

**CAR-SHARING AMENDMENTS**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Robert M. Spendlove**

Senate Sponsor: \_\_\_\_\_

---

---

**LONG TITLE**

**General Description:**

This bill modifies provisions relating to motor vehicles shared through a car-sharing business platform.

**Highlighted Provisions:**

This bill:

- ▶ exempts motor vehicles shared through a car-sharing business platform from short-term rental taxes if the applicable sales tax was paid upon the purchase of the motor vehicle; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**17-31-5.5**, as last amended by Laws of Utah 2021, Chapters 282 and 376

**59-12-108**, as last amended by Laws of Utah 2020, Chapters 294 and 407

**59-12-603**, as last amended by Laws of Utah 2020, Chapter 407

**59-12-1201**, as last amended by Laws of Utah 2016, Chapters 184 and 291

**63N-2-502**, as last amended by Laws of Utah 2020, Chapter 407



28

---

---

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

30 Section 1. Section **17-31-5.5** is amended to read:

31 **17-31-5.5. Report by county legislative body -- Content.**

32 (1) The legislative body of each county that imposes a transient room tax under Section  
33 **59-12-301** or a tourism, recreation, cultural, convention, and airport facilities tax under Section  
34 **59-12-603** shall prepare annually a report in accordance with Subsection (2).

35 (2) The report described in Subsection (1) shall include a breakdown of expenditures  
36 into the following categories:

37 (a) for the transient room tax, identification of expenditures for:

38 (i) establishing and promoting:

39 (A) recreation;

40 (B) tourism;

41 (C) film production;

42 (D) conventions; and

43 (E) economic diversification activity;

44 (ii) acquiring, leasing, constructing, furnishing, or operating:

45 (A) convention meeting rooms;

46 (B) exhibit halls;

47 (C) visitor information centers;

48 (D) museums; and

49 (E) related facilities;

50 (iii) acquiring or leasing land required for or related to the purposes listed in  
51 Subsection (2)(a)(ii);

52 (iv) mitigation costs as identified in Subsection **17-31-2(2)(d)**; and

53 (v) making the annual payment of principal, interest, premiums, and necessary reserves  
54 for any or the aggregate of bonds issued to pay for costs referred to in Subsections  
55 **17-31-2(2)(e)** and **(5)(a)**; and

56 (b) for the tourism, recreation, cultural, convention, and airport facilities tax,  
57 identification of expenditures for:

58 (i) financing tourism promotion, which means an activity to develop, encourage,

59 solicit, or market tourism that attracts transient guests to the county, including planning,  
60 product development, and advertising;

61 (ii) the development, operation, and maintenance of the following facilities as defined  
62 in Section 59-12-602:

- 63 (A) an airport facility;
- 64 (B) a convention facility;
- 65 (C) a cultural facility;
- 66 (D) a recreation facility; and
- 67 (E) a tourist facility; and

68 (iii) a pledge as security for evidences of indebtedness under Subsection  
69 59-12-603[(3)](4).

70 (3) For the transient room tax, the report described in Subsection (1) shall include a  
71 breakdown of each expenditure described in Subsection (2)(a)(i), including:

- 72 (a) whether the expenditure was used for in-state and out-of-state promotion efforts;
- 73 (b) an explanation of how the expenditure targeted a cost created by tourism; and
- 74 (c) an accounting of the expenditure showing that the expenditure was used only for  
75 costs directly related to a cost created by tourism.

76 (4) A county legislative body shall provide a copy of the report described in Subsection  
77 (1) to:

- 78 (a) the Utah Office of Tourism within the Governor's Office of Economic Opportunity;
- 79 (b) the county's tourism tax advisory board; and
- 80 (c) the Office of the Legislative Fiscal Analyst.

81 Section 2. Section 59-12-108 is amended to read:

82 **59-12-108. Monthly payment -- Amount of tax a seller may retain -- Penalty --**  
83 **Certain amounts allocated to local taxing jurisdictions.**

84 (1) (a) Notwithstanding Section 59-12-107, a seller that has a tax liability under this  
85 chapter of \$50,000 or more for the previous calendar year shall:

- 86 (i) file a return with the commission:
  - 87 (A) monthly on or before the last day of the month immediately following the month  
88 for which the seller collects a tax under this chapter; and
  - 89 (B) for the month for which the seller collects a tax under this chapter; and

90 (ii) except as provided in Subsection (1)(b), remit with the return required by  
91 Subsection (1)(a)(i) the amount the person is required to remit to the commission for each tax,  
92 fee, or charge described in Subsection (1)(c):

93 (A) if that seller's tax liability under this chapter for the previous calendar year is less  
94 than \$96,000, by any method permitted by the commission; or

95 (B) if that seller's tax liability under this chapter for the previous calendar year is  
96 \$96,000 or more, by electronic funds transfer.

97 (b) A seller shall remit electronically with the return required by Subsection (1)(a)(i)  
98 the amount the seller is required to remit to the commission for each tax, fee, or charge  
99 described in Subsection (1)(c) if that seller:

100 (i) is required by Section 59-12-107 to file the return electronically; or

101 (ii) (A) is required to collect and remit a tax under Section 59-12-107; and

102 (B) files a simplified electronic return.

103 (c) Subsections (1)(a) and (b) apply to the following taxes, fees, or charges:

104 (i) a tax under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

105 (ii) a fee under Section 19-6-714;

106 (iii) a fee under Section 19-6-805;

107 (iv) a charge under Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications  
108 Service Charges; or

109 (v) a tax under this chapter.

110 (d) Notwithstanding Subsection (1)(a)(ii) and in accordance with Title 63G, Chapter 3,  
111 Utah Administrative Rulemaking Act, the commission shall make rules providing for a method  
112 for making same-day payments other than by electronic funds transfer if making payments by  
113 electronic funds transfer fails.

114 (e) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
115 commission shall establish by rule procedures and requirements for determining the amount a  
116 seller is required to remit to the commission under this Subsection (1).

117 (2) (a) Except as provided in Subsection (3), a seller subject to Subsection (1) or a  
118 seller described in Subsection (4) may retain each month the amount allowed by this  
119 Subsection (2).

120 (b) A seller subject to Subsection (1) or a seller described in Subsection (4) may retain

121 each month 1.31% of any amounts the seller is required to remit to the commission:

122 (i) for a transaction described in Subsection 59-12-103(1) that is subject to a state tax  
123 and a local tax imposed in accordance with the following, for the month for which the seller is  
124 filing a return in accordance with Subsection (1):

125 (A) Subsection 59-12-103(2)(a);

126 (B) Subsection 59-12-103(2)(b); and

127 (C) Subsection 59-12-103(2)(d); and

128 (ii) for an agreement sales and use tax.

129 (c) (i) A seller subject to Subsection (1) or a seller described in Subsection (4) may  
130 retain each month the amount calculated under Subsection (2)(c)(ii) for a transaction described  
131 in Subsection 59-12-103(1) that is subject to the state tax and the local tax imposed in  
132 accordance with Subsection 59-12-103(2)(c).

133 (ii) For purposes of Subsection (2)(c)(i), the amount a seller may retain is an amount  
134 equal to the sum of:

135 (A) 1.31% of any amounts the seller is required to remit to the commission for:

136 (I) the state tax and the local tax imposed in accordance with Subsection

137 59-12-103(2)(c);

138 (II) the month for which the seller is filing a return in accordance with Subsection (1);

139 and

140 (III) an agreement sales and use tax; and

141 (B) 1.31% of the difference between:

142 (I) the amounts the seller would have been required to remit to the commission:

143 (Aa) in accordance with Subsection 59-12-103(2)(a) if the transaction had been subject  
144 to the state tax and the local tax imposed in accordance with Subsection 59-12-103(2)(a);

145 (Bb) for the month for which the seller is filing a return in accordance with Subsection  
146 (1); and

147 (Cc) for an agreement sales and use tax; and

148 (II) the amounts the seller is required to remit to the commission for:

149 (Aa) the state tax and the local tax imposed in accordance with Subsection

150 59-12-103(2)(c);

151 (Bb) the month for which the seller is filing a return in accordance with Subsection (1);

152 and

153 (Cc) an agreement sales and use tax.

154 (d) A seller subject to Subsection (1) or a seller described in Subsection (4) may retain  
155 each month 1% of any amounts the seller is required to remit to the commission:

156 (i) for the month for which the seller is filing a return in accordance with Subsection  
157 (1); and

158 (ii) under:

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

160 (B) Subsection 59-12-603[~~(1)(a)(i)(A)~~](2)(a)(i);

161 (C) Subsection 59-12-603[~~(1)(a)(i)(B)~~](2)(a)(ii); or

162 (D) Subsection 59-12-603[~~(1)(a)(ii)~~](2)(b).

163 (3) A state government entity that is required to remit taxes monthly in accordance  
164 with Subsection (1) may not retain any amount under Subsection (2).

165 (4) A seller that has a tax liability under this chapter for the previous calendar year of  
166 less than \$50,000 may:

167 (a) voluntarily meet the requirements of Subsection (1); and

168 (b) if the seller voluntarily meets the requirements of Subsection (1), retain the  
169 amounts allowed by Subsection (2).

170 (5) Penalties for late payment shall be as provided in Section 59-1-401.

171 (6) (a) Except as provided in Subsection (6)(c), for any amounts required to be remitted  
172 to the commission under this part, the commission shall each month calculate an amount equal  
173 to the difference between:

174 (i) the total amount retained for that month by all sellers had the percentages listed  
175 under Subsections (2)(b) and (2)(c)(ii) been 1.5%; and

176 (ii) the total amount retained for that month by all sellers at the percentages listed  
177 under Subsections (2)(b) and (2)(c)(ii).

178 (b) The commission shall each month allocate the amount calculated under Subsection  
179 (6)(a) to each county, city, and town on the basis of the proportion of agreement sales and use  
180 tax that the commission distributes to each county, city, and town for that month compared to  
181 the total agreement sales and use tax that the commission distributes for that month to all  
182 counties, cities, and towns.

183 (c) The amount the commission calculates under Subsection (6)(a) may not include an  
184 amount collected from a tax that:

185 (i) the state imposes within a county, city, or town, including the unincorporated area  
186 of a county; and

187 (ii) is not imposed within the entire state.

188 Section 3. Section **59-12-603** is amended to read:

189 **59-12-603. County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance**  
190 **required -- Advisory board -- Administration -- Collection -- Administrative charge --**  
191 **Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice**  
192 **requirements.**

193 (1) As used in this section:

194 (a) "Applicable sales and use tax" means:

195 (i) for a motor vehicle purchased in the state, sales and use taxes provided for under  
196 this chapter that are due upon the purchase of the motor vehicle; or

197 (ii) for a motor vehicle purchased in another state, the sales, use, excise, or other tax  
198 generally due upon the purchase of the motor vehicle in the location where the motor vehicle  
199 was purchased.

200 (b) "Taxed shared vehicle" means a motor vehicle:

201 (i) that is made available for sharing through a business platform that connects motor  
202 vehicle owners with drivers to enable the sharing of motor vehicles for consideration; and

203 (ii) on which the applicable sales and use tax was paid.

204 ~~[(1)(a)]~~ (2) In addition to any other taxes, a county legislative body may, as provided  
205 in this part, impose a tax as follows:

206 ~~[(i)(A)]~~ (a) (i) a county legislative body of any county may impose a tax of not to  
207 exceed 3% on all short-term rentals of motor vehicles, except for:

208 (A) a short-term [rentals of motor vehicles] rental of a motor vehicle made for the  
209 purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a  
210 repair or an insurance agreement; and

211 (B) a short-term rental of a taxed shared vehicle; and

212 ~~[(B)]~~ (ii) a county legislative body of any county imposing a tax under Subsection  
213 ~~[(1)(a)(i)(A)]~~ (2)(a)(i) may, in addition to imposing the tax under Subsection ~~[(1)(a)(i)(A)]~~

214 (2)(a)(i), impose a tax of not to exceed 4% on all short-term rentals of motor vehicles, except  
215 for;

216 (A) a short-term [~~rentals of motor vehicles~~] rental of a motor vehicle made for the  
217 purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a  
218 repair or an insurance agreement; or

219 (B) a short-term rental of a taxed shared vehicle;

220 ~~[(ii)]~~ (b) beginning on January 1, 2021, a county legislative body of any county may  
221 impose a tax of not to exceed 7% on all short-term rentals of off-highway vehicles and  
222 recreational vehicles;

223 ~~[(iii)]~~ (c) a county legislative body of any county may impose a tax of not to exceed 1%  
224 of all sales of the following that are sold by a restaurant:

225 ~~[(A)]~~ (i) alcoholic beverages;

226 ~~[(B)]~~ (ii) food and food ingredients; or

227 ~~[(C)]~~ (iii) prepared food; and

228 ~~[(iv)]~~ (d) a county legislative body of a county of the first class may impose a tax of not  
229 to exceed .5% on charges for the accommodations and services described in Subsection  
230 [59-12-103\(1\)\(i\)](#).

231 ~~[(b)]~~ (3) A tax imposed under Subsection ~~[(1)(a)]~~ (2) is subject to the audit provisions  
232 of Section [17-31-5.5](#).

233 ~~[(2)]~~ (4) (a) Subject to Subsection ~~[(2)]~~ (4)(b), a county may use revenue from the  
234 imposition of a tax under Subsection ~~[(1)]~~ (2) for:

235 (i) financing tourism promotion; and

236 (ii) the development, operation, and maintenance of:

237 (A) an airport facility;

238 (B) a convention facility;

239 (C) a cultural facility;

240 (D) a recreation facility; or

241 (E) a tourist facility.

242 (b) A county of the first class shall expend at least \$450,000 each year of the revenue  
243 from the imposition of a tax authorized by Subsection ~~[(1)(a)(iv)]~~ (2)(d) within the county to  
244 fund a marketing and ticketing system designed to:



245 (i) promote tourism in ski areas within the county by persons that do not reside within  
246 the state; and

247 (ii) combine the sale of:

248 (A) ski lift tickets; and

249 (B) accommodations and services described in Subsection 59-12-103(1)(i).

250 ~~[(3)]~~ (5) A tax imposed under this part may be pledged as security for bonds, notes, or  
251 other evidences of indebtedness incurred by a county, city, or town under Title 11, Chapter 14,  
252 Local Government Bonding Act, or a community reinvestment agency under Title 17C,  
253 Chapter 1, Part 5, Agency Bonds, to finance:

254 (a) an airport facility;

255 (b) a convention facility;

256 (c) a cultural facility;

257 (d) a recreation facility; or

258 (e) a tourist facility.

259 ~~[(4)]~~ (6) (a) To impose a tax under Subsection ~~[(1)]~~ (2), the county legislative body  
260 shall adopt an ordinance imposing the tax.

261 (b) The ordinance under Subsection ~~[(4)]~~ (6)(a) shall include provisions substantially  
262 the same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only  
263 on those items and sales described in Subsection ~~[(1)]~~ (2).

264 (c) The name of the county as the taxing agency shall be substituted for that of the state  
265 where necessary, and an additional license is not required if one has been or is issued under  
266 Section 59-12-106.

267 ~~[(5)]~~ (7) To maintain in effect a tax ordinance adopted under this part, each county  
268 legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1,  
269 Tax Collection, adopt amendments to the county's tax ordinance to conform with the applicable  
270 amendments to Part 1, Tax Collection.

271 ~~[(6)]~~ (8) (a) Regardless of whether a county of the first class creates a tourism tax  
272 advisory board in accordance with Section 17-31-8, the county legislative body of the county of  
273 the first class shall create a tax advisory board in accordance with this Subsection ~~[(6)]~~ (8).

274 (b) The tax advisory board shall be composed of nine members appointed as follows:

275 (i) four members shall be residents of a county of the first class appointed by the

276 county legislative body of the county of the first class; and

277 (ii) subject to Subsections ~~[(6)]~~ (8)(c) and (d), five members shall be mayors of cities  
278 or towns within the county of the first class appointed by an organization representing all  
279 mayors of cities and towns within the county of the first class.

280 (c) Five members of the tax advisory board constitute a quorum.

281 (d) The county legislative body of the county of the first class shall determine:

282 (i) terms of the members of the tax advisory board;

283 (ii) procedures and requirements for removing a member of the tax advisory board;

284 (iii) voting requirements, except that action of the tax advisory board shall be by at  
285 least a majority vote of a quorum of the tax advisory board;

286 (iv) chairs or other officers of the tax advisory board;

287 (v) how meetings are to be called and the frequency of meetings; and

288 (vi) the compensation, if any, of members of the tax advisory board.

289 (e) The tax advisory board under this Subsection ~~[(6)]~~ (8) shall advise the county  
290 legislative body of the county of the first class on the expenditure of revenue collected within  
291 the county of the first class from the taxes described in Subsection ~~[(1)(a)]~~ (2).

292 ~~[(7)]~~ (9) (a) (i) Except as provided in Subsection ~~[(7)]~~ (9)(a)(ii), a tax authorized under  
293 this part shall be administered, collected, and enforced in accordance with:

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

295 (I) Part 1, Tax Collection; or

296 (II) Part 2, Local Sales and Use Tax Act; and

297 (B) Chapter 1, General Taxation Policies.

298 (ii) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or  
299 Subsections 59-12-205(2) through (6).

300 (b) Except as provided in Subsection ~~[(7)]~~ (9)(c):

301 (i) for a tax under this part other than the tax under Subsection ~~[(1)(a)(i)(B)]~~ (2)(a)(ii),  
302 the commission shall distribute the revenue to the county imposing the tax; and

303 (ii) for a tax under Subsection ~~[(1)(a)(i)(B)]~~ (2)(a)(ii), the commission shall distribute  
304 the revenue according to the distribution formula provided in Subsection ~~[(8)]~~ (10).

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

307           ~~[(8)]~~ (10) The commission shall distribute the revenue generated by the tax under  
 308 Subsection ~~[(1)(a)(i)(B)]~~ (2)(a)(ii) to each county collecting a tax under Subsection  
 309 ~~[(1)(a)(i)(B)]~~ (2)(a)(ii) according to the following formula:

310           (a) the commission shall distribute 70% of the revenue based on the percentages  
 311 generated by dividing the revenue collected by each county under Subsection ~~[(1)(a)(i)(B)]~~  
 312 (2)(a)(ii) by the total revenue collected by all counties under Subsection ~~[(1)(a)(i)(B)]~~ (2)(a)(ii);  
 313 and

314           (b) the commission shall distribute 30% of the revenue based on the percentages  
 315 generated by dividing the population of each county collecting a tax under Subsection  
 316 ~~[(1)(a)(i)(B)]~~ (2)(a)(ii) by the total population of all counties collecting a tax under Subsection  
 317 ~~[(1)(a)(i)(B)]~~ (2)(a)(ii).

318           ~~[(9)(a) For purposes of]~~

319           (11) (a) As used in this Subsection ~~[(9)]~~ (11):

320           (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,  
 321 County Annexation.

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

323           (b) (i) Except as provided in Subsection ~~[(9)]~~ (11)(c), if a county enacts or repeals a tax  
 324 or changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:

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

326           (B) after a 90-day period beginning on the day on which the commission receives  
 327 notice meeting the requirements of Subsection ~~[(9)]~~ (11)(b)(ii) from the county.

328           (ii) The notice described in Subsection ~~[(9)]~~ (11)(b)(i)(B) shall state:

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

330           (B) the statutory authority for the tax described in Subsection ~~[(9)]~~ (11)(b)(ii)(A);

331           (C) the effective date of the tax described in Subsection ~~[(9)]~~ (11)(b)(ii)(A); and

332           (D) if the county enacts the tax or changes the rate of the tax described in Subsection  
 333 ~~[(9)]~~ (11)(b)(ii)(A), the rate of the tax.

334           (c) (i) If the billing period for a transaction begins before the effective date of the  
 335 enactment of the tax or the tax rate increase imposed under Subsection ~~[(1)]~~ (2), the enactment  
 336 of the tax or the tax rate increase shall take effect on the first day of the first billing period that  
 337 begins after the effective date of the enactment of the tax or the tax rate increase.

338 (ii) If the billing period for a transaction begins before the effective date of the repeal  
339 of the tax or the tax rate decrease imposed under Subsection ~~[(1)]~~ (2), the repeal of the tax or  
340 the tax rate decrease shall take effect on the first day of the last billing period that began before  
341 the effective date of the repeal of the tax or the tax rate decrease.

342 (d) (i) Except as provided in Subsection ~~[(9)]~~ (11)(e), if the annexation will result in  
343 the enactment, repeal, or change in the rate of a tax under this part for an annexing area, the  
344 enactment, repeal, or change shall take effect:

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

346 (B) after a 90-day period beginning on the day on which the commission receives  
347 notice meeting the requirements of Subsection ~~[(9)]~~ (11)(d)(ii) from the county that annexes the  
348 annexing area.

349 (ii) The notice described in Subsection ~~[(9)]~~ (11)(d)(i)(B) shall state:

350 (A) that the annexation described in Subsection ~~[(9)]~~ (11)(d)(i) will result in an  
351 enactment, repeal, or change in the rate of a tax under this part for the annexing area;

352 (B) the statutory authority for the tax described in Subsection ~~[(9)]~~ (11)(d)(ii)(A);

353 (C) the effective date of the tax described in Subsection ~~[(9)]~~ (11)(d)(ii)(A); and

354 (D) if the county enacts the tax or changes the rate of the tax described in Subsection  
355 ~~[(9)]~~ (11)(d)(ii)(A), the rate of the tax.

356 (e) (i) If the billing period for a transaction begins before the effective date of the  
357 enactment of the tax or the tax rate increase imposed under Subsection ~~[(1)]~~ (2), the enactment  
358 of the tax or the tax rate increase shall take effect on the first day of the first billing period that  
359 begins after the effective date of the enactment of the tax or the tax rate increase.

360 (ii) If the billing period for a transaction begins before the effective date of the repeal  
361 of the tax or the tax rate decrease imposed under Subsection ~~[(1)]~~ (2), the repeal of the tax or  
362 the tax rate decrease shall take effect on the first day of the last billing period that began before  
363 the effective date of the repeal of the tax or the tax rate decrease.

364 Section 4. Section **59-12-1201** is amended to read:

365 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**  
366 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

367 (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all  
368 short-term leases and rentals of motor vehicles not exceeding 30 days.

369 (b) The tax imposed in this section is in addition to all other state, county, or municipal  
370 fees and taxes imposed on rentals of motor vehicles.

371 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax  
372 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

373 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall  
374 take effect on the first day of the first billing period:

375 (A) that begins after the effective date of the tax rate increase; and

376 (B) if the billing period for the transaction begins before the effective date of a tax rate  
377 increase imposed under Subsection (1).

378 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax  
379 rate decrease shall take effect on the first day of the last billing period:

380 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;  
381 and

382 (B) if the billing period for the transaction begins before the effective date of the repeal  
383 of the tax or the tax rate decrease imposed under Subsection (1).

384 (3) A short-term lease or rental of a motor vehicle is exempt from the tax imposed  
385 under Subsection (1) if:

386 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

387 (b) the motor vehicle is rented as a personal household goods moving van; [or]

388 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily  
389 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an  
390 insurance agreement[-]; or

391 (d) the motor vehicle is a taxed shared vehicle, as defined in Section 59-12-603.

392 (4) (a) (i) The tax authorized under this section shall be administered, collected, and  
393 enforced in accordance with:

394 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,  
395 Tax Collection; and

396 (B) Chapter 1, General Taxation Policies.

397 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to  
398 Subsections 59-12-103(4) through (10) or Section 59-12-107.1 or 59-12-123.

399 (b) The commission shall retain and deposit an administrative charge in accordance

400 with Section 59-1-306 from the revenues the commission collects from a tax under this part.

401 (c) Except as provided under Subsection (4)(b), all revenue received by the  
402 commission under this section shall be deposited daily with the state treasurer and credited  
403 monthly to the Marda Dillree Corridor Preservation Fund under Section 72-2-117.

404 Section 5. Section 63N-2-502 is amended to read:

405 **63N-2-502. Definitions.**

406 As used in this part:

407 (1) "Agreement" means an agreement described in Section 63N-2-503.

408 (2) "Base taxable value" means the value of hotel property before the construction on a  
409 qualified hotel begins, as that value is established by the county in which the hotel property is  
410 located, using a reasonable valuation method that may include the value of the hotel property  
411 on the county assessment rolls the year before the year during which construction on the  
412 qualified hotel begins.

413 (3) "Certified claim" means a claim that the office has approved and certified as  
414 provided in Section 63N-2-505.

415 (4) "Claim" means a written document submitted by a qualified hotel owner or host  
416 local government to request a convention incentive.

417 (5) "Claimant" means the qualified hotel owner or host local government that submits a  
418 claim under Subsection 63N-2-505(1)(a) for a convention incentive.

419 (6) "Commission" means the [Utah] State Tax Commission.

420 (7) "Community reinvestment agency" means the same as that term is defined in  
421 Section 17C-1-102.

422 (8) "Construction revenue" means revenue generated from state taxes and local taxes  
423 imposed on transactions occurring during the eligibility period as a result of the construction of  
424 the hotel property, including purchases made by a qualified hotel owner and its subcontractors.

425 (9) "Convention incentive" means an incentive for the development of a qualified  
426 hotel, in the form of payment from the incentive fund as provided in this part, as authorized in  
427 an agreement.

428 (10) "Eligibility period" means:

429 (a) the period that:

430 (i) begins the date construction of a qualified hotel begins; and

- 431 (ii) ends:
- 432 (A) for purposes of the state portion, 20 years after the date of initial occupancy of that
- 433 qualified hotel; or
- 434 (B) for purposes of the local portion and incremental property tax revenue, 25 years
- 435 after the date of initial occupancy of that hotel; or
- 436 (b) as provided in an agreement between the office and a qualified hotel owner or host
- 437 local government, a period that:
  - 438 (i) begins no earlier than the date construction of a qualified hotel begins; and
  - 439 (ii) is shorter than the period described in Subsection (10)(a).
- 440 (11) "Endorsement letter" means a letter:
  - 441 (a) from the county in which a qualified hotel is located or is proposed to be located;
  - 442 (b) signed by the county executive; and
  - 443 (c) expressing the county's endorsement of a developer of a qualified hotel as meeting
  - 444 all the county's criteria for receiving the county's endorsement.
- 445 (12) "Host agency" means the community reinvestment agency of the host local
- 446 government.
- 447 (13) "Host local government" means:
  - 448 (a) a county that enters into an agreement with the office for the construction of a
  - 449 qualified hotel within the unincorporated area of the county; or
  - 450 (b) a city or town that enters into an agreement with the office for the construction of a
  - 451 qualified hotel within the boundary of the city or town.
- 452 (14) "Hotel property" means a qualified hotel and any property that is included in the
- 453 same development as the qualified hotel, including convention, exhibit, and meeting space,
- 454 retail shops, restaurants, parking, and other ancillary facilities and amenities.
- 455 (15) "Incentive fund" means the Convention Incentive Fund created in Section
- 456 [63N-2-503.5](#).
- 457 (16) "Incremental property tax revenue" means the amount of property tax revenue
- 458 generated from hotel property that equals the difference between:
  - 459 (a) the amount of property tax revenue generated in any tax year by all taxing entities
  - 460 from hotel property, using the current assessed value of the hotel property; and
  - 461 (b) the amount of property tax revenue that would be generated that tax year by all

462 taxing entities from hotel property, using the hotel property's base taxable value.

463 (17) "Local portion" means the portion of new tax revenue that is generated by local  
464 taxes.

465 (18) "Local taxes" means a tax imposed under:

466 (a) Section 59-12-204;

467 (b) Section 59-12-301;

468 (c) Sections 59-12-352 and 59-12-353;

469 (d) Subsection 59-12-603~~(1)(a)~~(2); or

470 (e) Section 59-12-1102.

471 (19) "New tax revenue" means construction revenue, offsite revenue, and onsite  
472 revenue.

473 (20) "Offsite revenue" means revenue generated from state taxes and local taxes  
474 imposed on transactions by a third-party seller occurring other than on hotel property during the  
475 eligibility period, if:

476 (a) the transaction is subject to a tax under Title 59, Chapter 12, Sales and Use Tax  
477 Act; and

478 (b) the third-party seller voluntarily consents to the disclosure of information to the  
479 office, as provided in Subsection 63N-2-505(2)(b)(i)(E).

480 (21) "Onsite revenue" means revenue generated from state taxes and local taxes  
481 imposed on transactions occurring on hotel property during the eligibility period.

482 (22) "Public infrastructure" means:

483 (a) water, sewer, storm drainage, electrical, telecommunications, and other similar  
484 systems and lines;

485 (b) streets, roads, curbs, gutters, sidewalks, walkways, parking facilities, and public  
486 transportation facilities; and

487 (c) other buildings, facilities, infrastructure, and improvements that benefit the public.

488 (23) "Qualified hotel" means a full-service hotel development constructed in the state  
489 on or after July 1, 2014 that:

490 (a) requires a significant capital investment;

491 (b) includes at least 85 square feet of convention, exhibit, and meeting space per guest  
492 room; and



493 (c) is located within 1,000 feet of a convention center that contains at least 500,000  
494 square feet of convention, exhibit, and meeting space.

495 (24) "Qualified hotel owner" means a person who owns a qualified hotel.

496 (25) "Review committee" means the independent review committee established under  
497 Section 63N-2-504.

498 (26) "Significant capital investment" means an amount of at least \$200,000,000.

499 (27) "State portion" means the portion of new tax revenue that is generated by state  
500 taxes.

501 (28) "State taxes" means a tax imposed under Subsection 59-12-103(2)(a)(i), (2)(b)(i),  
502 (2)(c)(i), or (2)(d)(i)(A).

503 (29) "Third-party seller" means a person who is a seller in a transaction:

504 (a) occurring other than on hotel property;

505 (b) that is:

506 (i) the sale, rental, or lease of a room or of convention or exhibit space or other  
507 facilities on hotel property; or

508 (ii) the sale of tangible personal property or a service that is part of a bundled  
509 transaction, as defined in Section 59-12-102, with a sale, rental, or lease described in  
510 Subsection (29)(b)(i); and

511 (c) that is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act.