, 59-7-504, and 59-9-104, there shall be added a  
393 penalty in an amount determined by applying the interest rate provided under Section 59-1-402  
394 plus four percentage points to the amount of the underpayment for the period of the  
395 underpayment.

396 (b) (i) For purposes of Subsection (4)(a), the amount of the underpayment shall be the  
397 excess of the required installment over the amount, if any, of the installment paid on or before  
398 the due date for the installment.

399 (ii) The period of the underpayment shall run from the due date for the installment to

400 whichever of the following dates is the earlier:

401 (A) the original due date of the tax return, without extensions, for the taxable year; or

402 (B) with respect to any portion of the underpayment, the date on which that portion is  
403 paid.

404 (iii) For purposes of this Subsection (4), a payment of estimated tax shall be credited  
405 against unpaid required installments in the order in which the installments are required to be  
406 paid.

407 (5) (a) Notwithstanding Subsection (2) and except as provided in Subsection (6), a  
408 person allowed by law an extension of time for filing a corporate franchise or income tax return  
409 under Chapter 7, Corporate Franchise and Income Taxes, or an individual income tax return  
410 under Chapter 10, Individual Income Tax Act, is subject to a penalty in the amount described in  
411 Subsection (5)(b) if, on or before the day on which the return is due as provided by law, not  
412 including the extension of time, the person fails to pay:

413 (i) for a person filing a corporate franchise or income tax return under Chapter 7,  
414 Corporate Franchise and Income Taxes, the payment required by Subsection 59-7-507(1)(b); or

415 (ii) for a person filing an individual income tax return under Chapter 10, Individual  
416 Income Tax Act, the payment required by Subsection 59-10-516(2).

417 (b) For purposes of Subsection (5)(a), the penalty per month during the period of the  
418 extension of time for filing the return is an amount equal to 2% of the tax due on the return,  
419 unpaid as of the day on which the return is due as provided by law.

420 (6) If a person does not file a return within an extension of time allowed by Section  
421 59-7-505 or 59-10-516, the person:

422 (a) is not subject to a penalty in the amount described in Subsection (5)(b); and

423 (b) is subject to a penalty in an amount equal to the sum of:

424 (i) a late file penalty in an amount equal to the greater of:

425 (A) \$20; or

426 (B) 10% of the tax due on the return, unpaid as of the day on which the return is due as  
427 provided by law, not including the extension of time; and

428 (ii) a late pay penalty in an amount equal to the greater of:

429 (A) \$20; or

430 (B) 10% of the unpaid tax due on the return, unpaid as of the day on which the return is

431 due as provided by law, not including the extension of time.

432 (7) (a) Additional penalties for an underpayment of a tax, fee, or charge are as provided  
433 in this Subsection (7)(a).

434 (i) Except as provided in Subsection (7)(c), if any portion of an underpayment of a tax,  
435 fee, or charge is due to negligence, the penalty is 10% of the portion of the underpayment that  
436 is due to negligence.

437 (ii) Except as provided in Subsection (7)(d), if any portion of an underpayment of a  
438 tax, fee, or charge is due to intentional disregard of law or rule, the penalty is 15% of the entire  
439 underpayment.

440 (iii) If any portion of an underpayment is due to an intent to evade a tax, fee, or charge,  
441 the penalty is the greater of \$500 per period or 50% of the entire underpayment.

442 (iv) If any portion of an underpayment is due to fraud with intent to evade a tax, fee, or  
443 charge, the penalty is the greater of \$500 per period or 100% of the entire underpayment.

444 (b) If the commission determines that a person is liable for a penalty imposed under  
445 Subsection (7)(a)(ii), (iii), or (iv), the commission shall notify the person of the proposed  
446 penalty.

447 (i) The notice of proposed penalty shall:

448 (A) set forth the basis of the assessment; and

449 (B) be mailed by certified mail, postage prepaid, to the person's last-known address.

450 (ii) Upon receipt of the notice of proposed penalty, the person against whom the  
451 penalty is proposed may:

452 (A) pay the amount of the proposed penalty at the place and time stated in the notice;

453 or

454 (B) proceed in accordance with the review procedures of Subsection (7)(b)(iii).

455 (iii) A person against whom a penalty is proposed in accordance with this Subsection  
456 (7) may contest the proposed penalty by filing a petition for an adjudicative proceeding with  
457 the commission.

458 (iv) (A) If the commission determines that a person is liable for a penalty under this  
459 Subsection (7), the commission shall assess the penalty and give notice and demand for  
460 payment.

461 (B) The commission shall mail the notice and demand for payment described in

462 Subsection (7)(b)(iv)(A):

463 (I) to the person's last-known address; and

464 (II) in accordance with Section 59-1-1404.

465 (c) A seller that voluntarily collects a tax under Subsection 59-12-107(2)(d) is not  
466 subject to the penalty under Subsection (7)(a)(i) if on or after July 1, 2001:

467 (i) a court of competent jurisdiction issues a final unappealable judgment or order  
468 determining that:

469 (A) the seller meets one or more of the criteria described in Subsection 59-12-107(2)(a)  
470 or is a seller required to pay or collect and remit sales and use taxes under Subsection  
471 59-12-107(2)(b) or (2)(c); and

472 (B) the commission or a county, city, or town may require the seller to collect a tax  
473 under Subsections 59-12-103(2)(a) through (e); or

474 (ii) the commission issues a final unappealable administrative order determining that:

475 (A) the seller meets one or more of the criteria described in Subsection 59-12-107(2)(a)  
476 or is a seller required to pay or collect and remit sales and use taxes under Subsection  
477 59-12-107(2)(b) or (2)(c); and

478 (B) the commission or a county, city, or town may require the seller to collect a tax  
479 under Subsections 59-12-103(2)(a) through (e).

480 (d) A seller that voluntarily collects a tax under Subsection 59-12-107(2)(d) is not  
481 subject to the penalty under Subsection (7)(a)(ii) if:

482 (i) (A) a court of competent jurisdiction issues a final unappealable judgment or order  
483 determining that:

484 (I) the seller meets one or more of the criteria described in Subsection 59-12-107(2)(a)  
485 or is a seller required to pay or collect and remit sales and use taxes under Subsection  
486 59-12-107(2)(b) or (2)(c); and

487 (II) the commission or a county, city, or town may require the seller to collect a tax  
488 under Subsections 59-12-103(2)(a) through (e); or

489 (B) the commission issues a final unappealable administrative order determining that:

490 (I) the seller meets one or more of the criteria described in Subsection 59-12-107(2)(a)  
491 or is a seller required to pay or collect and remit sales and use taxes under Subsection  
492 59-12-107(2)(b) or (2)(c); and



493 (II) the commission or a county, city, or town may require the seller to collect a tax  
494 under Subsections 59-12-103(2)(a) through (e); and

495 (ii) the seller's intentional disregard of law or rule is warranted by existing law or by a  
496 nonfrivolous argument for the extension, modification, or reversal of existing law or the  
497 establishment of new law.

498 (8) (a) Subject to Subsections (8)(b) and (c), the penalty for failure to file an  
499 information return, information report, or a complete supporting schedule is \$50 for each  
500 information return, information report, or supporting schedule up to a maximum of \$1,000.

501 (b) If an employer is subject to a penalty under Subsection (13), the employer may not  
502 be subject to a penalty under Subsection (8)(a).

503 (c) If an employer is subject to a penalty under this Subsection (8) for failure to file a  
504 return in accordance with Subsection 59-10-406(3) on or before the due date described in  
505 Subsection 59-10-406(3)(b)(ii), the commission may not impose a penalty under this  
506 Subsection (8) unless the return is filed more than 14 days after the due date described in  
507 Subsection 59-10-406(3)(b)(ii).

508 (9) If a person, in furtherance of a frivolous position, has a prima facie intent to delay  
509 or impede administration of a law relating to a tax, fee, or charge and files a purported return  
510 that fails to contain information from which the correctness of reported tax, fee, or charge  
511 liability can be determined or that clearly indicates that the tax, fee, or charge liability shown is  
512 substantially incorrect, the penalty is \$500.

513 (10) (a) A seller that fails to remit a tax, fee, or charge monthly as required by  
514 Subsection 59-12-108(1)(a):

515 (i) is subject to a penalty described in Subsection (2); and

516 (ii) may not retain the percentage of sales and use taxes that would otherwise be  
517 allowable under Subsection 59-12-108(2).

518 (b) A seller that fails to remit a tax, fee, or charge by electronic funds transfer as  
519 required by Subsection 59-12-108(1)(a)(ii)(B):

520 (i) is subject to a penalty described in Subsection (2); and

521 (ii) may not retain the percentage of sales and use taxes that would otherwise be  
522 allowable under Subsection 59-12-108(2).

523 (11) (a) A person is subject to the penalty provided in Subsection (11)(c) if that person:

524 (i) commits an act described in Subsection (11)(b) with respect to one or more of the  
525 following documents:

- 526 (A) a return;
- 527 (B) an affidavit;
- 528 (C) a claim; or
- 529 (D) a document similar to Subsections (11)(a)(i)(A) through (C);

530 (ii) knows or has reason to believe that the document described in Subsection (11)(a)(i)  
531 will be used in connection with any material matter administered by the commission; and

532 (iii) knows that the document described in Subsection (11)(a)(i), if used in connection  
533 with any material matter administered by the commission, would result in an understatement of  
534 another person's liability for a tax, fee, or charge.

535 (b) The following acts apply to Subsection (11)(a)(i):

- 536 (i) preparing any portion of a document described in Subsection (11)(a)(i);
- 537 (ii) presenting any portion of a document described in Subsection (11)(a)(i);
- 538 (iii) procuring any portion of a document described in Subsection (11)(a)(i);
- 539 (iv) advising in the preparation or presentation of any portion of a document described  
540 in Subsection (11)(a)(i);
- 541 (v) aiding in the preparation or presentation of any portion of a document described in  
542 Subsection (11)(a)(i);
- 543 (vi) assisting in the preparation or presentation of any portion of a document described  
544 in Subsection (11)(a)(i); or
- 545 (vii) counseling in the preparation or presentation of any portion of a document  
546 described in Subsection (11)(a)(i).

547 (c) For purposes of Subsection (11)(a), the penalty:

- 548 (i) shall be imposed by the commission;
- 549 (ii) is \$500 for each document described in Subsection (11)(a)(i) with respect to which  
550 the person described in Subsection (11)(a) meets the requirements of Subsection (11)(a); and
- 551 (iii) is in addition to any other penalty provided by law.

552 (d) The commission may seek a court order to enjoin a person from engaging in  
553 conduct that is subject to a penalty under this Subsection (11).

554 (e) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

555 commission may make rules prescribing the documents that are similar to Subsections  
556 (11)(a)(i)(A) through (C).

557 (12) (a) As provided in Section 76-8-1101, criminal offenses and penalties are as  
558 provided in Subsections (12)(b) through (e).

559 (b) (i) A person who is required by this title or any laws the commission administers or  
560 regulates to register with or obtain a license or permit from the commission, who operates  
561 without having registered or secured a license or permit, or who operates when the registration,  
562 license, or permit is expired or not current, is guilty of a class B misdemeanor.

563 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(b)(i), the  
564 penalty may not:

565 (A) be less than \$500; or

566 (B) exceed \$1,000.

567 (c) (i) With respect to a tax, fee, or charge, a person who knowingly and intentionally,  
568 and without a reasonable good faith basis, fails to make, render, sign, or verify a return within  
569 the time required by law or to supply information within the time required by law, or who  
570 makes, renders, signs, or verifies a false or fraudulent return or statement, or who supplies false  
571 or fraudulent information, is guilty of a third degree felony.

572 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(c)(i), the  
573 penalty may not:

574 (A) be less than \$1,000; or

575 (B) exceed \$5,000.

576 (d) (i) A person who intentionally or willfully attempts to evade or defeat a tax, fee, or  
577 charge or the payment of a tax, fee, or charge is, in addition to other penalties provided by law,  
578 guilty of a second degree felony.

579 (ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(d)(i), the  
580 penalty may not:

581 (A) be less than \$1,500; or

582 (B) exceed \$25,000.

583 (e) (i) A person is guilty of a second degree felony if that person commits an act:

584 (A) described in Subsection (12)(e)(ii) with respect to one or more of the following  
585 documents:

- 586 (I) a return;
- 587 (II) an affidavit;
- 588 (III) a claim; or
- 589 (IV) a document similar to Subsections (12)(e)(i)(A)(I) through (III); and
- 590 (B) subject to Subsection (12)(e)(iii), with knowledge that the document described in
- 591 Subsection (12)(e)(i)(A):
- 592 (I) is false or fraudulent as to any material matter; and
- 593 (II) could be used in connection with any material matter administered by the
- 594 commission.
- 595 (ii) The following acts apply to Subsection (12)(e)(i):
- 596 (A) preparing any portion of a document described in Subsection (12)(e)(i)(A);
- 597 (B) presenting any portion of a document described in Subsection (12)(e)(i)(A);
- 598 (C) procuring any portion of a document described in Subsection (12)(e)(i)(A);
- 599 (D) advising in the preparation or presentation of any portion of a document described
- 600 in Subsection (12)(e)(i)(A);
- 601 (E) aiding in the preparation or presentation of any portion of a document described in
- 602 Subsection (12)(e)(i)(A);
- 603 (F) assisting in the preparation or presentation of any portion of a document described
- 604 in Subsection (12)(e)(i)(A); or
- 605 (G) counseling in the preparation or presentation of any portion of a document
- 606 described in Subsection (12)(e)(i)(A).
- 607 (iii) This Subsection (12)(e) applies:
- 608 (A) regardless of whether the person for which the document described in Subsection
- 609 (12)(e)(i)(A) is prepared or presented:
- 610 (I) knew of the falsity of the document described in Subsection (12)(e)(i)(A); or
- 611 (II) consented to the falsity of the document described in Subsection (12)(e)(i)(A); and
- 612 (B) in addition to any other penalty provided by law.
- 613 (iv) Notwithstanding Section [76-3-301](#), for purposes of this Subsection (12)(e), the
- 614 penalty may not:
- 615 (A) be less than \$1,500; or
- 616 (B) exceed \$25,000.

617 (v) The commission may seek a court order to enjoin a person from engaging in  
618 conduct that is subject to a penalty under this Subsection (12)(e).

619 (vi) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
620 the commission may make rules prescribing the documents that are similar to Subsections  
621 (12)(e)(i)(A)(I) through (III).

622 (f) The statute of limitations for prosecution for a violation of this Subsection (12) is  
623 the later of six years:

624 (i) from the date the tax should have been remitted; or

625 (ii) after the day on which the person commits the criminal offense.

626 (13) (a) Subject to Subsection (13)(b), an employer that is required to file a form with  
627 the commission in accordance with Subsection 59-10-406(8) or (9) is subject to a penalty  
628 described in Subsection (13)(b) if the employer:

629 (i) fails to file the form with the commission in an electronic format approved by the  
630 commission as required by Subsection 59-10-406(8) or (9);

631 (ii) fails to file the form on or before the due date provided in Subsection 59-10-406(8)  
632 or (9);

633 (iii) fails to provide accurate information on the form; or

634 (iv) fails to provide all of the information required by the Internal Revenue Service to  
635 be contained on the form.

636 (b) For purposes of Subsection (13)(a), the penalty is:

637 (i) \$30 per form, not to exceed \$75,000 in a calendar year, if the employer files the  
638 form in accordance with Subsection 59-10-406(8) or (9), more than 14 days after the due date  
639 provided in Subsection 59-10-406(8) or (9) but no later than 30 days after the due date  
640 provided in Subsection 59-10-406(8) or (9);

641 (ii) \$60 per form, not to exceed \$200,000 in a calendar year, if the employer files the  
642 form in accordance with Subsection 59-10-406(8) or (9), more than 30 days after the due date  
643 provided in Subsection 59-10-406(8) or (9) but on or before June 1; or

644 (iii) \$100 per form, not to exceed \$500,000 in a calendar year, if the employer:

645 (A) files the form in accordance with Subsection 59-10-406(8) or (9) after June 1; or

646 (B) fails to file the form.

647 (14) Upon making a record of the commission's actions, and upon reasonable cause

648 shown, the commission may waive, reduce, or compromise any of the penalties or interest  
649 imposed under this part.

650 (15) Failure to pay a tax described in Subsection 59-10-1403.2(2) shall be subject to a  
651 penalty as described in Subsection (3) except that the penalty shall be:

652 (a) assessed only if the pass-through entity reports tax paid on a Utah Schedule K-1 but  
653 does not pay some or all of the tax reported; and

654 (b) calculated based on the difference between the amount of tax reported and the  
655 amount of tax paid.

656 Section 5. Section 59-1-1420 is amended to read:

657 **59-1-1420. Administrative garnishment order for liability.**

658 (1) As used in this section:

659 (a) "Administrative garnishment order" includes a continuing administrative  
660 garnishment order issued under this section.

661 (b) "Disposable earnings" means the same as that term is defined in Section  
662 70C-7-103.

663 (c) "Garnishee" means a person to whom the commission issues an administrative  
664 garnishment order under this section.

665 (d) "Nonexempt periodic payment" means any recurring payment that, under Title 78B,  
666 Chapter 5, Part 5, Utah Exemptions Act, is not exempt from the judicial process to collect an  
667 unsecured debt.

668 (2) (a) Subject to Subsection (3), if a taxpayer owes a liability, the commission may  
669 issue an administrative garnishment order against the taxpayer's personal property, including  
670 wages, in the possession or control of a person other than the taxpayer in the same manner and  
671 with the same effect as if the order were a writ of garnishment issued by a court with  
672 jurisdiction.

673 (b) In addition to the underlying liability, the commission may satisfy through an  
674 administrative garnishment any costs or fees incurred by the commission as a result of issuing  
675 the administrative garnishment order.

676 (3) The commission may issue an administrative garnishment order to a person  
677 described in Subsection (2) if:

678 (a) the commission has filed a warrant against the taxpayer for the underlying liability

679 in accordance with Section 59-1-1414; and

680 (b) the commission's executive director or the executive director's designee signs the  
681 administrative garnishment order.

682 (4) An administrative garnishment order issued in accordance with this section is  
683 subject to the procedures and due process protections provided by Rule 64D, Utah Rules of  
684 Civil Procedure.

685 (5) The maximum portion of a taxpayer's disposable earnings subject to garnishment  
686 under this section is the lesser of:

687 (a) 25% of the taxpayer's disposable earnings; or

688 (b) the amount by which the taxpayer's disposable earnings for a pay period exceeds  
689 the number of weeks in that pay period multiplied by 30 times the federal minimum wage as  
690 provided in 29 U.S.C. Sec. 201 et seq., Fair Labor Standards Act of 1938.

691 (6) Upon agreement by the garnishee, the parties to an administrative garnishment  
692 order may accept and transmit documents relating to the administrative garnishment order by  
693 electronic means, including service of process, proof of service, interrogatories, answers, and  
694 any other information shared between the garnishee and the commission.

695 (7) In an administrative garnishment order issued under this section, the commission  
696 shall:

697 (a) identify the taxpayer, including:

698 (i) the taxpayer's name and address; and

699 (ii) if known:

700 (A) the last four digits of the taxpayer's social security number, or the taxpayer's full  
701 social security number, if the taxpayer's full social security number is required by federal law;  
702 and

703 (B) the taxpayer's date of birth;

704 (b) contain a statement that includes:

705 (i) if known, the nature, location, account number, and estimated value of the property  
706 subject to administrative garnishment;

707 (ii) if known, the name, address, and phone number of the person holding the property  
708 subject to administrative garnishment; and

709 (iii) the name, address, and phone number of any person claiming an interest in the

710 property described in Subsection (7)(b)(i) or (ii);  
711 (c) state whether any of the property subject to administrative garnishment consists of  
712 earnings;  
713 (d) state the outstanding amount owed under the warrant described in Subsection  
714 (3)(a);  
715 (e) state the amount of any applicable costs or fees included in the administrative  
716 garnishment;  
717 (f) state the manner in which the garnishee shall deliver the property to the  
718 commission; and  
719 (g) state that the commission shall pay the garnishee the fee described in Section  
720 [78A-2-216](#).  
721 (8) As part of the administrative garnishment order, the commission shall serve on the  
722 garnishee the following interrogatories:  
723 (a) whether the garnishee is indebted to the taxpayer and, if so, the nature of the  
724 indebtedness;  
725 (b) whether the garnishee possesses or controls any property of the taxpayer, and, if so,  
726 the nature, location, and estimated value of the property;  
727 (c) whether the garnishee knows of any property of the taxpayer in the possession or  
728 control of another person, and if so, the following information about the property:  
729 (i) the nature;  
730 (ii) the location; and  
731 (iii) the estimated value;  
732 (d) (i) whether the garnishee intends to deduct from the property a liquidated claim  
733 against the taxpayer;  
734 (ii) a description of any claim described in Subsection (8)(d)(i); and  
735 (iii) the amount deducted, if any;  
736 (e) the date and manner of the garnishee's service of the documents described in  
737 Subsection (9)(c) on the taxpayer and any third party;  
738 (f) the date on which the taxpayer was previously served with any continuing  
739 administrative garnishment order;  
740 (g) any other relevant information the commission requests, including:



- 741 (i) the taxpayer's position;
- 742 (ii) the taxpayer's rate of pay;
- 743 (iii) the taxpayer's compensation method;
- 744 (iv) the taxpayer's pay period; and
- 745 (v) a computation of the taxpayer's disposable earnings.
- 746 (9) Within seven days after the day on which an administrative garnishment order is  
747 served, the garnishee shall:
- 748 (a) answer each interrogatory described in Subsection (8);
- 749 (b) serve the answers to the interrogatories on the commission;
- 750 (c) serve the taxpayer and any other person known to the garnishee to have an interest  
751 in the property a copy of:
- 752 (i) the administrative garnishment order; and
- 753 (ii) the answers to the interrogatories described in Subsection (9)(b); and
- 754 (d) inform the taxpayer of the taxpayer's right to reply to the answers described in  
755 Subsection (9)(b) and request a hearing in district court as provided by Rule 64D, Utah Rules  
756 of Civil Procedure.
- 757 (10) (a) A garnishee who acts in accordance with this section and the administrative  
758 garnishment order is released from liability unless an answer to an interrogatory is successfully  
759 controverted.
- 760 (b) Except as provided in Subsection (10)(c), if a garnishee fails to comply with the  
761 administrative garnishment order without a court or final administrative order directing  
762 otherwise, the garnishee is liable for an amount including:
- 763 (i) the lesser of the value of the property or the balance owed under the warrant  
764 described in Subsection (3)(a);
- 765 (ii) reasonable costs and fees; and
- 766 (iii) attorney fees incurred by the parties as a result of the garnishee's failure.
- 767 (c) If a garnishee demonstrates that the garnishee took reasonable steps to secure the  
768 property, the commission may excuse the garnishee of liability in whole or in part.
- 769 (11) If the commission files a motion [~~for an order to show cause~~] to enforce an  
770 administrative garnishment order under this section, the commission shall file the motion in  
771 district court and attach to the motion a statement that the commission has in good faith

772 conferred or attempted to confer with the garnishee in an effort to settle the issue without court  
773 action.

774 (12) A garnishee is not liable for drawing, accepting, making, or endorsing a negotiable  
775 instrument that is not in the possession or control of the garnishee at the time the administrative  
776 garnishment order is served.

777 (13) A garnishee may deduct from the property any liquidated claim against the  
778 taxpayer.

779 (14) (a) If a debt owed by the taxpayer to the garnishee is secured by the property  
780 subject to the administrative garnishment order, the commission may apply the property to the  
781 debt.

782 (b) An administrative garnishment order described in Subsection (14)(a) remains in  
783 effect regardless of whether the commission applies the property to the debt.

784 (15) (a) The commission may issue a continuing administrative garnishment order  
785 against any nonexempt periodic payment.

786 (b) A continuing administrative garnishment order applies to payments to the taxpayer:

787 (i) beginning on the day on which the continuing administrative garnishment order is  
788 served; and

789 (ii) ending on the earlier of:

790 (A) subject to Subsection (15)(c), one year after the day on which the continuing  
791 administrative garnishment order is served;

792 (B) 120 days after the day on which a second or subsequent continuing administrative  
793 garnishment against the taxpayer is served;

794 (C) the day on which the last nonexempt periodic payment subject to the continuing  
795 administrative garnishment order occurs;

796 (D) the day on which the warrant described in Subsection (3)(a) is stayed, vacated, or  
797 satisfied in full; or

798 (E) the day on which the commission releases the continuing administrative  
799 garnishment order.

800 (c) If the commission issues a continuing administrative garnishment order during the  
801 term of another continuing administrative garnishment order against the same taxpayer, the  
802 period described in Subsection (15)(b)(i) is tolled if the other continuing administrative

803 garnishment order:

804 (i) is in effect at the time the commission serves the subsequent continuing  
805 administrative garnishment order; and

806 (ii) requires payments greater than or equal to the maximum portion of disposable  
807 earnings described in Subsection (5).

808 (d) For each periodic payment period, no later than seven days after the day on which  
809 the periodic payment period ends, the garnishee shall:

810 (i) answer each interrogatory described in Subsection (8);

811 (ii) serve the answers to the interrogatories on the commission, the taxpayer, and any  
812 other person known to the garnishee to have an interest in the property; and

813 (iii) deliver the property to the commission in the manner specified in the continuing  
814 administrative garnishment order.

815 (16) (a) The commission may not name more than one garnishee in an administrative  
816 garnishment order.

817 (b) Priority among garnishments is according to the order of service on the garnishee.

818 (c) An administrative garnishment order applies to earnings accruing during the pay  
819 period in which the order is effective.

820 (17) This section is subject to Title 78B, Chapter 5, Part 5, Utah Exemptions Act.

821 Section 6. Section **59-2-109** is amended to read:

822 **59-2-109. Burden of proof.**

823 (1) As used in this section:

824 (a) "Final assessed value" means:

825 (i) for real property for which the taxpayer appealed the valuation or equalization to the  
826 county board of equalization in accordance with Section [59-2-1004](#), the value given to the real  
827 property by the county board of equalization, including a value based on a stipulation of the  
828 parties;

829 (ii) for real property for which the taxpayer or a county assessor appealed the valuation  
830 or equalization to the commission in accordance with Section [59-2-1006](#), the value given to the  
831 real property by:

832 (A) the commission, if the commission has issued a decision in the appeal or the  
833 parties have entered a stipulation; or

834 (B) a county board of equalization, if the commission has not yet issued a decision in  
835 the appeal and the parties have not entered a stipulation; or

836 (iii) for real property for which the taxpayer or a county assessor sought judicial review  
837 of the valuation or equalization in accordance with Section 59-1-602 or Title 63G, Chapter 4,  
838 Part 4, Judicial Review, the value given the real property by the commission.

839 (b) "Inflation adjusted value" means the same as that term is defined in Section  
840 59-2-1004.

841 (c) "Qualified real property" means real property:

842 (i) that is assessed by a county assessor in accordance with Part 3, County Assessment;

843 (ii) for which:

844 (A) the taxpayer or a county assessor appealed the valuation or equalization for the  
845 previous taxable year to the county board of equalization in accordance with Section 59-2-1004  
846 or the commission in accordance with Section 59-2-1006;

847 (B) the appeal described in Subsection (1)(c)(ii)(A) resulted in a final assessed value  
848 that was lower than the assessed value; and

849 (C) the assessed value for the current taxable year is higher than the inflation adjusted  
850 value; and

851 (iii) that, on or after January 1 of the previous taxable year and before January 1 of the  
852 current taxable year, has not had a qualifying change.

853 (d) "Qualifying change" means one of the following changes to real property that  
854 occurs on or after January 1 of the previous taxable year and before January 1 of the current  
855 taxable year:

856 (i) a physical improvement if, solely as a result of the physical improvement, the fair  
857 market value of the physical improvement equals or exceeds the greater of 10% of fair market  
858 value of the real property or \$20,000;

859 (ii) a zoning change, if the fair market value of the real property increases solely as a  
860 result of the zoning change; or

861 (iii) a change in the legal description of the real property, if the fair market value of the  
862 real property increases solely as a result of the change in the legal description of the real  
863 property.

864 (2) For an appeal involving the valuation of real property to the county board of

865 equalization or the commission, the party carrying the burden of proof shall demonstrate:

866 (a) substantial error in:

867 (i) for an appeal not involving qualified real property:

868 (A) if Subsection (3) does not apply and the appeal is to the county board of

869 equalization, the original assessed value;

870 (B) if Subsection (3) does not apply and the appeal is to the commission, the value

871 given to the property by the county board of equalization; or

872 (C) if Subsection (3) applies, the original assessed value; or

873 (ii) for an appeal involving qualified real property, the inflation adjusted value; and

874 (b) a sound evidentiary basis upon which the county board of equalization or the

875 commission could adopt a different valuation.

876 (3) (a) The party described in Subsection (3)(b) shall carry the burden of proof before a

877 county board of equalization or the commission, in an action appealing the value of property:

878 (i) that is not qualified real property; and

879 (ii) for which a county assessor, a county board of equalization, or the commission

880 asserts that the fair market value of the assessed property is greater than the original assessed

881 value for that calendar year.

882 (b) For purposes of Subsection (3)(a), the following have the burden of proof:

883 (i) for property assessed under Part 3, County Assessment:

884 (A) the county assessor, if the county assessor is a party to the appeal that asserts that

885 the fair market value of the assessed property is greater than the original assessed value for that

886 calendar year; or

887 (B) the county board of equalization, if the county board of equalization is a party to

888 the appeal that asserts that the fair market value of the assessed property is greater than the

889 original assessed value for that calendar year; or

890 (ii) for property assessed under Part 2, Assessment of Property, the commission, if the

891 commission is a party to the appeal that asserts that the fair market value of the assessed

892 property is greater than the original assessed value for that calendar year.

893 (c) For purposes of this Subsection (3) only, if a county assessor, county board of

894 equalization, or the commission asserts that the fair market value of the assessed property is

895 greater than the original assessed value for that calendar year:

896 (i) the original assessed value shall lose the presumption of correctness;  
 897 (ii) a preponderance of the evidence shall suffice to sustain the burden for all parties;

898 and

899 (iii) the county board of equalization or the commission shall be free to consider all  
 900 evidence allowed by law in determining fair market value, including the original assessed  
 901 value.

902 (4) (a) The party described in Subsection (4)(b) shall carry the burden of proof before a  
 903 county board of equalization or the commission in an action appealing the value of qualified  
 904 real property if at least one party presents evidence of or otherwise asserts a value other than  
 905 inflation adjusted value.

906 (b) For purposes of Subsection (4)(a):

907 (i) the county assessor or the county board of equalization that is a party to the appeal  
 908 has the burden of proof if the county assessor or county board of equalization presents evidence  
 909 of or otherwise asserts a value that is greater than ~~[or equal to]~~ the inflation adjusted value; or

910 (ii) the taxpayer that is a party to the appeal has the burden of proof if the taxpayer  
 911 presents evidence of or otherwise asserts a value that is less than the inflation adjusted value.

912 (c) The burdens of proof described in Subsection (4)(b) apply before a county board of  
 913 equalization or the commission even if the previous year's valuation is:

914 (i) pending an appeal requested in accordance with Section 59-2-1006 or judicial  
 915 review requested in accordance with Section 59-1-602 or Title 63G, Chapter 4, Part 4, Judicial  
 916 Review; or

917 (ii) overturned by the commission as a result of an appeal requested in accordance with  
 918 Section 59-2-1006 or by a court of competent jurisdiction as a result of judicial review  
 919 requested in accordance with Section 59-1-602 or Title 63G, Chapter 4, Part 4, Judicial  
 920 Review.

921 Section 7. Section 59-2-201 is amended to read:

922 **59-2-201. Assessment by commission -- Determination of value of mining**  
 923 **property -- Determination of value of aircraft -- Notification of assessment -- Local**  
 924 **assessment of property assessed by the unitary method -- Commission may consult with**  
 925 **county.**

926 (1) (a) By May 1 of each year, the following property, unless otherwise exempt under

927 the Utah Constitution or under [~~Part 11, Exemptions, Deferrals, and Abatements~~] Part 11,  
928 Exemptions, shall be assessed by the commission at 100% of fair market value, as valued on  
929 January 1, in accordance with this chapter:

930 (i) except as provided in Subsection (2), all property that operates as a unit across  
931 county lines, if the values must be apportioned among more than one county or state;

932 (ii) all property of public utilities;

933 (iii) all operating property of an airline, air charter service, and air contract service;

934 (iv) all geothermal fluids and geothermal resources;

935 (v) all mines and mining claims except in cases, as determined by the commission,  
936 where the mining claims are used for other than mining purposes, in which case the value of  
937 mining claims used for other than mining purposes shall be assessed by the assessor of the  
938 county in which the mining claims are located; and

939 (vi) all machinery used in mining, all property or surface improvements upon or  
940 appurtenant to mines or mining claims. For the purposes of assessment and taxation, all  
941 processing plants, mills, reduction works, and smelters that are primarily used by the owner of  
942 a mine or mining claim for processing, reducing, or smelting minerals taken from a mine or  
943 mining claim shall be considered appurtenant to that mine or mining claim, regardless of actual  
944 location.

945 (b) (i) For purposes of Subsection (1)(a)(iii), operating property of an air charter  
946 service does not include an aircraft that is:

947 (A) used by the air charter service for air charter; and

948 (B) owned by a person other than the air charter service.

949 (ii) For purposes of this Subsection (1)(b):

950 (A) "person" means a natural person, individual, corporation, organization, or other  
951 legal entity; and

952 (B) a person does not qualify as a person other than the air charter service as described  
953 in Subsection (1)(b)(i)(B) if the person is:

954 (I) a principal, owner, or member of the air charter service; or

955 (II) a legal entity that has a principal, owner, or member of the air charter service as a  
956 principal, owner, or member of the legal entity.

957 (2) (a) The commission may not assess property owned by a telecommunications

958 service provider.

959 (b) The commission shall assess and collect property tax on state-assessed commercial  
960 vehicles at the time of original registration or annual renewal.

961 (i) The commission shall assess and collect property tax annually on state-assessed  
962 commercial vehicles that are registered pursuant to Section [41-1a-222](#) or [41-1a-228](#).

963 (ii) State-assessed commercial vehicles brought into the state that are required to be  
964 registered in Utah shall, as a condition of registration, be subject to ad valorem tax unless all  
965 property taxes or fees imposed by the state of origin have been paid for the current calendar  
966 year.

967 (iii) Real property, improvements, equipment, fixtures, or other personal property in  
968 this state owned by the company shall be assessed separately by the local county assessor.

969 (iv) The commission shall adjust the value of state-assessed commercial vehicles as  
970 necessary to comply with 49 U.S.C. Sec. 14502, and the commission shall direct the county  
971 assessor to apply the same adjustment to any personal property, real property, or improvements  
972 owned by the company and used directly and exclusively in their commercial vehicle activities.

973 (3) (a) The method for determining the fair market value of productive mining property  
974 is the capitalized net revenue method or any other valuation method the commission believes,  
975 or the taxpayer demonstrates to the commission's satisfaction, to be reasonably determinative  
976 of the fair market value of the mining property.

977 (b) The commission shall determine the rate of capitalization applicable to mines,  
978 consistent with a fair rate of return expected by an investor in light of that industry's current  
979 market, financial, and economic conditions.

980 (c) In no event may the fair market value of the mining property be less than the fair  
981 market value of the land, improvements, and tangible personal property upon or appurtenant to  
982 the mining property.

983 (4) (a) As used in this Subsection (4), "aircraft pricing guide" means a nationally  
984 recognized publication that assigns value estimates for individual commercial aircraft that are:

985 (i) identified by year, make, and model; and

986 (ii) in average condition typical for the aircraft's type and vintage.

987 (b) (i) Except as provided in Subsection (4)(d), the commission shall use an aircraft  
988 pricing guide, adjusted as provided in Subsection (4)(c), to determine the fair market value of



989 aircraft assessed under this part.

990 (ii) The commission shall use the Airliner Price Guide as the aircraft pricing guide,  
991 except that:

992 (A) if the Airliner Price Guide is no longer published or the commission determines  
993 that another aircraft pricing guide more reasonably reflects the fair market value of aircraft, the  
994 commission, after consulting with the airlines operating in the state, shall select an alternative  
995 aircraft pricing guide;

996 (B) if an aircraft is not listed in the Airliner Price Guide, the commission shall use the  
997 Aircraft Bluebook Price Digest as the aircraft pricing guide; and

998 (C) if the Aircraft Bluebook Price Digest is no longer published or the commission  
999 determines that another aircraft pricing guide more reasonably reflects the fair market value of  
1000 aircraft, the commission, after consulting with the airlines operating in the state, shall select an  
1001 alternative aircraft pricing guide.

1002 (c) (i) To reflect the value of an aircraft fleet that is used as part of the operating  
1003 property of an airline, air charter service, or air contract service, the fair market value of the  
1004 aircraft shall include a fleet adjustment as provided in this Subsection (4)(c).

1005 (ii) If the aircraft pricing guide provides a method for making a fleet adjustment, the  
1006 commission shall use the method described in the aircraft pricing guide.

1007 (iii) If the aircraft pricing guide does not provide a method for making a fleet  
1008 adjustment, the commission shall make a fleet adjustment by reducing the aircraft pricing guide  
1009 value of each aircraft in the fleet by .5% for each aircraft over three aircraft up to a maximum  
1010 20% reduction.

1011 (d) The commission may use an alternative method for valuing aircraft of an airline, air  
1012 charter service, or air contract service if the commission:

1013 (i) has clear and convincing evidence that the aircraft values reflected in the aircraft  
1014 pricing guide do not reasonably reflect fair market value of the aircraft; and

1015 (ii) cannot identify an alternative aircraft pricing guide from which the commission  
1016 may determine aircraft value.

1017 (5) Immediately following the assessment, the commission shall send, by certified  
1018 mail, notice of the assessment to the owner or operator of the assessed property and the  
1019 assessor of the county in which the property is located.

1020 (6) The commission may consult with a county in valuing property in accordance with  
1021 this part.

1022 (7) The local county assessor shall separately assess property that is assessed by the  
1023 unitary method if the commission determines that the property:

- 1024 (a) is not necessary to the conduct of the business; and
- 1025 (b) does not contribute to the income of the business.

1026 Section 8. Section **59-2-1101** is amended to read:

1027 **Part 11. Exemptions**

1028 **59-2-1101. Definitions -- Exemption of certain property -- Proportional payments**  
1029 **for certain property -- Exception -- County legislative body authority to adopt rules or**  
1030 **ordinances.**

1031 (1) As used in this section:

1032 (a) "Charitable purposes" means:

- 1033 (i) for property used as a nonprofit hospital or a nursing home, the standards outlined in  
1034 Howell v. County Board of Cache County ex rel. IHC Hospitals, Inc., 881 P.2d 880 (Utah  
1035 1994); and

1036 (ii) for property other than property described in Subsection (1)(a)(i), providing a gift  
1037 to the community.

1038 (b) (i) "Educational purposes" means purposes carried on by an educational  
1039 organization that normally:

- 1040 (A) maintains a regular faculty and curriculum; and
- 1041 (B) has a regularly enrolled body of pupils and students.

1042 (ii) "Educational purposes" includes:

- 1043 (A) the physical or mental teaching, training, or conditioning of competitive athletes by  
1044 a national governing body of sport recognized by the United States Olympic Committee that  
1045 qualifies as being tax exempt under Section 501(c)(3), Internal Revenue Code; and

1046 (B) an activity in support of or incidental to the teaching, training, or conditioning  
1047 described in this Subsection (1)(b)(ii).

1048 (c) "Exclusive use exemption" means a property tax exemption under Subsection  
1049 (3)(a)(iv), for property owned by a nonprofit entity used exclusively for one or more of the  
1050 following purposes:

- 1051 (i) religious purposes;
- 1052 (ii) charitable purposes; or
- 1053 (iii) educational purposes.
- 1054 (d) (i) "Farm machinery and equipment" means tractors, milking equipment and
- 1055 storage and cooling facilities, feed handling equipment, irrigation equipment, harvesters,
- 1056 choppers, grain drills and planters, tillage tools, scales, combines, spreaders, sprayers, haying
- 1057 equipment, including balers and cubers, and any other machinery or equipment used primarily
- 1058 for agricultural purposes.
- 1059 (ii) "Farm machinery and equipment" does not include vehicles required to be
- 1060 registered with the Motor Vehicle Division or vehicles or other equipment used for business
- 1061 purposes other than farming.
- 1062 (e) "Gift to the community" means:
- 1063 (i) the lessening of a government burden; or
- 1064 (ii) (A) the provision of a significant service to others without immediate expectation
- 1065 of material reward;
- 1066 (B) the use of the property is supported to a material degree by donations and gifts
- 1067 including volunteer service;
- 1068 (C) the recipients of the charitable activities provided on the property are not required
- 1069 to pay for the assistance received, in whole or in part, except that if in part, to a material
- 1070 degree;
- 1071 (D) the beneficiaries of the charitable activities provided on the property are
- 1072 unrestricted or, if restricted, the restriction bears a reasonable relationship to the charitable
- 1073 objectives of the nonprofit entity that owns the property; and
- 1074 (E) any commercial activities provided on the property are subordinate or incidental to
- 1075 charitable activities provided on the property.
- 1076 (f) "Government exemption" means a property tax exemption provided under
- 1077 Subsection (3)(a)(i), (ii), or (iii).
- 1078 (g) (i) "Nonprofit entity" means an entity:
- 1079 (A) that is organized on a nonprofit basis, that dedicates the entity's property to the
- 1080 entity's nonprofit purpose, and that makes no dividend or other form of financial benefit
- 1081 available to a private interest;

1082 (B) for which, upon dissolution, the entity's assets are distributable only for exempt  
1083 purposes under state law or to the government for a public purpose; and

1084 (C) for which none of the net earnings or donations made to the entity inure to the  
1085 benefit of private shareholders or other individuals, as the private inurement standard has been  
1086 interpreted under Section 501(c)(3), Internal Revenue Code.

1087 (ii) "Nonprofit entity" includes an entity:

1088 (A) if the entity is treated as a disregarded entity for federal income tax purposes and  
1089 wholly owned by, and controlled under the direction of, a nonprofit entity; and

1090 (B) for which none of the net earnings and profits of the entity inure to the benefit of  
1091 any person other than a nonprofit entity.

1092 ~~[(h) "Tax relief" means an exemption, deferral, or abatement that is authorized by this~~  
1093 ~~part, Part 18, Tax Deferral and Tax Abatement, or Part 19, Armed Forces Exemptions.]~~

1094 (2) (a) Except as provided in Subsection (2)(b) or (c), ~~[tax relief]~~ an exemption under  
1095 this part may be allowed only if the claimant is the owner of the property as of January 1 of the  
1096 year the exemption is claimed.

1097 (b) Notwithstanding Subsection (2)(a), a claimant shall collect and pay a proportional  
1098 tax based upon the length of time that the property was not owned by the claimant if:

1099 (i) the claimant is a federal, state, or political subdivision entity described in  
1100 Subsection (3)(a)(i), (ii), or (iii); or

1101 (ii) pursuant to Subsection (3)(a)(iv):

1102 (A) the claimant is a nonprofit entity; and

1103 (B) the property is used exclusively for religious, charitable, or educational purposes.

1104 (c) Subsection (2)(a) does not apply to an exemption described in Part 19, Armed  
1105 Forces Exemptions .

1106 (3) (a) The following property is exempt from taxation:

1107 (i) property exempt under the laws of the United States;

1108 (ii) property of:

1109 (A) the state;

1110 (B) school districts; and

1111 (C) public libraries;

1112 (iii) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act, property of:

- 1113 (A) counties;
- 1114 (B) cities;
- 1115 (C) towns;
- 1116 (D) local districts;
- 1117 (E) special service districts; and
- 1118 (F) all other political subdivisions of the state;
- 1119 (iv) except as provided in Subsection (6) or (7), property owned by a nonprofit entity
- 1120 used exclusively for one or more of the following purposes:
- 1121 (A) religious purposes;
- 1122 (B) charitable purposes; or
- 1123 (C) educational purposes;
- 1124 (v) places of burial not held or used for private or corporate benefit;
- 1125 (vi) farm machinery and equipment;
- 1126 (vii) a high tunnel, as defined in Section 10-9a-525;
- 1127 (viii) intangible property; and
- 1128 (ix) the ownership interest of an out-of-state public agency, as defined in Section
- 1129 11-13-103:
- 1130 (A) if that ownership interest is in property providing additional project capacity, as
- 1131 defined in Section 11-13-103; and
- 1132 (B) on which a fee in lieu of ad valorem property tax is payable under Section
- 1133 11-13-302.
- 1134 (b) For purposes of a property tax exemption for property of school districts under
- 1135 Subsection (3)(a)(ii)(B), a charter school under Title 53G, Chapter 5, Charter Schools, is
- 1136 considered to be a school district.
- 1137 (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or
- 1138 a government exemption ceases to qualify for the exemption because of a change in the
- 1139 ownership of the property:
- 1140 (a) the new owner of the property shall pay a proportional tax based upon the period of
- 1141 time:
- 1142 (i) beginning on the day that the new owner acquired the property; and
- 1143 (ii) ending on the last day of the calendar year during which the new owner acquired

1144 the property; and

1145 (b) the new owner of the property and the person from whom the new owner acquires  
1146 the property shall notify the county assessor, in writing, of the change in ownership of the  
1147 property within 30 days from the day that the new owner acquires the property.

1148 (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection  
1149 (4)(a):

1150 (a) is subject to any exclusive use exemption or government exemption that the  
1151 property is entitled to under the new ownership of the property; and

1152 (b) applies only to property that is acquired after December 31, 2005.

1153 (6) (a) A property may not receive an exemption under Subsection (3)(a)(iv) if:

1154 (i) the nonprofit entity that owns the property participates in or intervenes in any  
1155 political campaign on behalf of or in opposition to any candidate for public office, including  
1156 the publishing or distribution of statements; or

1157 (ii) a substantial part of the activities of the nonprofit entity that owns the property  
1158 consists of carrying on propaganda or otherwise attempting to influence legislation, except as  
1159 provided under Subsection 501(h), Internal Revenue Code.

1160 (b) Whether a nonprofit entity is engaged in an activity described in Subsection (6)(a)  
1161 shall be determined using the standards described in Section 501, Internal Revenue Code.

1162 (7) A property may not receive an exemption under Subsection (3)(a)(iv) if:

1163 (a) the property is used for a purpose that is not religious, charitable, or educational;  
1164 and

1165 (b) the use for a purpose that is not religious, charitable, or educational is more than de  
1166 minimis.

1167 (8) A county legislative body may adopt rules or ordinances to:

1168 (a) effectuate [~~the exemptions, deferrals, abatements, or other relief from taxation~~  
1169 ~~provided in this part, Part 18, Tax Deferral and Tax Abatement, or Part 19, Armed Forces~~  
1170 ~~Exemptions; and~~] an exemption under this part; and

1171 (b) designate one or more persons to perform the functions given to the county under  
1172 this part[~~, Part 18, Tax Deferral and Tax Abatement, or Part 19, Armed Forces Exemptions~~].

1173 (9) If a person is dissatisfied with [~~a tax relief~~] an exemption decision made under  
1174 designated decision-making authority as described in Subsection (8)(b), that person may appeal

1175 the decision to the commission under Section 59-2-1006.

1176 Section 9. Section 59-2-1102 is amended to read:

1177 **59-2-1102. Determination of exemptions by board of equalization -- Appeal --**  
1178 **Application for exemption -- Annual statement -- Exceptions.**

1179 (1) (a) For property assessed under Part 3, County Assessment, the county board of  
1180 equalization may, after giving notice in a manner prescribed by rule, determine whether certain  
1181 property within the county is exempt from taxation.

1182 (b) The decision of the county board of equalization described in Subsection (1)(a)  
1183 shall:

1184 (i) be in writing; and

1185 (ii) include:

1186 (A) a statement of facts; and

1187 (B) the statutory basis for its decision.

1188 (c) Except as provided in Subsection (10)(a), a copy of the decision described in  
1189 Subsection (1)(a) shall be sent on or before May 15 to the person applying for the exemption.

1190 (2) Except as provided in Subsection (7) and subject to Subsection (8), a reduction in  
1191 the value of property may not be made under this part [~~or Part 18, Tax Deferral and Tax~~  
1192 ~~Abatement, and an exemption may not be granted under this part or Part 19, Armed Forces~~  
1193 ~~Exemptions~~], unless the person affected or the person's agent:

1194 (a) submits a written application to the county board of equalization; and

1195 (b) verifies the application by signed statement.

1196 (3) (a) The county board of equalization may require a person making an application  
1197 for exemption or reduction to appear before the county board of equalization and be examined  
1198 under oath.

1199 (b) If the county board of equalization requires a person making an application for  
1200 exemption or reduction to appear before the county board of equalization, a reduction may not  
1201 be made or exemption granted unless the person appears and answers all questions pertinent to  
1202 the inquiry.

1203 (4) For the hearing on the application, the county board of equalization may subpoena  
1204 any witnesses, and hear and take any evidence in relation to the pending application.

1205 (5) Except as provided in Subsection (10)(b), the county board of equalization shall

1206 hold hearings and render a written decision to determine any exemption on or before May 1 in  
1207 each year.

1208 (6) Any property owner dissatisfied with the decision of the county board of  
1209 equalization regarding any reduction or exemption may appeal to the commission under  
1210 Section 59-2-1006.

1211 (7) Notwithstanding Subsection (2), a county board of equalization may not require an  
1212 owner of property to file an application in accordance with this section in order to claim an  
1213 exemption for the property under the following:

1214 (a) Subsections 59-2-1101(3)(a)(i) through (iii);

1215 (b) Subsection 59-2-1101(3)(a)(vi) or (viii);

1216 (c) Section 59-2-1110;

1217 (d) Section 59-2-1111;

1218 (e) Section 59-2-1112;

1219 (f) Section 59-2-1113; or

1220 (g) Section 59-2-1114.

1221 (8) (a) Except as provided in Subsection (8)(b), for property described in Subsection  
1222 59-2-1101(3)(a)(iv) or (v), a county board of equalization shall, consistent with Subsection (9),  
1223 require an owner of that property to file an application in accordance with this section in order  
1224 to claim an exemption for that property.

1225 (b) Notwithstanding Subsection (8)(a), a county board of equalization may not require  
1226 an owner of property described in Subsection 59-2-1101(3)(a)(iv) or (v) to file an application  
1227 under Subsection (8)(a) if:

1228 (i) the owner filed an application under Subsection (8)(a);

1229 (ii) the county board of equalization determines that the owner may claim an  
1230 exemption for that property; and

1231 (iii) the exemption described in Subsection (8)(b)(ii) is in effect.

1232 (c) (i) For the time period that an owner is granted an exemption in accordance with  
1233 this section for property described in Subsection 59-2-1101(3)(a)(iv) or (v), a county board of  
1234 equalization shall require the owner to file an annual statement on or before March 1 on a form  
1235 prescribed by the commission establishing that the property continues to be eligible for the  
1236 exemption.



1237 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1238 commission shall make rules providing:

1239 (A) the form for the annual statement required by Subsection (8)(c)(i);

1240 (B) the contents of the form for the annual statement required by Subsection (8)(c)(i);

1241 and

1242 (C) procedures and requirements for making the annual statement required by  
1243 Subsection (8)(c)(i).

1244 (iii) The commission shall make the form described in Subsection (8)(c)(ii)(A)  
1245 available to counties.

1246 (d) On or before April 1, a county board of equalization shall notify each property  
1247 owner who fails to timely file an annual statement in accordance with Subsection (8)(c) of the  
1248 county board of equalization's intent to revoke the exemption.

1249 (e) An owner of exempt property described in Subsection 59-2-1101(3)(a)(iv) may file  
1250 the annual statement described in Subsection (8)(c) after March 1 if the property owner:

1251 (i) files the annual statement on or before March 31; and

1252 (ii) includes a statement of facts establishing that the property owner was unable to file  
1253 the annual statement on or before March 1 due to one of the following conditions and no other  
1254 responsible party was capable of filing the annual statement:

1255 (A) a medical emergency of the property owner, an immediate family member of the  
1256 property owner, or the property owner's agent;

1257 (B) the death of the property owner, an immediate family member of the property  
1258 owner, or the property owner's agent; or

1259 (C) other extraordinary and unanticipated circumstances.

1260 (9) (a) For purposes of this Subsection (9), "exclusive use exemption" [~~is as~~] means the  
1261 same as that term is defined in Section 59-2-1101.

1262 (b) For purposes of Subsection (1)(a), when a person acquires property on or after  
1263 January 1 that qualifies for an exclusive use exemption, that person may apply for the exclusive  
1264 use exemption on or before the later of:

1265 (i) the day set by rule as the deadline for filing a property tax exemption application; or

1266 (ii) 120 days after the day on which the property is acquired.

1267 (10) (a) Notwithstanding Subsection (1)(c), if an application for an exemption is filed

1268 under Subsection (9), a county board of equalization shall send a copy of the decision described  
1269 in Subsection (1)(c) to the person applying for the exemption on or before the later of:

1270 (i) May 15; or

1271 (ii) 45 days after the day on which the application for the exemption is filed.

1272 (b) Notwithstanding Subsection (5), if an application for an exemption is filed under  
1273 Subsection (9), a county board of equalization shall hold the hearing and render the decision  
1274 described in Subsection (5) on or before the later of:

1275 (i) May 1; or

1276 (ii) 30 days after the day on which the application for the exemption is filed.

1277 Section 10. Section **59-2-1710** is amended to read:

1278 **59-2-1710. Acquisition of land by governmental entity -- Requirements --**  
1279 **Rollback tax -- One-time in lieu fee payment -- Passage of title.**

1280 (1) For purposes of this section, "governmental entity" means:

1281 (a) the United States;

1282 (b) the state;

1283 (c) a political subdivision of the state, including a county, city, town, school district,  
1284 local district, or special service district; or

1285 (d) an entity created by the state or the United States, including an agency, board,  
1286 bureau, commission, committee, department, division, institution, instrumentality, or office.

1287 (2) (a) Except as provided in Subsections (3) and (4), land acquired by a governmental  
1288 entity is subject to the rollback tax imposed by this part if:

1289 (i) before the governmental entity acquires the land, the land is assessed under this  
1290 part; and

1291 (ii) after the governmental entity acquires the land, the land does not meet the  
1292 requirements of Section [59-2-1703](#) for assessment under this part.

1293 (b) A person dedicating a public right-of-way to a governmental entity shall pay the  
1294 rollback tax imposed by this part if:

1295 (i) a portion of the public right-of-way is located within a subdivision as defined in  
1296 Section [10-9a-103](#); or

1297 (ii) in exchange for the dedication, the person dedicating the public right-of-way  
1298 receives money or other consideration.

1299 (3) (a) Land acquired by a governmental entity is not subject to the rollback tax  
1300 imposed by this part, but is subject to a one-time in lieu fee payment as provided in Subsection  
1301 (3)(b), if:

1302 (i) the governmental entity acquires the land by eminent domain;  
1303 (ii) (A) the land is under the threat or imminence of eminent domain proceedings; and  
1304 (B) the governmental entity provides written notice of the proceedings to the owner; or  
1305 (iii) the land is donated to the governmental entity.

1306 (b) (i) If a governmental entity acquires land under Subsection (3)(a)(iii), the  
1307 governmental entity shall make a one-time in lieu fee payment:

1308 (A) to the county treasurer of the county in which the land is located; and  
1309 (B) in an amount equal to the amount of rollback tax calculated under Section  
1310 [59-2-1705](#).

1311 (ii) A governmental entity that acquires land under Subsection (3)(a)(i) or (ii) shall  
1312 make a one-time in lieu fee payment to the county treasurer of the county in which the land is  
1313 located:

1314 (A) if the land remaining after the acquisition by the governmental entity meets the  
1315 requirements of Section [59-2-1703](#), in an amount equal to the rollback tax under Section  
1316 [59-2-1705](#) on the land acquired by the governmental entity; or

1317 (B) if the land remaining after the acquisition by the governmental entity is less than  
1318 [~~two acres~~] one acre, in an amount equal to the rollback tax under Section [59-2-1705](#) on the  
1319 land acquired by the governmental entity and the land remaining after the acquisition by the  
1320 governmental entity.

1321 (c) A county receiving an in lieu fee payment under Subsection (3)(b) shall distribute  
1322 the revenues collected from the payment:

1323 (i) to the taxing entities in which the land is located; and  
1324 (ii) in the same proportion as the revenue from real property taxes is distributed.

1325 (4) If a governmental entity acquires land subject to assessment under this part, title to  
1326 the land may not pass to the governmental entity until any tax, one-time in lieu fee payment,  
1327 and applicable interest due under this part are paid to the county treasurer.

1328 Section 11. Section [59-2-1806](#) is enacted to read:

1329 **59-2-1806. County legislative body authority to adopt rules or ordinances.**

1330 A county legislative body may adopt rules or ordinances to:

1331 (1) effectuate an abatement or exemption; or

1332 (2) designate one or more persons to perform the functions given to the county under  
1333 this part.

1334 Section 12. Section **59-2-1906** is enacted to read:

1335 **59-2-1906. County legislative body authority to adopt rules or ordinances.**

1336 A county legislative body may adopt rules or ordinances to:

1337 (1) effectuate an exemption under this part; or

1338 (2) designate one or more persons to perform the functions given to the county under  
1339 this part.

1340 Section 13. Section **59-10-552** is amended to read:

1341 **59-10-552. Carry forward of expired or repealed tax credit.**

1342 When a nonrefundable individual income tax credit, under Part 10, Nonrefundable Tax  
1343 Credit Act, expires or is repealed, the commission shall allow a claimant, estate, or trust to  
1344 carry forward any amount of the tax credit that remains for the period of time described in the  
1345 tax credit for the taxable year in which the [~~estate, claimant, or estate~~] claimant, estate, or trust  
1346 first claimed the tax credit.

1347 Section 14. Section **59-12-103** is amended to read:

1348 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**  
1349 **tax revenues.**

1350 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or  
1351 sales price for amounts paid or charged for the following transactions:

1352 (a) retail sales of tangible personal property made within the state;

1353 (b) amounts paid for:

1354 (i) telecommunications service, other than mobile telecommunications service, that  
1355 originates and terminates within the boundaries of this state;

1356 (ii) mobile telecommunications service that originates and terminates within the  
1357 boundaries of one state only to the extent permitted by the Mobile Telecommunications  
1358 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

1359 (iii) an ancillary service associated with a:

1360 (A) telecommunications service described in Subsection (1)(b)(i); or

- 1361 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 1362 (c) sales of the following for commercial use:
- 1363 (i) gas;
- 1364 (ii) electricity;
- 1365 (iii) heat;
- 1366 (iv) coal;
- 1367 (v) fuel oil; or
- 1368 (vi) other fuels;
- 1369 (d) sales of the following for residential use:
- 1370 (i) gas;
- 1371 (ii) electricity;
- 1372 (iii) heat;
- 1373 (iv) coal;
- 1374 (v) fuel oil; or
- 1375 (vi) other fuels;
- 1376 (e) sales of prepared food;
- 1377 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 1378 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 1379 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 1380 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 1381 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 1382 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 1383 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 1384 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 1385 exhibition, cultural, or athletic activity;
- 1386 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 1387 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 1388 (i) the tangible personal property; and
- 1389 (ii) parts used in the repairs or renovations of the tangible personal property described
- 1390 in Subsection (1)(g)(i), regardless of whether:
- 1391 (A) any parts are actually used in the repairs or renovations of that tangible personal

1392 property; or

1393 (B) the particular parts used in the repairs or renovations of that tangible personal  
1394 property are exempt from a tax under this chapter;

1395 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for  
1396 assisted cleaning or washing of tangible personal property;

1397 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court  
1398 accommodations and services that are regularly rented for less than 30 consecutive days;

1399 (j) amounts paid or charged for laundry or dry cleaning services;

1400 (k) amounts paid or charged for leases or rentals of tangible personal property if within  
1401 this state the tangible personal property is:

1402 (i) stored;

1403 (ii) used; or

1404 (iii) otherwise consumed;

1405 (l) amounts paid or charged for tangible personal property if within this state the  
1406 tangible personal property is:

1407 (i) stored;

1408 (ii) used; or

1409 (iii) consumed; and

1410 (m) amounts paid or charged for a sale:

1411 (i) (A) of a product transferred electronically; or

1412 (B) of a repair or renovation of a product transferred electronically; and

1413 (ii) regardless of whether the sale provides:

1414 (A) a right of permanent use of the product; or

1415 (B) a right to use the product that is less than a permanent use, including a right:

1416 (I) for a definite or specified length of time; and

1417 (II) that terminates upon the occurrence of a condition.

1418 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax  
1419 are imposed on a transaction described in Subsection (1) equal to the sum of:

1420 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

1421 (A) 4.70% plus the rate specified in Subsection ~~[(12)(a)]~~ (11)(a); and

1422 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales

1423 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
1424 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional  
1425 State Sales and Use Tax Act; and

1426 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales  
1427 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
1428 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state  
1429 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

1430 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
1431 transaction under this chapter other than this part.

1432 (b) Except as provided in Subsection (2)(e) or (f) and subject to Subsection (2)(k), a  
1433 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to  
1434 the sum of:

1435 (i) a state tax imposed on the transaction at a tax rate of 2%; and

1436 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
1437 transaction under this chapter other than this part.

1438 (c) Except as provided in Subsection (2)(e) or (f), a state tax and a local tax are  
1439 imposed on amounts paid or charged for food and food ingredients equal to the sum of:

1440 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at  
1441 a tax rate of 1.75%; and

1442 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
1443 amounts paid or charged for food and food ingredients under this chapter other than this part.

1444 (d) Except as provided in Subsection (2)(e) or (f), a state tax is imposed on amounts  
1445 paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at  
1446 a rate of 4.85%.

1447 (e) (i) For a bundled transaction that is attributable to food and food ingredients and  
1448 tangible personal property other than food and food ingredients, a state tax and a local tax is  
1449 imposed on the entire bundled transaction equal to the sum of:

1450 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

1451 (I) the tax rate described in Subsection (2)(a)(i)(A); and

1452 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
1453 Sales and Use Tax Act, if the location of the transaction as determined under Sections

1454 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
1455 Additional State Sales and Use Tax Act; and

1456 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
1457 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
1458 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
1459 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

1460 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates  
1461 described in Subsection (2)(a)(ii).

1462 (ii) If an optional computer software maintenance contract is a bundled transaction that  
1463 consists of taxable and nontaxable products that are not separately itemized on an invoice or  
1464 similar billing document, the purchase of the optional computer software maintenance contract  
1465 is 40% taxable under this chapter and 60% nontaxable under this chapter.

1466 (iii) Subject to Subsection (2)(e)(iv), for a bundled transaction other than a bundled  
1467 transaction described in Subsection (2)(e)(i) or (ii):

1468 (A) if the sales price of the bundled transaction is attributable to tangible personal  
1469 property, a product, or a service that is subject to taxation under this chapter and tangible  
1470 personal property, a product, or service that is not subject to taxation under this chapter, the  
1471 entire bundled transaction is subject to taxation under this chapter unless:

1472 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
1473 personal property, product, or service that is not subject to taxation under this chapter from the  
1474 books and records the seller keeps in the seller's regular course of business; or

1475 (II) state or federal law provides otherwise; or

1476 (B) if the sales price of a bundled transaction is attributable to two or more items of  
1477 tangible personal property, products, or services that are subject to taxation under this chapter  
1478 at different rates, the entire bundled transaction is subject to taxation under this chapter at the  
1479 higher tax rate unless:

1480 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
1481 personal property, product, or service that is subject to taxation under this chapter at the lower  
1482 tax rate from the books and records the seller keeps in the seller's regular course of business; or

1483 (II) state or federal law provides otherwise.

1484 (iv) For purposes of Subsection (2)(e)(iii), books and records that a seller keeps in the



1485 seller's regular course of business includes books and records the seller keeps in the regular  
1486 course of business for nontax purposes.

1487 (f) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(f)(ii)  
1488 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
1489 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
1490 of tangible personal property, other property, a product, or a service that is not subject to  
1491 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
1492 the seller, at the time of the transaction:

1493 (A) separately states the portion of the transaction that is not subject to taxation under  
1494 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

1495 (B) is able to identify by reasonable and verifiable standards, from the books and  
1496 records the seller keeps in the seller's regular course of business, the portion of the transaction  
1497 that is not subject to taxation under this chapter.

1498 (ii) A purchaser and a seller may correct the taxability of a transaction if:

1499 (A) after the transaction occurs, the purchaser and the seller discover that the portion of  
1500 the transaction that is not subject to taxation under this chapter was not separately stated on an  
1501 invoice, bill of sale, or similar document provided to the purchaser because of an error or  
1502 ignorance of the law; and

1503 (B) the seller is able to identify by reasonable and verifiable standards, from the books  
1504 and records the seller keeps in the seller's regular course of business, the portion of the  
1505 transaction that is not subject to taxation under this chapter.

1506 (iii) For purposes of Subsections (2)(f)(i) and (ii), books and records that a seller keeps  
1507 in the seller's regular course of business includes books and records the seller keeps in the  
1508 regular course of business for nontax purposes.

1509 (g) (i) If the sales price of a transaction is attributable to two or more items of tangible  
1510 personal property, products, or services that are subject to taxation under this chapter at  
1511 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate  
1512 unless the seller, at the time of the transaction:

1513 (A) separately states the items subject to taxation under this chapter at each of the  
1514 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

1515 (B) is able to identify by reasonable and verifiable standards the tangible personal

1516 property, product, or service that is subject to taxation under this chapter at the lower tax rate  
1517 from the books and records the seller keeps in the seller's regular course of business.

1518 (ii) For purposes of Subsection (2)(g)(i), books and records that a seller keeps in the  
1519 seller's regular course of business includes books and records the seller keeps in the regular  
1520 course of business for nontax purposes.

1521 (h) Subject to Subsections (2)(i) and (j), a tax rate repeal or tax rate change for a tax  
1522 rate imposed under the following shall take effect on the first day of a calendar quarter:

1523 (i) Subsection (2)(a)(i)(A);

1524 (ii) Subsection (2)(b)(i);

1525 (iii) Subsection (2)(c)(i); or

1526 (iv) Subsection (2)(e)(i)(A)(I).

1527 (i) (i) A tax rate increase takes effect on the first day of the first billing period that  
1528 begins on or after the effective date of the tax rate increase if the billing period for the  
1529 transaction begins before the effective date of a tax rate increase imposed under:

1530 (A) Subsection (2)(a)(i)(A);

1531 (B) Subsection (2)(b)(i);

1532 (C) Subsection (2)(c)(i); or

1533 (D) Subsection (2)(e)(i)(A)(I).

1534 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
1535 statement for the billing period is rendered on or after the effective date of the repeal of the tax  
1536 or the tax rate decrease imposed under:

1537 (A) Subsection (2)(a)(i)(A);

1538 (B) Subsection (2)(b)(i);

1539 (C) Subsection (2)(c)(i); or

1540 (D) Subsection (2)(e)(i)(A)(I).

1541 (j) (i) For a tax rate described in Subsection (2)(j)(ii), if a tax due on a catalogue sale is  
1542 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or  
1543 change in a tax rate takes effect:

1544 (A) on the first day of a calendar quarter; and

1545 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

1546 (ii) Subsection (2)(j)(i) applies to the tax rates described in the following:

1547 (A) Subsection (2)(a)(i)(A);

1548 (B) Subsection (2)(b)(i);

1549 (C) Subsection (2)(c)(i); or

1550 (D) Subsection (2)(e)(i)(A)(I).

1551 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
1552 the commission may by rule define the term "catalogue sale."

1553 (k) (i) For a location described in Subsection (2)(k)(ii), the commission shall determine  
1554 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the  
1555 predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

1556 (ii) Subsection (2)(k)(i) applies to a location where gas, electricity, heat, coal, fuel oil,  
1557 or other fuel is furnished through a single meter for two or more of the following uses:

1558 (A) a commercial use;

1559 (B) an industrial use; or

1560 (C) a residential use.

1561 (3) (a) The following state taxes shall be deposited into the General Fund:

1562 (i) the tax imposed by Subsection (2)(a)(i)(A);

1563 (ii) the tax imposed by Subsection (2)(b)(i);

1564 (iii) the tax imposed by Subsection (2)(c)(i); and

1565 (iv) the tax imposed by Subsection (2)(e)(i)(A)(I).

1566 (b) The following local taxes shall be distributed to a county, city, or town as provided  
1567 in this chapter:

1568 (i) the tax imposed by Subsection (2)(a)(ii);

1569 (ii) the tax imposed by Subsection (2)(b)(ii);

1570 (iii) the tax imposed by Subsection (2)(c)(ii); and

1571 (iv) the tax imposed by Subsection (2)(e)(i)(B).

1572 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General  
1573 Fund.

1574 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
1575 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)  
1576 through (g):

1577 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

- 1578 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 1579 (B) for the fiscal year; or
- 1580 (ii) \$17,500,000.
- 1581 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
- 1582 described in Subsection (4)(a) shall be transferred each year as designated sales and use tax
- 1583 revenue to the Department of Natural Resources to:
- 1584 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
- 1585 protect sensitive plant and animal species; or
- 1586 (B) award grants, up to the amount authorized by the Legislature in an appropriations
- 1587 act, to political subdivisions of the state to implement the measures described in Subsections
- 1588 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.
- 1589 (ii) Money transferred to the Department of Natural Resources under Subsection
- 1590 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
- 1591 person to list or attempt to have listed a species as threatened or endangered under the
- 1592 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.
- 1593 (iii) At the end of each fiscal year:
- 1594 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the
- 1595 Water Resources Conservation and Development Fund created in Section 73-10-24;
- 1596 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
- 1597 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
- 1598 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
- 1599 Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 1600 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
- 1601 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
- 1602 created in Section 4-18-106.
- 1603 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
- 1604 in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to
- 1605 the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for
- 1606 the adjudication of water rights.
- 1607 (ii) At the end of each fiscal year:
- 1608 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the

1609 Water Resources Conservation and Development Fund created in Section 73-10-24;

1610 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the

1611 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

1612 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the

1613 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

1614 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described

1615 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and

1616 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

1617 (ii) In addition to the uses allowed of the Water Resources Conservation and

1618 Development Fund under Section 73-10-24, the Water Resources Conservation and

1619 Development Fund may also be used to:

1620 (A) conduct hydrologic and geotechnical investigations by the Division of Water

1621 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of

1622 quantifying surface and ground water resources and describing the hydrologic systems of an

1623 area in sufficient detail so as to enable local and state resource managers to plan for and

1624 accommodate growth in water use without jeopardizing the resource;

1625 (B) fund state required dam safety improvements; and

1626 (C) protect the state's interest in interstate water compact allocations, including the

1627 hiring of technical and legal staff.

1628 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described

1629 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount

1630 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

1631 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described

1632 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount

1633 created in Section 73-10c-5 for use by the Division of Drinking Water to:

1634 (i) provide for the installation and repair of collection, treatment, storage, and

1635 distribution facilities for any public water system, as defined in Section 19-4-102;

1636 (ii) develop underground sources of water, including springs and wells; and

1637 (iii) develop surface water sources.

1638 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,

1639 2006, the difference between the following amounts shall be expended as provided in this

1640 Subsection (5), if that difference is greater than \$1:

1641           (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the

1642 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

1643           (ii) \$17,500,000.

1644           (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

1645               (A) transferred each fiscal year to the Department of Natural Resources as designated

1646 sales and use tax revenue; and

1647               (B) expended by the Department of Natural Resources for watershed rehabilitation or

1648 restoration.

1649           (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use

1650 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation

1651 and Development Fund created in Section [73-10-24](#).

1652           (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the

1653 remaining difference described in Subsection (5)(a) shall be:

1654               (A) transferred each fiscal year to the Division of Water Resources as designated sales

1655 and use tax revenue; and

1656               (B) expended by the Division of Water Resources for cloud-seeding projects

1657 authorized by Title 73, Chapter 15, Modification of Weather.

1658           (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use

1659 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation

1660 and Development Fund created in Section [73-10-24](#).

1661           (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the

1662 remaining difference described in Subsection (5)(a) shall be deposited into the Water

1663 Resources Conservation and Development Fund created in Section [73-10-24](#) for use by the

1664 Division of Water Resources for:

1665           (i) preconstruction costs:

1666               (A) as defined in Subsection [73-26-103](#)(6) for projects authorized by Title 73, Chapter

1667 26, Bear River Development Act; and

1668               (B) as defined in Subsection [73-28-103](#)(8) for the Lake Powell Pipeline project

1669 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

1670           (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,

1671 Chapter 26, Bear River Development Act;

1672 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project  
1673 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

1674 (iv) other uses authorized under Sections [73-10-24](#), [73-10-25.1](#), and [73-10-30](#), and  
1675 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

1676 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the  
1677 remaining difference described in Subsection (5)(a) shall be deposited each year into the Water  
1678 Rights Restricted Account created by Section [73-2-1.6](#).

1679 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a),  
1680 each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account  
1681 created in Section [73-10g-103](#) the amount of revenue generated by a 1/16% tax rate on the  
1682 transactions described in Subsection (1) for the fiscal year [shall be deposited as follows:].

1683 [~~(a) for fiscal year 2020-21 only;~~]

1684 [~~(i) 20% of the revenue described in this Subsection (6) shall be deposited into the~~  
1685 ~~Transportation Investment Fund of 2005 created by Section [72-2-124](#); and]~~

1686 [~~(ii) 80% of the revenue described in this Subsection (6) shall be deposited into the~~  
1687 ~~Water Infrastructure Restricted Account created by Section [73-10g-103](#); and]~~

1688 [~~(b) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described~~  
1689 ~~in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account~~  
1690 ~~created by Section [73-10g-103](#);~~]

1691 (7) (a) Notwithstanding Subsection (3)(a)[~~, in addition to the amounts deposited in~~  
1692 ~~Subsection (6), and subject to Subsection (7)(b)] and subject to Subsection (7)(b), for a fiscal  
1693 year beginning on or after July 1, [2012] 2023, the [Division of Finance] commission shall  
1694 deposit into the Transportation Investment Fund of 2005 created by Section [72-2-124](#)[:]~~

1695 [~~(i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of~~  
1696 ~~the revenues collected from the following taxes, which represents a portion of the~~  
1697 ~~approximately 17% of sales and use tax revenues generated annually by the sales and use tax~~  
1698 ~~on vehicles and vehicle-related products] a portion of the taxes listed under Subsection (3)(a)  
1699 equal to 17% of the revenue collected from the following sales and use taxes:~~

1700 [~~(A)~~] (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

1701 [~~(B)~~] (ii) the tax imposed by Subsection (2)(b)(i);

1702           ~~[(C)]~~ (iii) the tax imposed by Subsection (2)(c)(i); and  
1703           ~~[(D)]~~ (iv) the tax imposed by Subsection (2)(e)(i)(A)(I)~~[-plus]~~.  
1704           ~~[(ii) an amount equal to 30% of the growth in the amount of revenues collected in the~~  
1705 ~~current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through~~  
1706 ~~(D) that exceeds the amount collected from the sales and use taxes described in Subsections~~  
1707 ~~(7)(a)(i)(A) through (D) in the 2010-11 fiscal year.]~~

1708           ~~[(b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of~~  
1709 ~~the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total~~  
1710 ~~lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)~~  
1711 ~~generated in the current fiscal year than the total percentage of sales and use taxes deposited in~~  
1712 ~~the previous fiscal year, the Division of Finance shall deposit an amount under Subsection~~  
1713 ~~(7)(a) equal to the product of:]~~

1714           ~~[(A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the~~  
1715 ~~previous fiscal year; and]~~

1716           ~~[(B) the total sales and use tax revenue generated by the taxes described in Subsections~~  
1717 ~~(7)(a)(i)(A) through (D) in the current fiscal year.]~~

1718           ~~[(ii) In any fiscal year in which the portion of the sales and use taxes deposited under~~  
1719 ~~Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes~~  
1720 ~~described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of~~  
1721 ~~Finance shall deposit 17% of the revenues collected from the sales and use taxes described in~~  
1722 ~~Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).]~~

1723           ~~[(iii) Subject to Subsection (7)(b)(iv)(E), in all subsequent fiscal years after a year in~~  
1724 ~~which 17% of the revenues collected from the sales and use taxes described in Subsections~~  
1725 ~~(7)(a)(i)(A) through (D) was deposited under Subsection (7)(a), the Division of Finance shall~~  
1726 ~~annually deposit 17% of the revenues collected from the sales and use taxes described in~~  
1727 ~~Subsections (7)(a)(i)(A) through (D) in the current fiscal year under Subsection (7)(a).]~~

1728           ~~(b)~~ [(iv)] (i) As used in this Subsection (7)(b):

1729           ~~(A) [As used in this Subsection (7)(b)(iv);]~~ "additional growth revenue" means the  
1730 amount of relevant revenue collected in the current fiscal year that exceeds by more than 3%  
1731 the relevant revenue collected in the previous fiscal year~~[-];~~

1732           ~~(B) [As used in this Subsection (7)(b)(iv);]~~ "combined amount" means the combined



1733 total amount of money deposited into the Cottonwood Canyons fund under Subsections  
 1734 ~~[(7)(b)(iv)(F) and (8)(d)(vi)]~~ (7)(b)(iii) and (8)(d)(iii) in any single fiscal year[-];

1735 (C) ~~[As used in this Subsection (7)(b)(iv);]~~ "Cottonwood Canyons fund" means the  
 1736 Cottonwood Canyons Transportation Investment Fund created in Subsection 72-2-124(10)[-];  
 1737 and

1738 (D) ~~[As used in this Subsection (7)(b)(iv);]~~ "relevant revenue" means the portion of  
 1739 taxes listed under Subsection (3)(a) that equals 17% of the revenue collected from taxes  
 1740 described in Subsections ~~[(7)(a)(i)(A) through (D)]~~ (7)(a)(i) through (iv).

1741 ~~[(E)]~~ (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall  
 1742 annually reduce the deposit under Subsection ~~[(7)(b)(iii)]~~ (7)(a) into the Transportation  
 1743 Investment Fund of 2005 by an amount equal to the amount of the deposit under this  
 1744 Subsection ~~[(7)(b)(iv)]~~ (7)(b) to the Cottonwood Canyons fund in the previous fiscal year plus  
 1745 25% of additional growth revenue, subject to the limit in Subsection ~~[(7)(b)(iv)(F)]~~ (7)(b)(iii).

1746 ~~[(F)]~~ (iii) The commission shall annually deposit the amount described in Subsection  
 1747 ~~[(7)(b)(iv)(E)]~~ (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum  
 1748 combined amount for any single fiscal year of \$20,000,000.

1749 ~~[(G)]~~ (iv) If the amount of relevant revenue declines in a fiscal year compared to the  
 1750 previous fiscal year, the commission shall decrease the amount of the contribution to the  
 1751 Cottonwood Canyons fund under this Subsection ~~[(7)(b)(iv)]~~ (7)(b) in the same proportion as  
 1752 the decline in relevant revenue.

1753 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
 1754 ~~[Subsections (6) and]~~ Subsection (7), and subject to Subsections (8)(b) and ~~[(d)(v)]~~ (d)(ii), for a  
 1755 fiscal year beginning on or after July 1, 2018, the commission shall annually deposit into the  
 1756 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes  
 1757 listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the  
 1758 following taxes:

1759 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

1760 (ii) the tax imposed by Subsection (2)(b)(i);

1761 (iii) the tax imposed by Subsection (2)(c)(i); and

1762 (iv) the tax imposed by Subsection (2)(e)(i)(A)(I).

1763 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually

1764 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by  
1765 an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by  
1766 the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale  
1767 or use in this state that exceeds 29.4 cents per gallon.

1768 (c) The commission shall annually deposit the amount described in Subsection (8)(b)  
1769 into the Transit Transportation Investment Fund created in Section [72-2-124](#).

1770 (d) (i) As used in this Subsection (8)(d)[;]:

1771 (A) [~~"additional"~~] "Additional growth revenue" means the amount of relevant revenue  
1772 collected in the current fiscal year that exceeds by more than 3% the relevant revenue collected  
1773 in the previous fiscal year.

1774 [(ii)] (B) [~~As used in this Subsection (8)(d), "combined"~~] "Combined amount" means  
1775 the combined total amount of money deposited into the Cottonwood Canyons fund under  
1776 Subsections [~~(7)(b)(iv)(F) and (8)(d)(vi)] (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.~~

1777 [(iii)] (C) [~~As used in this Subsection (8)(d),]~~ "Cottonwood Canyons fund" means the  
1778 Cottonwood Canyons Transportation Investment Fund created in Subsection [72-2-124\(10\)](#).

1779 [(iv)] (D) [~~As used in this Subsection (8)(d), "relevant"~~] "Relevant revenue" means the  
1780 portion of taxes listed under Subsection (3)(a) that equals 3.68% of the revenue collected from  
1781 taxes described in Subsections (8)(a)(i) through (iv).

1782 [(v)] (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall  
1783 annually reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of  
1784 2005 by an amount equal to the amount of the deposit under this Subsection (8)(d) to the  
1785 Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue,  
1786 subject to the limit in Subsection [~~(8)(d)(vi)] (8)(d)(iii).~~

1787 [(vi)] (iii) The commission shall annually deposit the amount described in Subsection  
1788 [~~(8)(d)(v)] (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum  
1789 combined amount for any single fiscal year of \$20,000,000.~~

1790 [(vii)] (iv) If the amount of relevant revenue declines in a fiscal year compared to the  
1791 previous fiscal year, the commission shall decrease the amount of the contribution to the  
1792 Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as the decline in  
1793 relevant revenue.

1794 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year

1795 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
1796 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

1797 ~~[(10)(a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(b),~~  
1798 ~~and in addition to any amounts deposited under Subsections (6), (7), and (8), the Division of~~  
1799 ~~Finance shall deposit into the Transportation Investment Fund of 2005 created by Section~~  
1800 ~~72-2-124 the amount of revenue described as follows:]~~

1801 ~~[(i) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a .05%~~  
1802 ~~tax rate on the transactions described in Subsection (1); and]~~

1803 ~~[(ii) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a~~  
1804 ~~.05% tax rate on the transactions described in Subsection (1).]~~

1805 ~~[(b) For purposes of Subsection (10)(a), the Division of Finance may not deposit into~~  
1806 ~~the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or~~  
1807 ~~charged for food and food ingredients, except for tax revenue generated by a bundled~~  
1808 ~~transaction attributable to food and food ingredients and tangible personal property other than~~  
1809 ~~food and food ingredients described in Subsection (2)(c).]~~

1810 ~~[(H)]~~ (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after  
1811 the fiscal year during which the ~~[Division of Finance]~~ commission receives notice under  
1812 Section 63N-2-510 that construction on a qualified hotel, as defined in Section 63N-2-502, has  
1813 begun, the ~~[Division of Finance]~~ commission shall, for two consecutive fiscal years, annually  
1814 deposit \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the  
1815 Hotel Impact Mitigation Fund, created in Section 63N-2-512.

1816 ~~[(H2)]~~ (11) (a) The rate specified in this subsection is 0.15%.

1817 (b) Notwithstanding Subsection (3)(a), the ~~[Division of Finance]~~ commission shall, for  
1818 a fiscal year beginning on or after July 1, 2019, annually transfer the amount of revenue  
1819 collected from the rate described in Subsection ~~[(H2)(a)]~~ (11)(a) on the transactions that are  
1820 subject to the sales and use tax under Subsection (2)(a)(i)(A) into the Medicaid Expansion  
1821 Fund created in Section 26-36b-208.

1822 ~~[(H3)]~~ (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with  
1823 fiscal year 2020-21, the ~~[Division of Finance]~~ commission shall deposit \$200,000 into the  
1824 General Fund as a dedicated credit solely for use of the Search and Rescue Financial Assistance  
1825 Program created in, and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and

1826 Rescue Act.

1827 ~~[(14)]~~ (13) (a) For each fiscal year beginning with fiscal year 2020-21, the ~~[Division of~~  
1828 ~~Finance]~~ commission shall annually transfer \$1,813,400 of the revenue deposited into the  
1829 Transportation Investment Fund of 2005 under Subsections ~~[(6) through]~~ (7) and (8) to the  
1830 General Fund.

1831 (b) If the total revenue deposited into the Transportation Investment Fund of 2005  
1832 under Subsections ~~[(6) through]~~ (7) and (8) is less than \$1,813,400 for a fiscal year, the  
1833 ~~[Division of Finance]~~ commission shall transfer the total revenue deposited into the  
1834 Transportation Investment Fund of 2005 under Subsections ~~[(6) through]~~ (7) and (8) during the  
1835 fiscal year to the General Fund.

1836 ~~[(15)]~~ (14) Notwithstanding Subsection (3)(a), and as described in Section [63N-3-610](#),  
1837 beginning the first day of the calendar quarter one year after the sales and use tax boundary for  
1838 a housing and transit reinvestment zone is established, the commission, at least annually, shall  
1839 transfer an amount equal to 15% of the sales and use tax increment within an established sales  
1840 and use tax boundary, as defined in Section [63N-3-602](#), into the Transit Transportation  
1841 Investment Fund created in Section [72-2-124](#).

1842 ~~[(16)]~~ (15) Notwithstanding Subsection (3)(a), the ~~[Division of Finance]~~ commission  
1843 shall, for a fiscal year beginning on or after July 1, 2022, transfer into the Outdoor Adventure  
1844 Infrastructure Restricted Account, created in Section [51-9-902](#), a portion of the taxes listed  
1845 under Subsection (3)(a) equal to 1% of the revenues collected from the following sales and use  
1846 taxes:

- 1847 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 1848 (b) the tax imposed by Subsection (2)(b)(i);
- 1849 (c) the tax imposed by Subsection (2)(c)(i); and
- 1850 (d) the tax imposed by Subsection (2)(e)(i)(A)(I).

1851 Section 15. Section [59-12-205](#) is amended to read:

1852 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of**  
1853 **tax revenue -- Determination of population.**

1854 (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section  
1855 [59-12-204](#), a county, city, or town shall adopt amendments to the county's, city's, or town's  
1856 sales and use tax ordinances:

1857 (a) within 30 days of the day on which the state makes an amendment to an applicable  
1858 provision of Part 1, Tax Collection; and

1859 (b) as required to conform to the amendments to Part 1, Tax Collection.

1860 (2) (a) Except as provided in Subsections [~~(3) through (5)~~] (3) and (4) and subject to  
1861 Subsection [~~(6)~~] (5):

1862 (i) 50% of each dollar collected from the sales and use tax authorized by this part shall  
1863 be distributed to each county, city, and town on the basis of the percentage that the population  
1864 of the county, city, or town bears to the total population of all counties, cities, and towns in the  
1865 state; and

1866 (ii) (A) except as provided in Subsections (2)(a)(ii)(B), (C), and (D), 50% of each  
1867 dollar collected from the sales and use tax authorized by this part shall be distributed to each  
1868 county, city, and town on the basis of the location of the transaction as determined under  
1869 Sections [59-12-211](#) through [59-12-215](#);

1870 (B) 50% of each dollar collected from the sales and use tax authorized by this part  
1871 within a project area described in a project area plan adopted by the military installation  
1872 development authority under Title 63H, Chapter 1, Military Installation Development  
1873 Authority Act, shall be distributed to the military installation development authority created in  
1874 Section [63H-1-201](#);

1875 (C) beginning July 1, 2022, 50% of each dollar collected from the sales and use tax  
1876 authorized by this part within a project area under Title 11, Chapter 58, Utah Inland Port  
1877 Authority Act, shall be distributed to the Utah Inland Port Authority, created in Section  
1878 [11-58-201](#); and

1879 (D) 50% of each dollar collected from the sales and use tax authorized by this part  
1880 within the lake authority boundary, as defined in Section [11-65-101](#), shall be distributed to the  
1881 Utah Lake Authority, created in Section [11-65-201](#), beginning the next full calendar quarter  
1882 following the creation of the Utah Lake Authority.

1883 (b) Subsection (2)(a)(ii)(C) does not apply to sales and use tax revenue collected before  
1884 July 1, 2022.

1885 [~~(3) (a) Beginning on July 1, 2017, and ending on June 30, 2022, the commission shall~~  
1886 ~~distribute annually to a county, city, or town the distribution required by this Subsection (3) if:~~]

1887 [~~(i) the county, city, or town is a:~~]

1888 ~~[(A) county of the third, fourth, fifth, or sixth class;]~~  
1889 ~~[(B) city of the fifth class; or]~~  
1890 ~~[(C) town;]~~  
1891 ~~[(ii) the county, city, or town received a distribution under this section for the calendar~~  
1892 ~~year beginning on January 1, 2008, that was less than the distribution under this section that the~~  
1893 ~~county, city, or town received for the calendar year beginning on January 1, 2007;]~~  
1894 ~~[(iii) (A) for a county described in Subsection (3)(a)(i)(A), the county had located~~  
1895 ~~within the unincorporated area of the county for one or more days during the calendar year~~  
1896 ~~beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121,~~  
1897 ~~Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North~~  
1898 ~~American Industry Classification System of the federal Executive Office of the President,~~  
1899 ~~Office of Management and Budget; or]~~  
1900 ~~[(B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection~~  
1901 ~~(3)(a)(i)(C), the city or town had located within the city or town for one or more days during~~  
1902 ~~the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry~~  
1903 ~~Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the~~  
1904 ~~2002 North American Industry Classification System of the federal Executive Office of the~~  
1905 ~~President, Office of Management and Budget; and]~~  
1906 ~~[(iv) (A) for a county described in Subsection (3)(a)(i)(A), at least one establishment~~  
1907 ~~described in Subsection (3)(a)(iii)(A) located within the unincorporated area of the county for~~  
1908 ~~one or more days during the calendar year beginning on January 1, 2008, was not the holder of~~  
1909 ~~a direct payment permit under Section 59-12-107.1; or]~~  
1910 ~~[(B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection~~  
1911 ~~(3)(a)(i)(C), at least one establishment described in Subsection (3)(a)(iii)(B) located within a~~  
1912 ~~city or town for one or more days during the calendar year beginning on January 1, 2008, was~~  
1913 ~~not the holder of a direct payment permit under Section 59-12-107.1.]~~  
1914 ~~[(b) The commission shall make the distribution required by this Subsection (3) to a~~  
1915 ~~county, city, or town described in Subsection (3)(a):]~~  
1916 ~~[(i) from the distribution required by Subsection (2)(a); and]~~  
1917 ~~[(ii) before making any other distribution required by this section.]~~  
1918 ~~[(c) (i) For purposes of this Subsection (3), the distribution is the amount calculated by~~

1919 ~~multiplying the fraction calculated under Subsection (3)(c)(ii) by \$333,583.;~~  
1920 ~~[(ii) For purposes of Subsection (3)(c)(i):]~~  
1921 ~~[(A) the numerator of the fraction is the difference calculated by subtracting the~~  
1922 ~~distribution a county, city, or town described in Subsection (3)(a) received under this section~~  
1923 ~~for the calendar year beginning on January 1, 2008, from the distribution under this section that~~  
1924 ~~the county, city, or town received for the calendar year beginning on January 1, 2007; and]~~  
1925 ~~[(B) the denominator of the fraction is \$333,583.;~~  
1926 ~~[(d) A distribution required by this Subsection (3) is in addition to any other~~  
1927 ~~distribution required by this section.]~~  
1928 ~~[(4)] (3) (a) As used in this Subsection [(4)] (3):~~  
1929 (i) "Eligible county, city, or town" means a county, city, or town that:  
1930 (A) for fiscal year 2012-13, received a tax revenue distribution under Subsection  
1931 ~~[(4)(b)] (3)(b) equal to the amount described in Subsection [(4)(b)(ii)] (3)(b)(ii); and~~  
1932 (B) does not impose a sales and use tax under Section 59-12-2103 on or before July 1,  
1933 2016.  
1934 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue  
1935 distributions an eligible county, city, or town received from a tax imposed in accordance with  
1936 this part for fiscal year 2004-05.  
1937 (b) An eligible county, city, or town shall receive a tax revenue distribution for a tax  
1938 imposed in accordance with this part equal to the greater of:  
1939 (i) the payment required by Subsection (2); or  
1940 (ii) the minimum tax revenue distribution.  
1941 ~~[(5)] (4) (a) For purposes of this Subsection [(5)] (4):~~  
1942 (i) "Annual local contribution" means the lesser of \$200,000 or an amount equal to  
1943 1.8% of the participating local government's tax revenue distribution amount under Subsection  
1944 (2)(a) for the previous fiscal year.  
1945 (ii) "Participating local government" means a county or municipality, as defined in  
1946 Section 10-1-104, that is not an eligible municipality certified in accordance with Section  
1947 35A-16-404.  
1948 (b) For revenue collected from the tax authorized by this part that is distributed on or  
1949 after January 1, 2019, the commission, before making a tax revenue distribution under

1950 Subsection (2)(a) to a participating local government, shall:

1951 (i) subtract one-twelfth of the annual local contribution for each participating local  
1952 government from the participating local government's tax revenue distribution under  
1953 Subsection (2)(a); and

1954 (ii) deposit the amount described in Subsection [~~(5)(b)(i)~~] (4)(b)(i) into the Homeless  
1955 Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.

1956 (c) For a participating local government that qualifies to receive a distribution  
1957 described in Subsection (3)[~~or (4)~~], the commission shall apply the provisions of this  
1958 Subsection [~~(5)~~] (4) after the commission applies the provisions of [~~Subsections (3) and (4)~~]  
1959 Subsection (3).

1960 [~~(6)~~] (5) (a) Population figures for purposes of this section shall be based on the most  
1961 recent official census or census estimate of the United States Bureau of the Census.

1962 (b) If a needed population estimate is not available from the United States Bureau of  
1963 the Census, population figures shall be derived from the estimate from the Utah Population  
1964 Committee.

1965 (c) The population of a county for purposes of this section shall be determined only  
1966 from the unincorporated area of the county.

1967 Section 16. Section 59-12-302 is amended to read:

1968 **59-12-302. Collection of tax -- Administrative charge.**

1969 (1) Except as provided in Subsections (2), (3), and (4), the tax authorized under this  
1970 part shall be administered, collected, and enforced in accordance with:

1971 (a) the same procedures used to administer, collect, and enforce the tax under:

- 1972 (i) Part 1, Tax Collection; or
- 1973 (ii) Part 2, Local Sales and Use Tax Act; and
- 1974 (b) Chapter 1, General Taxation Policies.

1975 (2) The location of a transaction shall be determined in accordance with Sections  
1976 59-12-211 through 59-12-215.

1977 (3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or  
1978 Subsections 59-12-205(2) through [~~(6)~~] (5).

1979 (4) A county auditor may make referrals to the commission to assist the commission in  
1980 determining whether to require an audit of any person that is required to remit a tax authorized



1981 under this part.

1982 (5) The commission:

1983 (a) shall distribute the revenue collected from the tax to the county within which the  
1984 revenue was collected; and

1985 (b) shall retain and deposit an administrative charge in accordance with Section  
1986 59-1-306 from revenue the commission collects from a tax under this part.

1987 Section 17. Section 59-12-354 is amended to read:

1988 **59-12-354. Collection of tax -- Administrative charge.**

1989 (1) Except as provided in Subsections (2) and (3), the tax authorized under this part  
1990 shall be administered, collected, and enforced in accordance with:

1991 (a) the same procedures used to administer, collect, and enforce the tax under:

1992 (i) Part 1, Tax Collection; or

1993 (ii) Part 2, Local Sales and Use Tax Act; and

1994 (b) Chapter 1, General Taxation Policies.

1995 (2) (a) The location of a transaction shall be determined in accordance with Sections  
1996 59-12-211 through 59-12-215.

1997 (b) The commission:

1998 (i) except as provided in Subsection (2)(b)(ii), shall distribute the revenue collected  
1999 from the tax to the municipality within which the revenue was collected; and

2000 (ii) shall retain and deposit an administrative charge in accordance with Section  
2001 59-1-306 from the revenue the commission collects from a tax under this part.

2002 (3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or  
2003 Subsections 59-12-205(2) through [~~(6)~~] (5).

2004 Section 18. Section 59-12-403 is amended to read:

2005 **59-12-403. Enactment or repeal of tax -- Tax rate change -- Effective date --**  
2006 **Notice requirements -- Administration, collection, and enforcement of tax --**  
2007 **Administrative charge.**

2008 (1) For purposes of this section:

2009 (a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part  
2010 4, Annexation.

2011 (b) "Annexing area" means an area that is annexed into a city or town.

2012 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after April 1, 2008, a  
2013 city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,  
2014 repeal, or change shall take effect:

2015 (i) on the first day of a calendar quarter; and

2016 (ii) after a 90-day period beginning on the date the commission receives notice meeting  
2017 the requirements of Subsection (2)(b) from the city or town.

2018 (b) The notice described in Subsection (2)(a)(ii) shall state:

2019 (i) that the city or town will enact or repeal a tax or change the rate of a tax under this  
2020 part;

2021 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);

2022 (iii) the effective date of the tax described in Subsection (2)(b)(i); and

2023 (iv) if the city or town enacts the tax or changes the rate of the tax described in  
2024 Subsection (2)(b)(i), the rate of the tax.

2025 (c) (i) If the billing period for a transaction begins before the effective date of the  
2026 enactment of the tax or the tax rate increase imposed under Section [59-12-401](#), [59-12-402](#), or  
2027 [59-12-402.1](#), the enactment of the tax or the tax rate increase takes effect on the first day of the  
2028 first billing period that begins on or after the effective date of the enactment of the tax or the  
2029 tax rate increase.

2030 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
2031 statement for the billing period is produced on or after the effective date of the repeal of the tax  
2032 or the tax rate decrease imposed under Section [59-12-401](#), [59-12-402](#), or [59-12-402.1](#).

2033 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
2034 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of  
2035 a tax described in Subsection (2)(a) takes effect:

2036 (A) on the first day of a calendar quarter; and

2037 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the  
2038 rate of the tax under Subsection (2)(a).

2039 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2040 commission may by rule define the term "catalogue sale."

2041 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs  
2042 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the

2043 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take  
2044 effect:

2045 (i) on the first day of a calendar quarter; and

2046 (ii) after a 90-day period beginning on the date the commission receives notice meeting  
2047 the requirements of Subsection (3)(b) from the city or town that annexes the annexing area.

2048 (b) The notice described in Subsection (3)(a)(ii) shall state:

2049 (i) that the annexation described in Subsection (3)(a) will result in an enactment,  
2050 repeal, or change in the rate of a tax under this part for the annexing area;

2051 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);

2052 (iii) the effective date of the tax described in Subsection (3)(b)(i); and

2053 (iv) if the city or town enacts the tax or changes the rate of the tax described in  
2054 Subsection (3)(b)(i), the rate of the tax.

2055 (c) (i) If the billing period for a transaction begins before the effective date of the  
2056 enactment of the tax or the tax rate increase imposed under Section [59-12-401](#), [59-12-402](#), or  
2057 [59-12-402.1](#), the enactment of the tax or the tax rate increase takes effect on the first day of the  
2058 first billing period that begins on or after the effective date of the enactment of the tax or the  
2059 tax rate increase.

2060 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
2061 statement for the billing period is produced on or after the effective date of the repeal of the tax  
2062 or the tax rate decrease imposed under Section [59-12-401](#), [59-12-402](#), or [59-12-402.1](#).

2063 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
2064 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of  
2065 a tax described in Subsection (3)(a) takes effect:

2066 (A) on the first day of a calendar quarter; and

2067 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the  
2068 rate of the tax under Subsection (3)(a).

2069 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2070 commission may by rule define the term "catalogue sale."

2071 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be  
2072 administered, collected, and enforced in accordance with:

2073 (i) the same procedures used to administer, collect, and enforce the tax under:

- 2074 (A) Part 1, Tax Collection; or
- 2075 (B) Part 2, Local Sales and Use Tax Act; and
- 2076 (ii) Chapter 1, General Taxation Policies.
- 2077 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~(6)~~ (5).
- 2078 (5) The commission shall retain and deposit an administrative charge in accordance
- 2079 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

2080 Section 19. Section 59-12-603 is amended to read:

2081 **59-12-603. County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance**  
 2082 **required -- Advisory board -- Administration -- Collection -- Administrative charge --**  
 2083 **Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice**  
 2084 **requirements.**

2085 (1) (a) In addition to any other taxes, a county legislative body may, as provided in this  
2086 part, impose a tax as follows:

2087 (i) (A) a county legislative body of any county may impose a tax of not to exceed 3%  
2088 on all short-term rentals of motor vehicles, except for short-term rentals of motor vehicles  
2089 made for the purpose of temporarily replacing a person's motor vehicle that is being repaired  
2090 pursuant to a repair or an insurance agreement; and

2091 (B) a county legislative body of any county imposing a tax under Subsection  
2092 (1)(a)(i)(A) may, in addition to imposing the tax under Subsection (1)(a)(i)(A), impose a tax of  
2093 not to exceed 4% on all short-term rentals of motor vehicles, except for short-term rentals of  
2094 motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is  
2095 being repaired pursuant to a repair or an insurance agreement;

2096 (ii) beginning on January 1, 2021, a county legislative body of any county may impose  
2097 a tax of not to exceed 7% on all short-term rentals of off-highway vehicles and recreational  
2098 vehicles;

2099 (iii) a county legislative body of any county may impose a tax of not to exceed 1% of  
2100 all sales of the following that are sold by a restaurant:

2101 (A) alcoholic beverages;

2102 (B) food and food ingredients; or

2103 (C) prepared food; and

2104 (iv) a county legislative body of a county of the first class may impose a tax of not to

- 2105 exceed .5% on charges for the accommodations and services described in Subsection  
2106 59-12-103(1)(i).
- 2107 (b) A tax imposed under Subsection (1)(a) is subject to the audit provisions of Section  
2108 17-31-5.5.
- 2109 (2) (a) Subject to Subsection (2)(b), a county may use revenue from the imposition of a  
2110 tax under Subsection (1) for:
- 2111 (i) financing tourism promotion; and  
2112 (ii) the development, operation, and maintenance of:
- 2113 (A) an airport facility;  
2114 (B) a convention facility;  
2115 (C) a cultural facility;  
2116 (D) a recreation facility; or  
2117 (E) a tourist facility.
- 2118 (b) A county of the first class shall expend at least \$450,000 each year of the revenue  
2119 from the imposition of a tax authorized by Subsection (1)(a)(iv) within the county to fund a  
2120 marketing and ticketing system designed to:
- 2121 (i) promote tourism in ski areas within the county by persons that do not reside within  
2122 the state; and
- 2123 (ii) combine the sale of:  
2124 (A) ski lift tickets; and  
2125 (B) accommodations and services described in Subsection 59-12-103(1)(i).
- 2126 (3) A tax imposed under this part may be pledged as security for bonds, notes, or other  
2127 evidences of indebtedness incurred by a county, city, or town under Title 11, Chapter 14, Local  
2128 Government Bonding Act, or a community reinvestment agency under Title 17C, Chapter 1,  
2129 Part 5, Agency Bonds, to finance:
- 2130 (a) an airport facility;  
2131 (b) a convention facility;  
2132 (c) a cultural facility;  
2133 (d) a recreation facility; or  
2134 (e) a tourist facility.
- 2135 (4) (a) To impose a tax under Subsection (1), the county legislative body shall adopt an

2136 ordinance imposing the tax.

2137 (b) The ordinance under Subsection (4)(a) shall include provisions substantially the  
2138 same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on  
2139 those items and sales described in Subsection (1).

2140 (c) The name of the county as the taxing agency shall be substituted for that of the state  
2141 where necessary, and an additional license is not required if one has been or is issued under  
2142 Section 59-12-106.

2143 (5) To maintain in effect a tax ordinance adopted under this part, each county  
2144 legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1,  
2145 Tax Collection, adopt amendments to the county's tax ordinance to conform with the applicable  
2146 amendments to Part 1, Tax Collection.

2147 (6) (a) Regardless of whether a county of the first class creates a tourism tax advisory  
2148 board in accordance with Section 17-31-8, the county legislative body of the county of the first  
2149 class shall create a tax advisory board in accordance with this Subsection (6).

2150 (b) The tax advisory board shall be composed of nine members appointed as follows:

2151 (i) four members shall be residents of a county of the first class appointed by the  
2152 county legislative body of the county of the first class; and

2153 (ii) subject to Subsections (6)(c) and (d), five members shall be mayors of cities or  
2154 towns within the county of the first class appointed by an organization representing all mayors  
2155 of cities and towns within the county of the first class.

2156 (c) Five members of the tax advisory board constitute a quorum.

2157 (d) The county legislative body of the county of the first class shall determine:

2158 (i) terms of the members of the tax advisory board;

2159 (ii) procedures and requirements for removing a member of the tax advisory board;

2160 (iii) voting requirements, except that action of the tax advisory board shall be by at  
2161 least a majority vote of a quorum of the tax advisory board;

2162 (iv) chairs or other officers of the tax advisory board;

2163 (v) how meetings are to be called and the frequency of meetings; and

2164 (vi) the compensation, if any, of members of the tax advisory board.

2165 (e) The tax advisory board under this Subsection (6) shall advise the county legislative  
2166 body of the county of the first class on the expenditure of revenue collected within the county

2167 of the first class from the taxes described in Subsection (1)(a).

2168 (7) (a) (i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part  
2169 shall be administered, collected, and enforced in accordance with:

2170 (A) the same procedures used to administer, collect, and enforce the tax under:

2171 (I) Part 1, Tax Collection; or

2172 (II) Part 2, Local Sales and Use Tax Act; and

2173 (B) Chapter 1, General Taxation Policies.

2174 (ii) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or

2175 Subsections 59-12-205(2) through ~~[(6)]~~ (5).

2176 (b) Except as provided in Subsection (7)(c):

2177 (i) for a tax under this part other than the tax under Subsection (1)(a)(i)(B), the  
2178 commission shall distribute the revenue to the county imposing the tax; and

2179 (ii) for a tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenue  
2180 according to the distribution formula provided in Subsection (8).

2181 (c) The commission shall retain and deposit an administrative charge in accordance  
2182 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

2183 (8) The commission shall distribute the revenue generated by the tax under Subsection  
2184 (1)(a)(i)(B) to each county collecting a tax under Subsection (1)(a)(i)(B) according to the  
2185 following formula:

2186 (a) the commission shall distribute 70% of the revenue based on the percentages  
2187 generated by dividing the revenue collected by each county under Subsection (1)(a)(i)(B) by  
2188 the total revenue collected by all counties under Subsection (1)(a)(i)(B); and

2189 (b) the commission shall distribute 30% of the revenue based on the percentages  
2190 generated by dividing the population of each county collecting a tax under Subsection  
2191 (1)(a)(i)(B) by the total population of all counties collecting a tax under Subsection (1)(a)(i)(B).

2192 (9) (a) For purposes of this Subsection (9):

2193 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,  
2194 County Annexation.

2195 (ii) "Annexing area" means an area that is annexed into a county.

2196 (b) (i) Except as provided in Subsection (9)(c), if a county enacts or repeals a tax or  
2197 changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:

2198 (A) on the first day of a calendar quarter; and  
2199 (B) after a 90-day period beginning on the day on which the commission receives  
2200 notice meeting the requirements of Subsection (9)(b)(ii) from the county.  
2201 (ii) The notice described in Subsection (9)(b)(i)(B) shall state:  
2202 (A) that the county will enact or repeal a tax or change the rate of a tax under this part;  
2203 (B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);  
2204 (C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and  
2205 (D) if the county enacts the tax or changes the rate of the tax described in Subsection  
2206 (9)(b)(ii)(A), the rate of the tax.  
2207 (c) (i) If the billing period for a transaction begins before the effective date of the  
2208 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of  
2209 the tax or the tax rate increase shall take effect on the first day of the first billing period that  
2210 begins after the effective date of the enactment of the tax or the tax rate increase.  
2211 (ii) If the billing period for a transaction begins before the effective date of the repeal  
2212 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax  
2213 rate decrease shall take effect on the first day of the last billing period that began before the  
2214 effective date of the repeal of the tax or the tax rate decrease.  
2215 (d) (i) Except as provided in Subsection (9)(e), if the annexation will result in the  
2216 enactment, repeal, or change in the rate of a tax under this part for an annexing area, the  
2217 enactment, repeal, or change shall take effect:  
2218 (A) on the first day of a calendar quarter; and  
2219 (B) after a 90-day period beginning on the day on which the commission receives  
2220 notice meeting the requirements of Subsection (9)(d)(ii) from the county that annexes the  
2221 annexing area.  
2222 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:  
2223 (A) that the annexation described in Subsection (9)(d)(i) will result in an enactment,  
2224 repeal, or change in the rate of a tax under this part for the annexing area;  
2225 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);  
2226 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and  
2227 (D) if the county enacts the tax or changes the rate of the tax described in Subsection  
2228 (9)(d)(ii)(A), the rate of the tax.



2229 (e) (i) If the billing period for a transaction begins before the effective date of the  
 2230 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of  
 2231 the tax or the tax rate increase shall take effect on the first day of the first billing period that  
 2232 begins after the effective date of the enactment of the tax or the tax rate increase.

2233 (ii) If the billing period for a transaction begins before the effective date of the repeal  
 2234 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax  
 2235 rate decrease shall take effect on the first day of the last billing period that began before the  
 2236 effective date of the repeal of the tax or the tax rate decrease.

2237 Section 20. Section **59-12-703** is amended to read:

2238 **59-12-703. Opinion question election -- Base -- Rate -- Imposition of tax --**  
 2239 **Expenditure of revenues -- Administration -- Enactment or repeal of tax -- Effective date**  
 2240 **-- Notice requirements.**

2241 (1) (a) Subject to the other provisions of this section, a county legislative body may  
 2242 submit an opinion question to the residents of that county, by majority vote of all members of  
 2243 the legislative body, so that each resident of the county, except residents in municipalities that  
 2244 have already imposed a sales and use tax under Part 14, City or Town Option Funding for  
 2245 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, has an  
 2246 opportunity to express the resident's opinion on the imposition of a local sales and use tax of  
 2247 .1% on the transactions described in Subsection **59-12-103(1)** located within the county, to:

2248 (i) fund cultural facilities, recreational facilities, and zoological facilities, botanical  
 2249 organizations, cultural organizations, and zoological organizations, and rural radio stations, in  
 2250 that county; or

2251 (ii) provide funding for a botanical organization, cultural organization, or zoological  
 2252 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in  
 2253 furtherance of the botanical organization's, cultural organization's, or zoological organization's  
 2254 primary purpose.

2255 (b) The opinion question required by this section shall state:

2256 "Shall (insert the name of the county), Utah, be authorized to impose a .1% sales and  
 2257 use tax for (list the purposes for which the revenue collected from the sales and use tax shall be  
 2258 expended)?"

2259 (c) A county legislative body may not impose a tax under this section on:

2260 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses  
2261 are exempt from taxation under Section 59-12-104;

2262 (ii) sales and uses within a municipality that has already imposed a sales and use tax  
2263 under Part 14, City or Town Option Funding for Botanical, Cultural, Recreational, and  
2264 Zoological Organizations or Facilities; and

2265 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and  
2266 food ingredients.

2267 (d) For purposes of this Subsection (1), the location of a transaction shall be  
2268 determined in accordance with Sections 59-12-211 through 59-12-215.

2269 (e) A county legislative body imposing a tax under this section shall impose the tax on  
2270 the purchase price or sales price for amounts paid or charged for food and food ingredients if  
2271 the food and food ingredients are sold as part of a bundled transaction attributable to food and  
2272 food ingredients and tangible personal property other than food and food ingredients.

2273 (f) The election shall follow the procedures outlined in Title 11, Chapter 14, Local  
2274 Government Bonding Act.

2275 (2) (a) If the county legislative body determines that a majority of the county's  
2276 registered voters voting on the imposition of the tax have voted in favor of the imposition of  
2277 the tax as prescribed in Subsection (1), the county legislative body may impose the tax by a  
2278 majority vote of all members of the legislative body on the transactions:

2279 (i) described in Subsection (1); and

2280 (ii) within the county, including the cities and towns located in the county, except those  
2281 cities and towns that have already imposed a sales and use tax under Part 14, City or Town  
2282 Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or  
2283 Facilities.

2284 (b) A county legislative body may revise county ordinances to reflect statutory changes  
2285 to the distribution formula or eligible recipients of revenue generated from a tax imposed under  
2286 Subsection (2)(a) without submitting an opinion question to residents of the county.

2287 (3) Subject to Section 59-12-704, revenue collected from a tax imposed under  
2288 Subsection (2) shall be expended:

2289 (a) to fund cultural facilities, recreational facilities, and zoological facilities located  
2290 within the county or a city or town located in the county, except a city or town that has already

2291 imposed a sales and use tax under Part 14, City or Town Option Funding for Botanical,  
2292 Cultural, Recreational, and Zoological Organizations or Facilities;  
2293 (b) to fund ongoing operating expenses of:  
2294 (i) recreational facilities described in Subsection (3)(a);  
2295 (ii) botanical organizations, cultural organizations, and zoological organizations within  
2296 the county; and  
2297 (iii) rural radio stations within the county; and  
2298 (c) as stated in the opinion question described in Subsection (1).  
2299 (4) (a) A tax authorized under this part shall be:  
2300 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in  
2301 accordance with:  
2302 (A) the same procedures used to administer, collect, and enforce the tax under:  
2303 (I) Part 1, Tax Collection; or  
2304 (II) Part 2, Local Sales and Use Tax Act; and  
2305 (B) Chapter 1, General Taxation Policies; and  
2306 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year  
2307 period in accordance with this section.  
2308 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(6)]~~ (5).  
2309 (5) (a) For purposes of this Subsection (5):  
2310 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,  
2311 County Annexation.  
2312 (ii) "Annexing area" means an area that is annexed into a county.  
2313 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a  
2314 county enacts or repeals a tax under this part, the enactment or repeal shall take effect:  
2315 (A) on the first day of a calendar quarter; and  
2316 (B) after a 90-day period beginning on the date the commission receives notice meeting  
2317 the requirements of Subsection (5)(b)(ii) from the county.  
2318 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:  
2319 (A) that the county will enact or repeal a tax under this part;  
2320 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);  
2321 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

2322 (D) if the county enacts the tax described in Subsection (5)(b)(ii)(A), the rate of the  
2323 tax.

2324 (c) (i) If the billing period for a transaction begins before the effective date of the  
2325 enactment of the tax under this section, the enactment of the tax takes effect on the first day of  
2326 the first billing period that begins on or after the effective date of the enactment of the tax.

2327 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing  
2328 period is produced on or after the effective date of the repeal of the tax imposed under this  
2329 section.

2330 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
2331 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in  
2332 Subsection (5)(b)(i) takes effect:

2333 (A) on the first day of a calendar quarter; and

2334 (B) beginning 60 days after the effective date of the enactment or repeal under  
2335 Subsection (5)(b)(i).

2336 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2337 commission may by rule define the term "catalogue sale."

2338 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs  
2339 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this  
2340 part for an annexing area, the enactment or repeal shall take effect:

2341 (A) on the first day of a calendar quarter; and

2342 (B) after a 90-day period beginning on the date the commission receives notice meeting  
2343 the requirements of Subsection (5)(e)(ii) from the county that annexes the annexing area.

2344 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

2345 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or  
2346 repeal of a tax under this part for the annexing area;

2347 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

2348 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

2349 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

2350 (f) (i) If the billing period for a transaction begins before the effective date of the  
2351 enactment of the tax under this section, the enactment of the tax takes effect on the first day of  
2352 the first billing period that begins on or after the effective date of the enactment of the tax.

2353 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing  
2354 period is produced on or after the effective date of the repeal of the tax imposed under this  
2355 section.

2356 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
2357 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in  
2358 Subsection (5)(e)(i) takes effect:

2359 (A) on the first day of a calendar quarter; and

2360 (B) beginning 60 days after the effective date of the enactment or repeal under  
2361 Subsection (5)(e)(i).

2362 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2363 commission may by rule define the term "catalogue sale."

2364 Section 21. Section **59-12-802** is amended to read:

2365 **59-12-802. Imposition of rural county health care facilities tax -- Expenditure of**  
2366 **tax revenue -- Base -- Rate -- Administration, collection, and enforcement of tax --**  
2367 **Administrative charge.**

2368 (1) (a) A county legislative body of a county of the third, fourth, fifth, or sixth class  
2369 may impose a sales and use tax of up to 1% on the transactions described in Subsection  
2370 [59-12-103](#)(1) located within the county.

2371 (b) Subject to Subsection (3), the money collected from a tax under this section may be  
2372 used to fund:

2373 (i) rural emergency medical services in that county;

2374 (ii) federally qualified health centers in that county;

2375 (iii) freestanding urgent care centers in that county;

2376 (iv) rural county health care facilities in that county;

2377 (v) rural health clinics in that county; or

2378 (vi) a combination of Subsections (1)(b)(i) through (v).

2379 (c) Notwithstanding Subsection (1)(a), a county legislative body may not impose a tax  
2380 under this section on:

2381 (i) the sales and uses described in Section [59-12-104](#) to the extent the sales and uses  
2382 are exempt from taxation under Section [59-12-104](#);

2383 (ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in

2384 a city that imposes a tax under Section 59-12-804; and

2385 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and  
2386 food ingredients.

2387 (d) For purposes of this Subsection (1), the location of a transaction shall be  
2388 determined in accordance with Sections 59-12-211 through 59-12-215.

2389 (e) A county legislative body imposing a tax under this section shall impose the tax on  
2390 the purchase price or sales price for amounts paid or charged for food and food ingredients if  
2391 the food and food ingredients are sold as part of a bundled transaction attributable to food and  
2392 food ingredients and tangible personal property other than food and food ingredients.

2393 (2) (a) Before imposing a tax under Subsection (1), a county legislative body shall  
2394 obtain approval to impose the tax from a majority of the:

2395 (i) members of the county's legislative body; and

2396 (ii) county's registered voters voting on the imposition of the tax.

2397 (b) The county legislative body shall conduct the election according to the procedures  
2398 and requirements of Title 11, Chapter 14, Local Government Bonding Act.

2399 (3) The money collected from a tax imposed under Subsection (1) may only be used to  
2400 fund:

2401 (a) ongoing operating expenses of a center, clinic, or facility described in Subsection  
2402 (1)(b) within that county;

2403 (b) the acquisition of land for a center, clinic, or facility described in Subsection (1)(b)  
2404 within that county;

2405 (c) the design, construction, equipping, or furnishing of a center, clinic, or facility  
2406 described in Subsection (1)(b) within that county; or

2407 (d) rural emergency medical services within that county.

2408 (4) (a) A tax under this section shall be:

2409 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in  
2410 accordance with:

2411 (A) the same procedures used to administer, collect, and enforce the tax under:

2412 (I) Part 1, Tax Collection; or

2413 (II) Part 2, Local Sales and Use Tax Act; and

2414 (B) Chapter 1, General Taxation Policies; and

2415 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year  
2416 period by the county legislative body as provided in Subsection (1).

2417 (b) A tax under this section is not subject to Subsections 59-12-205(2) through [~~6~~]  
2418 (5).

2419 (c) A county legislative body shall distribute money collected from a tax under this  
2420 section quarterly.

2421 (5) The commission shall retain and deposit an administrative charge in accordance  
2422 with Section 59-1-306 from the revenue the commission collects from a tax under this section.

2423 Section 22. Section 59-12-804 is amended to read:

2424 **59-12-804. Imposition of rural city hospital tax -- Base -- Rate -- Administration,**  
2425 **collection, and enforcement of tax -- Administrative charge.**

2426 (1) (a) A city legislative body may impose a sales and use tax of up to 1%:

2427 (i) on the transactions described in Subsection 59-12-103(1) located within the city;  
2428 and

2429 (ii) to fund rural city hospitals in that city.

2430 (b) Notwithstanding Subsection (1)(a)(i), a city legislative body may not impose a tax  
2431 under this section on:

2432 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses  
2433 are exempt from taxation under Section 59-12-104; and

2434 (ii) except as provided in Subsection (1)(d), amounts paid or charged for food and food  
2435 ingredients.

2436 (c) For purposes of this Subsection (1), the location of a transaction shall be  
2437 determined in accordance with Sections 59-12-211 through 59-12-215.

2438 (d) A city legislative body imposing a tax under this section shall impose the tax on the  
2439 purchase price or sales price for amounts paid or charged for food and food ingredients if the  
2440 food and food ingredients are sold as part of a bundled transaction attributable to food and food  
2441 ingredients and tangible personal property other than food and food ingredients.

2442 (2) (a) Before imposing a tax under Subsection (1)(a), a city legislative body shall  
2443 obtain approval to impose the tax from a majority of the:

2444 (i) members of the city legislative body; and

2445 (ii) city's registered voters voting on the imposition of the tax.

2446 (b) The city legislative body shall conduct the election according to the procedures and  
2447 requirements of Title 11, Chapter 14, Local Government Bonding Act.

2448 (3) The money collected from a tax imposed under Subsection (1) may only be used to  
2449 fund:

2450 (a) ongoing operating expenses of a rural city hospital;

2451 (b) the acquisition of land for a rural city hospital; or

2452 (c) the design, construction, equipping, or furnishing of a rural city hospital.

2453 (4) (a) A tax under this section shall be:

2454 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in  
2455 accordance with:

2456 (A) the same procedures used to administer, collect, and enforce the tax under:

2457 (I) Part 1, Tax Collection; or

2458 (II) Part 2, Local Sales and Use Tax Act; and

2459 (B) Chapter 1, General Taxation Policies; and

2460 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year  
2461 period by the city legislative body as provided in Subsection (1).

2462 (b) A tax under this section is not subject to Subsections 59-12-205(2) through [~~6~~]  
2463 (5).

2464 (5) The commission shall retain and deposit an administrative charge in accordance  
2465 with Section 59-1-306 from the revenue the commission collects from a tax under this section.

2466 Section 23. Section 59-12-1102 is amended to read:

2467 **59-12-1102. Base -- Rate -- Imposition of tax -- Distribution of revenue --**  
2468 **Administration -- Administrative charge -- Commission requirement to retain an amount**  
2469 **to be deposited into the Qualified Emergency Food Agencies Fund -- Enactment or repeal**  
2470 **of tax -- Effective date -- Notice requirements.**

2471 (1) (a) (i) Subject to Subsections (2) through (6), and in addition to any other tax  
2472 authorized by this chapter, a county may impose by ordinance a county option sales and use tax  
2473 of .25% upon the transactions described in Subsection 59-12-103(1).

2474 (ii) Notwithstanding Subsection (1)(a)(i), a county may not impose a tax under this  
2475 section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are  
2476 exempt from taxation under Section 59-12-104.



- 2477 (b) For purposes of this Subsection (1), the location of a transaction shall be  
2478 determined in accordance with Sections 59-12-211 through 59-12-215.
- 2479 (c) The county option sales and use tax under this section shall be imposed:
- 2480 (i) upon transactions that are located within the county, including transactions that are  
2481 located within municipalities in the county; and
- 2482 (ii) except as provided in Subsection (1)(d) or (5), beginning on the first day of  
2483 January:
- 2484 (A) of the next calendar year after adoption of the ordinance imposing the tax if the  
2485 ordinance is adopted on or before May 25; or
- 2486 (B) of the second calendar year after adoption of the ordinance imposing the tax if the  
2487 ordinance is adopted after May 25.
- 2488 (d) The county option sales and use tax under this section shall be imposed:
- 2489 (i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before  
2490 September 4, 1997; or
- 2491 (ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during 1997  
2492 but after September 4, 1997.
- 2493 (2) (a) Before imposing a county option sales and use tax under Subsection (1), a  
2494 county shall hold two public hearings on separate days in geographically diverse locations in  
2495 the county.
- 2496 (b) (i) At least one of the hearings required by Subsection (2)(a) shall have a starting  
2497 time of no earlier than 6 p.m.
- 2498 (ii) The earlier of the hearings required by Subsection (2)(a) shall be no less than seven  
2499 days after the day the first advertisement required by Subsection (2)(c) is published.
- 2500 (c) (i) Before holding the public hearings required by Subsection (2)(a), the county  
2501 shall advertise:
- 2502 (A) its intent to adopt a county option sales and use tax;
- 2503 (B) the date, time, and location of each public hearing; and
- 2504 (C) a statement that the purpose of each public hearing is to obtain public comments  
2505 regarding the proposed tax.
- 2506 (ii) The advertisement shall be published:
- 2507 (A) in a newspaper of general circulation in the county once each week for the two

2508 weeks preceding the earlier of the two public hearings; and

2509 (B) on the Utah Public Notice Website created in Section 63A-16-601, for two weeks  
2510 preceding the earlier of the two public hearings.

2511 (iii) The advertisement described in Subsection (2)(c)(ii)(A) shall be no less than 1/8  
2512 page in size, and the type used shall be no smaller than 18 point and surrounded by a 1/4-inch  
2513 border.

2514 (iv) The advertisement described in Subsection (2)(c)(ii)(A) may not be placed in that  
2515 portion of the newspaper where legal notices and classified advertisements appear.

2516 (v) In accordance with Subsection (2)(c)(ii)(A), whenever possible:

2517 (A) the advertisement shall appear in a newspaper that is published at least five days a  
2518 week, unless the only newspaper in the county is published less than five days a week; and

2519 (B) the newspaper selected shall be one of general interest and readership in the  
2520 community, and not one of limited subject matter.

2521 (d) The adoption of an ordinance imposing a county option sales and use tax is subject  
2522 to a local referendum election and shall be conducted as provided in Title 20A, Chapter 7, Part  
2523 6, Local Referenda - Procedures.

2524 (3) (a) Subject to Subsection (5), if the aggregate population of the counties imposing a  
2525 county option sales and use tax under Subsection (1) is less than 75% of the state population,  
2526 the tax levied under Subsection (1) shall be distributed to the county in which the tax was  
2527 collected.

2528 (b) Subject to Subsection (5), if the aggregate population of the counties imposing a  
2529 county option sales and use tax under Subsection (1) is greater than or equal to 75% of the state  
2530 population:

2531 (i) 50% of the tax collected under Subsection (1) in each county shall be distributed to  
2532 the county in which the tax was collected; and

2533 (ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection  
2534 (1) in each county shall be distributed proportionately among all counties imposing the tax,  
2535 based on the total population of each county.

2536 (c) Except as provided in Subsection (5), the amount to be distributed annually to a  
2537 county under Subsection (3)(b)(ii), when combined with the amount distributed to the county  
2538 under Subsection (3)(b)(i), does not equal at least \$75,000, then:

2539 (i) the amount to be distributed annually to that county under Subsection (3)(b)(ii) shall  
2540 be increased so that, when combined with the amount distributed to the county under  
2541 Subsection (3)(b)(i), the amount distributed annually to the county is \$75,000; and

2542 (ii) the amount to be distributed annually to all other counties under Subsection  
2543 (3)(b)(ii) shall be reduced proportionately to offset the additional amount distributed under  
2544 Subsection (3)(c)(i).

2545 (d) The commission shall establish rules to implement the distribution of the tax under  
2546 Subsections (3)(a), (b), and (c).

2547 (4) (a) Except as provided in Subsection (4)(b) or (c), a tax authorized under this part  
2548 shall be administered, collected, and enforced in accordance with:

2549 (i) the same procedures used to administer, collect, and enforce the tax under:

2550 (A) Part 1, Tax Collection; or

2551 (B) Part 2, Local Sales and Use Tax Act; and

2552 (ii) Chapter 1, General Taxation Policies.

2553 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~(6)~~ (5).

2554 (c) (i) Subject to Subsection (4)(c)(ii), the commission shall retain and deposit an  
2555 administrative charge in accordance with Section 59-1-306 from the revenue the commission  
2556 collects from a tax under this part.

2557 (ii) Notwithstanding Section 59-1-306, the administrative charge described in  
2558 Subsection (4)(c)(i) shall be calculated by taking a percentage described in Section 59-1-306 of  
2559 the distribution amounts resulting after:

2560 (A) the applicable distribution calculations under Subsection (3) have been made; and

2561 (B) the commission retains the amount required by Subsection (5).

2562 (5) (a) Beginning on July 1, 2009, the commission shall calculate and retain a portion  
2563 of the sales and use tax collected under this part as provided in this Subsection (5).

2564 (b) For a county that imposes a tax under this part, the commission shall calculate a  
2565 percentage each month by dividing the sales and use tax collected under this part for that  
2566 month within the boundaries of that county by the total sales and use tax collected under this  
2567 part for that month within the boundaries of all of the counties that impose a tax under this part.

2568 (c) For a county that imposes a tax under this part, the commission shall retain each  
2569 month an amount equal to the product of:

2570 (i) the percentage the commission determines for the month under Subsection (5)(b)  
2571 for the county; and

2572 (ii) \$6,354.

2573 (d) The commission shall deposit an amount the commission retains in accordance  
2574 with this Subsection (5) into the Qualified Emergency Food Agencies Fund created by Section  
2575 [35A-8-1009](#).

2576 (e) An amount the commission deposits into the Qualified Emergency Food Agencies  
2577 Fund shall be expended as provided in Section [35A-8-1009](#).

2578 (6) (a) For purposes of this Subsection (6):

2579 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, County  
2580 Consolidations and Annexations.

2581 (ii) "Annexing area" means an area that is annexed into a county.

2582 (b) (i) Except as provided in Subsection (6)(c) or (d), if, on or after July 1, 2004, a  
2583 county enacts or repeals a tax under this part:

2584 (A) (I) the enactment shall take effect as provided in Subsection (1)(c); or

2585 (II) the repeal shall take effect on the first day of a calendar quarter; and

2586 (B) after a 90-day period beginning on the date the commission receives notice meeting  
2587 the requirements of Subsection (6)(b)(ii) from the county.

2588 (ii) The notice described in Subsection (6)(b)(i)(B) shall state:

2589 (A) that the county will enact or repeal a tax under this part;

2590 (B) the statutory authority for the tax described in Subsection (6)(b)(ii)(A);

2591 (C) the effective date of the tax described in Subsection (6)(b)(ii)(A); and

2592 (D) if the county enacts the tax described in Subsection (6)(b)(ii)(A), the rate of the  
2593 tax.

2594 (c) (i) If the billing period for a transaction begins before the effective date of the  
2595 enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day  
2596 of the first billing period that begins on or after the effective date of the enactment of the tax.

2597 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing  
2598 period is produced on or after the effective date of the repeal of the tax imposed under  
2599 Subsection (1).

2600 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of

2601 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in  
2602 Subsection (6)(b)(i) takes effect:

2603 (A) on the first day of a calendar quarter; and

2604 (B) beginning 60 days after the effective date of the enactment or repeal under

2605 Subsection (6)(b)(i).

2606 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2607 commission may by rule define the term "catalogue sale."

2608 (e) (i) Except as provided in Subsection (6)(f) or (g), if, for an annexation that occurs  
2609 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this  
2610 part for an annexing area, the enactment or repeal shall take effect:

2611 (A) on the first day of a calendar quarter; and

2612 (B) after a 90-day period beginning on the date the commission receives notice meeting  
2613 the requirements of Subsection (6)(e)(ii) from the county that annexes the annexing area.

2614 (ii) The notice described in Subsection (6)(e)(i)(B) shall state:

2615 (A) that the annexation described in Subsection (6)(e)(i) will result in an enactment or  
2616 repeal of a tax under this part for the annexing area;

2617 (B) the statutory authority for the tax described in Subsection (6)(e)(ii)(A);

2618 (C) the effective date of the tax described in Subsection (6)(e)(ii)(A); and

2619 (D) the rate of the tax described in Subsection (6)(e)(ii)(A).

2620 (f) (i) If the billing period for a transaction begins before the effective date of the  
2621 enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day  
2622 of the first billing period that begins on or after the effective date of the enactment of the tax.

2623 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing  
2624 period is produced on or after the effective date of the repeal of the tax imposed under  
2625 Subsection (1).

2626 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
2627 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in  
2628 Subsection (6)(e)(i) takes effect:

2629 (A) on the first day of a calendar quarter; and

2630 (B) beginning 60 days after the effective date of the enactment or repeal under

2631 Subsection (6)(e)(i).

2632 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2633 commission may by rule define the term "catalogue sale."

2634 Section 24. Section **59-12-1302** is amended to read:

2635 **59-12-1302. Imposition of tax -- Base -- Rate -- Enactment or repeal of tax -- Tax**  
2636 **rate change -- Effective date -- Notice requirements -- Administration, collection, and**  
2637 **enforcement of tax -- Administrative charge.**

2638 (1) Beginning on or after January 1, 1998, the governing body of a town may impose a  
2639 tax as provided in this part in an amount that does not exceed 1%.

2640 (2) A town may impose a tax as provided in this part if the town imposed a license fee  
2641 or tax on businesses based on gross receipts under Section **10-1-203** on or before January 1,  
2642 1996.

2643 (3) A town imposing a tax under this section shall:

2644 (a) except as provided in Subsection (4), impose the tax on the transactions described  
2645 in Subsection **59-12-103**(1) located within the town; and

2646 (b) provide an effective date for the tax as provided in Subsection (5).

2647 (4) (a) A town may not impose a tax under this section on:

2648 (i) the sales and uses described in Section **59-12-104** to the extent the sales and uses  
2649 are exempt from taxation under Section **59-12-104**; and

2650 (ii) except as provided in Subsection (4)(c), amounts paid or charged for food and food  
2651 ingredients.

2652 (b) For purposes of this Subsection (4), the location of a transaction shall be  
2653 determined in accordance with Sections **59-12-211** through **59-12-215**.

2654 (c) A town imposing a tax under this section shall impose the tax on the purchase price  
2655 or sales price for amounts paid or charged for food and food ingredients if the food and food  
2656 ingredients are sold as part of a bundled transaction attributable to food and food ingredients  
2657 and tangible personal property other than food and food ingredients.

2658 (5) (a) For purposes of this Subsection (5):

2659 (i) "Annexation" means an annexation to a town under Title 10, Chapter 2, Part 4,  
2660 Annexation.

2661 (ii) "Annexing area" means an area that is annexed into a town.

2662 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a

2663 town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal,  
2664 or change shall take effect:

2665 (A) on the first day of a calendar quarter; and

2666 (B) after a 90-day period beginning on the date the commission receives notice meeting  
2667 the requirements of Subsection (5)(b)(ii) from the town.

2668 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

2669 (A) that the town will enact or repeal a tax or change the rate of a tax under this part;

2670 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

2671 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

2672 (D) if the town enacts the tax or changes the rate of the tax described in Subsection  
2673 (5)(b)(ii)(A), the rate of the tax.

2674 (c) (i) If the billing period for the transaction begins before the effective date of the  
2675 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of  
2676 the tax or the tax rate increase takes effect on the first day of the first billing period that begins  
2677 on or after the effective date of the enactment of the tax or the tax rate increase.

2678 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
2679 statement for the billing period is produced on or after the effective date of the repeal of the tax  
2680 or the tax rate decrease imposed under Subsection (1).

2681 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
2682 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of  
2683 a tax described in Subsection (5)(b)(i) takes effect:

2684 (A) on the first day of a calendar quarter; and

2685 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the  
2686 rate of the tax under Subsection (5)(b)(i).

2687 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2688 commission may by rule define the term "catalogue sale."

2689 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs  
2690 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the  
2691 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take  
2692 effect:

2693 (A) on the first day of a calendar quarter; and

2694 (B) after a 90-day period beginning on the date the commission receives notice meeting  
2695 the requirements of Subsection (5)(e)(ii) from the town that annexes the annexing area.

2696 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

2697 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment,  
2698 repeal, or change in the rate of a tax under this part for the annexing area;

2699 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

2700 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

2701 (D) if the town enacts the tax or changes the rate of the tax described in Subsection  
2702 (5)(e)(ii)(A), the rate of the tax.

2703 (f) (i) If the billing period for a transaction begins before the effective date of the  
2704 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of  
2705 the tax or the tax rate increase takes effect on the first day of the first billing period that begins  
2706 on or after the effective date of the enactment of the tax or the tax rate increase.

2707 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
2708 statement for the billing period is produced on or after the effective date of the repeal of the tax  
2709 or the tax rate decrease imposed under Subsection (1).

2710 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
2711 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of  
2712 a tax described in Subsection (5)(e)(i) takes effect:

2713 (A) on the first day of a calendar quarter; and

2714 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the  
2715 rate of the tax under Subsection (5)(e)(i).

2716 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2717 commission may by rule define the term "catalogue sale."

2718 (6) The commission shall:

2719 (a) distribute the revenue generated by the tax under this section to the town imposing  
2720 the tax; and

2721 (b) except as provided in Subsection (8), administer, collect, and enforce the tax  
2722 authorized under this section in accordance with:

2723 (i) the same procedures used to administer, collect, and enforce the tax under:

2724 (A) Part 1, Tax Collection; or



2725 (B) Part 2, Local Sales and Use Tax Act; and

2726 (ii) Chapter 1, General Taxation Policies.

2727 (7) The commission shall retain and deposit an administrative charge in accordance  
2728 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

2729 (8) A tax under this section is not subject to Subsections 59-12-205(2) through [~~(6)~~]  
2730 (5).

2731 Section 25. Section 59-12-1402 is amended to read:

2732 **59-12-1402. Opinion question election -- Base -- Rate -- Imposition of tax --**  
2733 **Expenditure of revenue -- Enactment or repeal of tax -- Effective date -- Notice**  
2734 **requirements.**

2735 (1) (a) Subject to the other provisions of this section, a city or town legislative body  
2736 subject to this part may submit an opinion question to the residents of that city or town, by  
2737 majority vote of all members of the legislative body, so that each resident of the city or town  
2738 has an opportunity to express the resident's opinion on the imposition of a local sales and use  
2739 tax of .1% on the transactions described in Subsection 59-12-103(1) located within the city or  
2740 town, to:

2741 (i) fund cultural facilities, recreational facilities, and zoological facilities and botanical  
2742 organizations, cultural organizations, and zoological organizations in that city or town; or

2743 (ii) provide funding for a botanical organization, cultural organization, or zoological  
2744 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in  
2745 furtherance of the botanical organization's, cultural organization's, or zoological organization's  
2746 primary purpose.

2747 (b) The opinion question required by this section shall state:

2748 "Shall (insert the name of the city or town), Utah, be authorized to impose a .1% sales  
2749 and use tax for (list the purposes for which the revenue collected from the sales and use tax  
2750 shall be expended)?"

2751 (c) A city or town legislative body may not impose a tax under this section:

2752 (i) if the county in which the city or town is located imposes a tax under Part 7, County  
2753 Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or  
2754 Facilities;

2755 (ii) on the sales and uses described in Section 59-12-104 to the extent the sales and

2756 uses are exempt from taxation under Section 59-12-104; and

2757 (iii) except as provided in Subsection (1)(e), on amounts paid or charged for food and  
2758 food ingredients.

2759 (d) For purposes of this Subsection (1), the location of a transaction shall be  
2760 determined in accordance with Sections 59-12-211 through 59-12-215.

2761 (e) A city or town legislative body imposing a tax under this section shall impose the  
2762 tax on the purchase price or sales price for amounts paid or charged for food and food  
2763 ingredients if the food and food ingredients are sold as part of a bundled transaction attributable  
2764 to food and food ingredients and tangible personal property other than food and food  
2765 ingredients.

2766 (f) Except as provided in Subsection (6), the election shall be held at a regular general  
2767 election or a municipal general election, as those terms are defined in Section 20A-1-102, and  
2768 shall follow the procedures outlined in Title 11, Chapter 14, Local Government Bonding Act.

2769 (2) If the city or town legislative body determines that a majority of the city's or town's  
2770 registered voters voting on the imposition of the tax have voted in favor of the imposition of  
2771 the tax as prescribed in Subsection (1), the city or town legislative body may impose the tax by  
2772 a majority vote of all members of the legislative body.

2773 (3) Subject to Section 59-12-1403, revenue collected from a tax imposed under  
2774 Subsection (2) shall be expended:

2775 (a) to finance cultural facilities, recreational facilities, and zoological facilities within  
2776 the city or town or within the geographic area of entities that are parties to an interlocal  
2777 agreement, to which the city or town is a party, providing for cultural facilities, recreational  
2778 facilities, or zoological facilities;

2779 (b) to finance ongoing operating expenses of:

2780 (i) recreational facilities described in Subsection (3)(a) within the city or town or  
2781 within the geographic area of entities that are parties to an interlocal agreement, to which the  
2782 city or town is a party, providing for recreational facilities; or

2783 (ii) botanical organizations, cultural organizations, and zoological organizations within  
2784 the city or town or within the geographic area of entities that are parties to an interlocal  
2785 agreement, to which the city or town is a party, providing for the support of botanical  
2786 organizations, cultural organizations, or zoological organizations; and

- 2787 (c) as stated in the opinion question described in Subsection (1).  
2788 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall  
2789 be:
- 2790 (i) administered, collected, and enforced in accordance with:  
2791 (A) the same procedures used to administer, collect, and enforce the tax under:  
2792 (I) Part 1, Tax Collection; or  
2793 (II) Part 2, Local Sales and Use Tax Act; and  
2794 (B) Chapter 1, General Taxation Policies; and  
2795 (ii) (A) levied for a period of eight years; and  
2796 (B) may be reauthorized at the end of the eight-year period in accordance with this  
2797 section.
- 2798 (b) (i) If a tax under this part is imposed for the first time on or after July 1, 2011, the  
2799 tax shall be levied for a period of 10 years.
- 2800 (ii) If a tax under this part is reauthorized in accordance with Subsection (4)(a) on or  
2801 after July 1, 2011, the tax shall be reauthorized for a ten-year period.
- 2802 (c) A tax under this section is not subject to Subsections 59-12-205(2) through [~~6~~]  
2803 (5).
- 2804 (5) (a) For purposes of this Subsection (5):
- 2805 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part  
2806 4, Annexation.
- 2807 (ii) "Annexing area" means an area that is annexed into a city or town.
- 2808 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a city  
2809 or town enacts or repeals a tax under this part, the enactment or repeal shall take effect:  
2810 (A) on the first day of a calendar quarter; and  
2811 (B) after a 90-day period beginning on the date the commission receives notice meeting  
2812 the requirements of Subsection (5)(b)(ii) from the city or town.
- 2813 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:  
2814 (A) that the city or town will enact or repeal a tax under this part;  
2815 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);  
2816 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and  
2817 (D) if the city or town enacts the tax described in Subsection (5)(b)(ii)(A), the rate of

2818 the tax.

2819 (c) (i) If the billing period for a transaction begins before the effective date of the  
2820 enactment of the tax under this section, the enactment of the tax takes effect on the first day of  
2821 the first billing period that begins on or after the effective date of the enactment of the tax.

2822 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing  
2823 period is produced on or after the effective date of the repeal of the tax imposed under this  
2824 section.

2825 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
2826 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in  
2827 Subsection (5)(b)(i) takes effect:

2828 (A) on the first day of a calendar quarter; and

2829 (B) beginning 60 days after the effective date of the enactment or repeal under  
2830 Subsection (5)(b)(i).

2831 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2832 commission may by rule define the term "catalogue sale."

2833 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs  
2834 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this  
2835 part for an annexing area, the enactment or repeal shall take effect:

2836 (A) on the first day of a calendar quarter; and

2837 (B) after a 90-day period beginning on the date the commission receives notice meeting  
2838 the requirements of Subsection (5)(e)(ii) from the city or town that annexes the annexing area.

2839 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

2840 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or  
2841 repeal a tax under this part for the annexing area;

2842 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

2843 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

2844 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

2845 (f) (i) If the billing period for a transaction begins before the effective date of the  
2846 enactment of the tax under this section, the enactment of the tax takes effect on the first day of  
2847 the first billing period that begins on or after the effective date of the enactment of the tax.

2848 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing

2849 period is produced on or after the effective date of the repeal of the tax imposed under this  
2850 section.

2851 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
2852 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in  
2853 Subsection (5)(e)(i) takes effect:

2854 (A) on the first day of a calendar quarter; and

2855 (B) beginning 60 days after the effective date of the enactment or repeal under  
2856 Subsection (5)(e)(i).

2857 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2858 commission may by rule define the term "catalogue sale."

2859 (6) (a) Before a city or town legislative body submits an opinion question to the  
2860 residents of the city or town under Subsection (1), the city or town legislative body shall:

2861 (i) submit to the county legislative body in which the city or town is located a written  
2862 notice of the intent to submit the opinion question to the residents of the city or town; and

2863 (ii) receive from the county legislative body:

2864 (A) a written resolution passed by the county legislative body stating that the county  
2865 legislative body is not seeking to impose a tax under Part 7, County Option Funding for  
2866 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities; or

2867 (B) a written statement that in accordance with Subsection (6)(b) the results of a county  
2868 opinion question submitted to the residents of the county under Part 7, County Option Funding  
2869 for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, permit the city  
2870 or town legislative body to submit the opinion question to the residents of the city or town in  
2871 accordance with this part.

2872 (b) (i) Within 60 days after the day the county legislative body receives from a city or  
2873 town legislative body described in Subsection (6)(a) the notice of the intent to submit an  
2874 opinion question to the residents of the city or town, the county legislative body shall provide  
2875 the city or town legislative body:

2876 (A) the written resolution described in Subsection (6)(a)(ii)(A); or

2877 (B) written notice that the county legislative body will submit an opinion question to  
2878 the residents of the county under Part 7, County Option Funding for Botanical, Cultural,  
2879 Recreational, and Zoological Organizations or Facilities, for the county to impose a tax under

2880 that part.

2881 (ii) If the county legislative body provides the city or town legislative body the written  
2882 notice that the county legislative body will submit an opinion question as provided in  
2883 Subsection (6)(b)(i)(B), the county legislative body shall submit the opinion question by no  
2884 later than, from the date the county legislative body sends the written notice, the later of:

- 2885 (A) a 12-month period;
- 2886 (B) the next regular primary election; or
- 2887 (C) the next regular general election.

2888 (iii) Within 30 days of the date of the canvass of the election at which the opinion  
2889 question under Subsection (6)(b)(ii) is voted on, the county legislative body shall provide the  
2890 city or town legislative body described in Subsection (6)(a) written results of the opinion  
2891 question submitted by the county legislative body under Part 7, County Option Funding for  
2892 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, indicating that:

2893 (A) (I) the city or town legislative body may not impose a tax under this part because a  
2894 majority of the county's registered voters voted in favor of the county imposing the tax and the  
2895 county legislative body by a majority vote approved the imposition of the tax; or

2896 (II) for at least 12 months from the date the written results are submitted to the city or  
2897 town legislative body, the city or town legislative body may not submit to the county legislative  
2898 body a written notice of the intent to submit an opinion question under this part because a  
2899 majority of the county's registered voters voted against the county imposing the tax and the  
2900 majority of the registered voters who are residents of the city or town described in Subsection  
2901 (6)(a) voted against the imposition of the county tax; or

2902 (B) the city or town legislative body may submit the opinion question to the residents  
2903 of the city or town in accordance with this part because although a majority of the county's  
2904 registered voters voted against the county imposing the tax, the majority of the registered voters  
2905 who are residents of the city or town voted for the imposition of the county tax.

2906 (c) Notwithstanding Subsection (6)(b), at any time a county legislative body may  
2907 provide a city or town legislative body described in Subsection (6)(a) a written resolution  
2908 passed by the county legislative body stating that the county legislative body is not seeking to  
2909 impose a tax under Part 7, County Option Funding for Botanical, Cultural, Recreational, and  
2910 Zoological Organizations or Facilities, which permits the city or town legislative body to

2911 submit under Subsection (1) an opinion question to the city's or town's residents.

2912 Section 26. Section **59-12-2103** is amended to read:

2913 **59-12-2103. Imposition of tax -- Base -- Rate -- Expenditure of revenue collected**  
2914 **from the tax -- Administration, collection, and enforcement of tax by commission --**  
2915 **Administrative charge -- Enactment or repeal of tax -- Annexation -- Notice.**

2916 (1) (a) As used in this section, "eligible city or town" means a city or town that  
2917 imposed a tax under this part on July 1, 2016.

2918 (b) Subject to the other provisions of this section and except as provided in Subsection  
2919 (2) or (3), the legislative body of an eligible city or town may impose a sales and use tax of up  
2920 to .20% on the transactions:

2921 (i) described in Subsection [59-12-103](#)(1); and

2922 (ii) within the city or town.

2923 (c) A city or town legislative body that imposes a tax under Subsection (1)(b) shall  
2924 expend the revenue collected from the tax for the same purposes for which the city or town  
2925 may expend the city's or town's general fund revenue.

2926 (d) For purposes of this Subsection (1), the location of a transaction shall be  
2927 determined in accordance with Sections [59-12-211](#) through [59-12-215](#).

2928 (2) (a) A city or town legislative body may not impose a tax under this section on:

2929 (i) the sales and uses described in Section [59-12-104](#) to the extent the sales and uses  
2930 are exempt from taxation under Section [59-12-104](#); and

2931 (ii) except as provided in Subsection (2)(b), amounts paid or charged for food and food  
2932 ingredients.

2933 (b) A city or town legislative body imposing a tax under this section shall impose the  
2934 tax on the purchase price or sales price for amounts paid or charged for food and food  
2935 ingredients if the food and food ingredients are sold as part of a bundled transaction attributable  
2936 to food and food ingredients and tangible personal property other than food and food  
2937 ingredients.

2938 (3) An eligible city or town may impose a tax under this part until no later than June  
2939 30, 2030.

2940 (4) The commission shall transmit revenue collected within a city or town from a tax  
2941 under this part:

- 2942 (a) to the city or town legislative body;
- 2943 (b) monthly; and
- 2944 (c) by electronic funds transfer.
- 2945 (5) (a) Except as provided in Subsection (5)(b), the commission shall administer,
- 2946 collect, and enforce a tax under this part in accordance with:
  - 2947 (i) the same procedures used to administer, collect, and enforce the tax under:
    - 2948 (A) Part 1, Tax Collection; or
    - 2949 (B) Part 2, Local Sales and Use Tax Act; and
    - 2950 (ii) Chapter 1, General Taxation Policies.
  - 2951 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(6)]~~ (5).
  - 2952 (6) The commission shall retain and deposit an administrative charge in accordance
  - 2953 with Section 59-1-306 from the revenue the commission collects from a tax under this part.
  - 2954 (7) (a) (i) Except as provided in Subsection (7)(b) or (c), if, on or after January 1, 2009,
  - 2955 a city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
  - 2956 repeal, or change shall take effect:
    - 2957 (A) on the first day of a calendar quarter; and
    - 2958 (B) after a 90-day period beginning on the date the commission receives notice meeting
    - 2959 the requirements of Subsection (7)(a)(i) from the city or town.
    - 2960 (ii) The notice described in Subsection (7)(a)(i)(B) shall state:
      - 2961 (A) that the city or town will enact or repeal a tax or change the rate of the tax under
      - 2962 this part;
      - 2963 (B) the statutory authority for the tax described in Subsection (7)(a)(ii)(A);
      - 2964 (C) the effective date of the tax described in Subsection (7)(a)(ii)(A); and
      - 2965 (D) if the city or town enacts the tax or changes the rate of the tax described in
      - 2966 Subsection (7)(a)(ii)(A), the rate of the tax.
      - 2967 (b) (i) If the billing period for a transaction begins before the enactment of the tax or
      - 2968 the tax rate increase under Subsection (1), the enactment of the tax or the tax rate increase takes
      - 2969 effect on the first day of the first billing period that begins on or after the effective date of the
      - 2970 enactment of the tax or the tax rate increase.
      - 2971 (ii) If the billing period for a transaction begins before the effective date of the repeal
      - 2972 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax



2973 rate decrease applies to a billing period if the billing statement for the billing period is rendered  
2974 on or after the effective date of the repeal of the tax or the tax rate decrease.

2975 (c) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales  
2976 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax  
2977 described in Subsection (7)(a)(i) takes effect:

2978 (A) on the first day of a calendar quarter; and

2979 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the  
2980 rate of the tax under Subsection (7)(a)(i).

2981 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2982 commission may by rule define the term "catalogue sale."

2983 (d) (i) Except as provided in Subsection (7)(e) or (f), if, for an annexation that occurs  
2984 on or after January 1, 2009, the annexation will result in the enactment, repeal, or change in the  
2985 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take  
2986 effect:

2987 (A) on the first day of a calendar quarter; and

2988 (B) after a 90-day period beginning on the date the commission receives notice meeting  
2989 the requirements of Subsection (7)(d)(ii) from the city or town that annexes the annexing area.

2990 (ii) The notice described in Subsection (7)(d)(i)(B) shall state:

2991 (A) that the annexation described in Subsection (7)(d)(i)(B) will result in the  
2992 enactment, repeal, or change in the rate of a tax under this part for the annexing area;

2993 (B) the statutory authority for the tax described in Subsection (7)(d)(ii)(A);

2994 (C) the effective date of the tax described in Subsection (7)(d)(ii)(A); and

2995 (D) if the city or town enacts the tax or changes the rate of the tax described in  
2996 Subsection (7)(d)(ii)(A), the rate of the tax.

2997 (e) (i) If the billing period for a transaction begins before the effective date of the  
2998 enactment of the tax or a tax rate increase under Subsection (1), the enactment of a tax or a tax  
2999 rate increase takes effect on the first day of the first billing period that begins on or after the  
3000 effective date of the enactment of the tax or the tax rate increase.

3001 (ii) If the billing period for a transaction begins before the effective date of the repeal  
3002 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax  
3003 rate decrease applies to a billing period if the billing statement for the billing period is rendered

3004 on or after the effective date of the repeal of the tax or the tax rate decrease.

3005 (f) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales  
3006 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax  
3007 described in Subsection (7)(d)(i) takes effect:

3008 (A) on the first day of a calendar quarter; and

3009 (B) beginning 60 days after the effective date of the enactment, repeal, or change under  
3010 Subsection (7)(d)(i).

3011 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
3012 commission may by rule define the term "catalogue sale."

3013 Section 27. Section **59-12-2206** is amended to read:

3014 **59-12-2206. Administration, collection, and enforcement of a sales and use tax**  
3015 **under this part -- Transmission of revenue monthly by electronic funds transfer --**  
3016 **Transfer of revenue to a public transit district or eligible political subdivision.**

3017 (1) Except as provided in Subsection (2), the commission shall administer, collect, and  
3018 enforce a sales and use tax imposed under this part.

3019 (2) The commission shall administer, collect, and enforce a sales and use tax imposed  
3020 under this part in accordance with:

3021 (a) the same procedures used to administer, collect, and enforce a tax under:

3022 (i) Part 1, Tax Collection; or

3023 (ii) Part 2, Local Sales and Use Tax Act; and

3024 (b) Chapter 1, General Taxation Policies.

3025 (3) A sales and use tax under this part is not subject to Subsections [59-12-205](#)(2)  
3026 through ~~[(6)]~~ [\(5\)](#).

3027 (4) Subject to Section [59-12-2207](#) and except as provided in Subsection (5) or another  
3028 provision of this part, the state treasurer shall transmit revenue collected within a county, city,  
3029 or town from a sales and use tax under this part to the county, city, or town legislative body  
3030 monthly by electronic funds transfer.

3031 (5) (a) Subject to Section [59-12-2207](#), and except as provided in Subsection (5)(b), the  
3032 state treasurer shall transfer revenue collected within a county, city, or town from a sales and  
3033 use tax under this part directly to a public transit district organized under Title 17B, Chapter 2a,  
3034 Part 8, Public Transit District Act, or an eligible political subdivision as defined in Section

3035 59-12-2219, if the county, city, or town legislative body:

3036 (i) provides written notice to the commission and the state treasurer requesting the  
3037 transfer; and

3038 (ii) designates the public transit district or eligible political subdivision to which the  
3039 county, city, or town legislative body requests the state treasurer to transfer the revenue.

3040 (b) The commission shall transmit a portion of the revenue collected within a county,  
3041 city, or town from a sales and use tax under this part that would be transferred to a public  
3042 transit district or an eligible political subdivision under Subsection (5)(a) to the county, city, or  
3043 town to fund public transit fixed guideway safety oversight under Section 72-1-214 if the  
3044 county, city, or town legislative body:

3045 (i) provides written notice to the commission and the state treasurer requesting the  
3046 transfer; and

3047 (ii) specifies the amount of revenue required to be transmitted to the county, city, or  
3048 town.

3049 Section 28. Section 63G-2-302 is amended to read:

3050 **63G-2-302. Private records.**

3051 (1) The following records are private:

3052 (a) records concerning an individual's eligibility for unemployment insurance benefits,  
3053 social services, welfare benefits, or the determination of benefit levels;

3054 (b) records containing data on individuals describing medical history, diagnosis,  
3055 condition, treatment, evaluation, or similar medical data;

3056 (c) records of publicly funded libraries that when examined alone or with other records  
3057 identify a patron;

3058 (d) records received by or generated by or for:

3059 (i) the Independent Legislative Ethics Commission, except for:

3060 (A) the commission's summary data report that is required under legislative rule; and

3061 (B) any other document that is classified as public under legislative rule; or

3062 (ii) a Senate or House Ethics Committee in relation to the review of ethics complaints,  
3063 unless the record is classified as public under legislative rule;

3064 (e) records received by, or generated by or for, the Independent Executive Branch

3065 Ethics Commission, except as otherwise expressly provided in Title 63A, Chapter 14, Review

3066 of Executive Branch Ethics Complaints;

3067 (f) records received or generated for a Senate confirmation committee concerning  
3068 character, professional competence, or physical or mental health of an individual:

3069 (i) if, prior to the meeting, the chair of the committee determines release of the records:

3070 (A) reasonably could be expected to interfere with the investigation undertaken by the  
3071 committee; or

3072 (B) would create a danger of depriving a person of a right to a fair proceeding or  
3073 impartial hearing; and

3074 (ii) after the meeting, if the meeting was closed to the public;

3075 (g) employment records concerning a current or former employee of, or applicant for  
3076 employment with, a governmental entity that would disclose that individual's home address,  
3077 home telephone number, social security number, insurance coverage, marital status, or payroll  
3078 deductions;

3079 (h) records or parts of records under Section [63G-2-303](#) that a current or former  
3080 employee identifies as private according to the requirements of that section;

3081 (i) that part of a record indicating a person's social security number or federal employer  
3082 identification number if provided under Section [31A-23a-104](#), [31A-25-202](#), [31A-26-202](#),  
3083 [58-1-301](#), [58-55-302](#), [61-1-4](#), or [61-2f-203](#);

3084 (j) that part of a voter registration record identifying a voter's:

3085 (i) driver license or identification card number;

3086 (ii) social security number, or last four digits of the social security number;

3087 (iii) email address;

3088 (iv) date of birth; or

3089 (v) phone number;

3090 (k) a voter registration record that is classified as a private record by the lieutenant  
3091 governor or a county clerk under Subsection [20A-2-101.1\(5\)\(a\)](#), [20A-2-104\(4\)\(h\)](#), or  
3092 [20A-2-204\(4\)\(b\)](#);

3093 (l) a voter registration record that is withheld under Subsection [20A-2-104\(7\)](#);

3094 (m) a withholding request form described in Subsections [20A-2-104\(7\)](#) and (8) and any  
3095 verification submitted in support of the form;

3096 (n) a record that:

- 3097 (i) contains information about an individual;
- 3098 (ii) is voluntarily provided by the individual; and
- 3099 (iii) goes into an electronic database that:
- 3100 (A) is designated by and administered under the authority of the Chief Information
- 3101 Officer; and
- 3102 (B) acts as a repository of information about the individual that can be electronically
- 3103 retrieved and used to facilitate the individual's online interaction with a state agency;
- 3104 (o) information provided to the Commissioner of Insurance under:
- 3105 (i) Subsection [31A-23a-115\(3\)\(a\)](#);
- 3106 (ii) Subsection [31A-23a-302\(4\)](#); or
- 3107 (iii) Subsection [31A-26-210\(4\)](#);
- 3108 (p) information obtained through a criminal background check under Title 11, Chapter
- 3109 40, Criminal Background Checks by Political Subdivisions Operating Water Systems;
- 3110 (q) information provided by an offender that is:
- 3111 (i) required by the registration requirements of Title 77, Chapter 41, Sex and Kidnap
- 3112 Offender Registry or Title 77, Chapter 43, Child Abuse Offender Registry; and
- 3113 (ii) not required to be made available to the public under Subsection [77-41-110\(4\)](#) or
- 3114 [77-43-108\(4\)](#);
- 3115 (r) a statement and any supporting documentation filed with the attorney general in
- 3116 accordance with Section [34-45-107](#), if the federal law or action supporting the filing involves
- 3117 homeland security;
- 3118 (s) electronic toll collection customer account information received or collected under
- 3119 Section [72-6-118](#) and customer information described in Section [17B-2a-815](#) received or
- 3120 collected by a public transit district, including contact and payment information and customer
- 3121 travel data;
- 3122 (t) an email address provided by a military or overseas voter under Section
- 3123 [20A-16-501](#);
- 3124 (u) a completed military-overseas ballot that is electronically transmitted under Title
- 3125 20A, Chapter 16, Uniform Military and Overseas Voters Act;
- 3126 (v) records received by or generated by or for the Political Subdivisions Ethics Review
- 3127 Commission established in Section [63A-15-201](#), except for:

- 3128 (i) the commission's summary data report that is required in Section 63A-15-202; and
- 3129 (ii) any other document that is classified as public in accordance with Title 63A,
- 3130 Chapter 15, Political Subdivisions Ethics Review Commission;
- 3131 (w) a record described in Section 53G-9-604 that verifies that a parent was notified of
- 3132 an incident or threat;
- 3133 (x) a criminal background check or credit history report conducted in accordance with
- 3134 Section 63A-3-201;
- 3135 (y) a record described in Subsection 53-5a-104(7);
- 3136 (z) on a record maintained by a county for the purpose of administering property taxes,
- 3137 an individual's:
  - 3138 (i) email address;
  - 3139 (ii) phone number; or
  - 3140 (iii) personal financial information related to a person's payment method;
- 3141 (aa) a record submitted by a taxpayer to establish the taxpayer's eligibility for an
- 3142 exemption, deferral, abatement, or relief under:
  - 3143 (i) [~~Title 59, Chapter 2, Part 11, Exemptions, Deferrals, and Abatements~~] Title 59,
  - 3144 Chapter 2, Part 11, Exemptions;
  - 3145 (ii) Title 59, Chapter 2, Part 12, Property Tax Relief;
  - 3146 (iii) Title 59, Chapter 2, Part 18, Tax Deferral and Tax Abatement; or
  - 3147 (iv) Title 59, Chapter 2, Part 19, Armed Forces Exemptions;
- 3148 (bb) a record provided by the State Tax Commission in response to a request under
- 3149 Subsection 59-1-403(4)(y)(iii);
- 3150 (cc) a record of the Child Welfare Legislative Oversight Panel regarding an individual
- 3151 child welfare case, as described in Subsection 36-33-103(3); and
- 3152 (dd) a record relating to drug or alcohol testing of a state employee under Section
- 3153 63A-17-1004.
- 3154 (2) The following records are private if properly classified by a governmental entity:
  - 3155 (a) records concerning a current or former employee of, or applicant for employment
  - 3156 with a governmental entity, including performance evaluations and personal status information
  - 3157 such as race, religion, or disabilities, but not including records that are public under Subsection
  - 3158 63G-2-301(2)(b) or 63G-2-301(3)(o) or private under Subsection (1)(b);

- 3159 (b) records describing an individual's finances, except that the following are public:
- 3160 (i) records described in Subsection 63G-2-301(2);
- 3161 (ii) information provided to the governmental entity for the purpose of complying with
- 3162 a financial assurance requirement; or
- 3163 (iii) records that must be disclosed in accordance with another statute;
- 3164 (c) records of independent state agencies if the disclosure of those records would
- 3165 conflict with the fiduciary obligations of the agency;
- 3166 (d) other records containing data on individuals the disclosure of which constitutes a
- 3167 clearly unwarranted invasion of personal privacy;
- 3168 (e) records provided by the United States or by a government entity outside the state
- 3169 that are given with the requirement that the records be managed as private records, if the
- 3170 providing entity states in writing that the record would not be subject to public disclosure if
- 3171 retained by it;
- 3172 (f) any portion of a record in the custody of the Division of Aging and Adult Services,
- 3173 created in Section 62A-3-102, that may disclose, or lead to the discovery of, the identity of a
- 3174 person who made a report of alleged abuse, neglect, or exploitation of a vulnerable adult; and
- 3175 (g) audio and video recordings created by a body-worn camera, as defined in Section
- 3176 77-7a-103, that record sound or images inside a home or residence except for recordings that:
- 3177 (i) depict the commission of an alleged crime;
- 3178 (ii) record any encounter between a law enforcement officer and a person that results in
- 3179 death or bodily injury, or includes an instance when an officer fires a weapon;
- 3180 (iii) record any encounter that is the subject of a complaint or a legal proceeding
- 3181 against a law enforcement officer or law enforcement agency;
- 3182 (iv) contain an officer involved critical incident as defined in Subsection
- 3183 76-2-408(1)(f); or
- 3184 (v) have been requested for reclassification as a public record by a subject or
- 3185 authorized agent of a subject featured in the recording.
- 3186 (3) (a) As used in this Subsection (3), "medical records" means medical reports,
- 3187 records, statements, history, diagnosis, condition, treatment, and evaluation.
- 3188 (b) Medical records in the possession of the University of Utah Hospital, its clinics,
- 3189 doctors, or affiliated entities are not private records or controlled records under Section

3190 [63G-2-304](#) when the records are sought:

3191 (i) in connection with any legal or administrative proceeding in which the patient's  
3192 physical, mental, or emotional condition is an element of any claim or defense; or

3193 (ii) after a patient's death, in any legal or administrative proceeding in which any party  
3194 relies upon the condition as an element of the claim or defense.

3195 (c) Medical records are subject to production in a legal or administrative proceeding  
3196 according to state or federal statutes or rules of procedure and evidence as if the medical  
3197 records were in the possession of a nongovernmental medical care provider.

3198 Section 29. **Repealer.**

3199 This bill repeals:

3200 Section [59-7-613](#), **Tax credits for machinery, equipment, or both primarily used**  
3201 **for conducting qualified research or basic research -- Carry forward -- Commission to**  
3202 **report modification or repeal of certain federal provisions -- Revenue and Taxation**  
3203 **Interim Committee study.**

3204 Section [59-7-614.9](#), **Nonrefundable tax credit for employing a recently deployed**  
3205 **veteran.**

3206 Section [59-7-617](#), **Nonrefundable tax credit for employment of a person who is**  
3207 **homeless.**

3208 Section [59-7-622](#), **Nonrefundable tax credit for small employer's participation in**  
3209 **retirement.**

3210 Section [59-10-1013](#), **Tax credits for machinery, equipment, or both primarily used**  
3211 **for conducting qualified research or basic research -- Carry forward -- Commission to**  
3212 **report modification or repeal of certain federal provisions -- Revenue and Taxation**  
3213 **Interim Committee study.**

3214 Section [59-10-1040](#), **Nonrefundable tax credit for small employer's participation in**  
3215 **retirement.**

3216 Section 30. **Retrospective operation.**

3217 (1) The changes to Section [59-2-1710](#) have retrospective operation to January 1, 2020.

3218 (2) The changes to Section [59-2-109](#) have retrospective operation to January 1, 2023.