

**UTAH FAIRPARK AREA INVESTMENT AND RESTORATION
DISTRICT**

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ryan D. Wilcox

Senate Sponsor: _____

LONG TITLE

General Description:

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

Utah Fairpark Area Investment and Restoration District Boundary Information:

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

▶ is delineated in a shapefile that:

- is enacted as part of this bill in electronic form;
- may be found at: https://le.utah.gov/~2024/documents/HB0562_shapefile.zip;

and

• has the following electronic file security code:

cf4d4953297c3ea4c936028b7c89e3c0; and

▶ is also depicted in a format that:

• is intended to be more accessible to the general public and is provided for informational purposes only;

• shows the boundary as delineated in the shapefile, but is not enacted as part of this bill; and

• may be found at:

https://www.google.com/maps/d/edit?mid=140hCtPp_tbgfo4lm2PFBCipH5bJmFTs.



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Highlighted Provisions:

This bill:

- ▶ creates the Utah Fairpark Area Investment and Restoration District;
- ▶ provides for the district's powers and duties;
- ▶ defines the district boundary;
- ▶ creates a board to govern the district and provides for board membership;
- ▶ authorizes the district to levy:
 - an energy sales and use tax;
 - a telecommunications license tax;
 - a transient room tax;
 - a resort communities sales and use tax;
 - an additional resort communities sales and use tax; and
 - an accommodations and services tax;
- ▶ provides for an increase in a transient room tax if a franchise agreement is executed and changes how transient room tax revenue is to be spent;
- ▶ provides for an increase in a car rental tax and provides for how the additional revenue is to be spent;
- ▶ provides for state-owned land within the district boundary to be subject to a privilege tax;
- ▶ provides for enhanced property tax revenue to be paid to the district;
- ▶ specifies the use of district funds;
- ▶ authorizes the district to adopt one or more project area plans, including a project area, with the consent of the property owner, for the development and construction of a qualified stadium;
- ▶ provides for the district to own the land on which a qualified stadium is built and to own the qualified stadium;
- ▶ provides a sales tax exemption for construction materials used for the construction of a qualified stadium;
- ▶ provides for income tax on nonresident professional athletes generated from within the district to be used for at-risk students;

- 59 ▶ modifies provisions relating to the State Fair Park Authority;
- 60 ▶ authorizes the district board to approve loans from an infrastructure loan fund; and
- 61 ▶ makes technical and conforming changes.

62 **Money Appropriated in this Bill:**

63 None

64 **Other Special Clauses:**

65 None

66 **Utah Code Sections Affected:**

67 AMENDS:

- 68 10-1-203, as last amended by Laws of Utah 2022, Chapter 306
- 69 10-1-303, as last amended by Laws of Utah 2021, Chapter 210
- 70 10-1-304, as last amended by Laws of Utah 2022, Chapter 237
- 71 10-1-310, as enacted by Laws of Utah 1996, Chapter 280
- 72 10-1-403, as last amended by Laws of Utah 2021, Chapter 414
- 73 11-68-201, as renumbered and amended by Laws of Utah 2023, Chapter 502
- 74 11-68-202, as renumbered and amended by Laws of Utah 2023, Chapter 502
- 75 11-68-403, as renumbered and amended by Laws of Utah 2023, Chapter 502
- 76 11-68-502, as enacted by Laws of Utah 2023, Chapter 502
- 77 17C-1-407, as last amended by Laws of Utah 2022, Chapter 307
- 78 17D-4-102, as last amended by Laws of Utah 2023, Chapter 15
- 79 59-2-924, as last amended by Laws of Utah 2023, Chapter 502
- 80 59-4-101, as last amended by Laws of Utah 2023, Chapter 502
- 81 59-10-544, as last amended by Laws of Utah 2022, Chapter 456
- 82 59-12-104, as last amended by Laws of Utah 2023, Chapters 213, 518
- 83 59-12-352, as last amended by Laws of Utah 2023, Chapter 263
- 84 59-12-354, as last amended by Laws of Utah 2023, Chapters 263, 471
- 85 59-12-401, as last amended by Laws of Utah 2021, Chapter 414
- 86 59-12-402, as last amended by Laws of Utah 2023, Chapter 435
- 87 59-12-1201, as last amended by Laws of Utah 2023, Chapters 361, 471
- 88 59-28-103, as last amended by Laws of Utah 2022, Chapter 68
- 89 63A-3-401.5, as last amended by Laws of Utah 2023, Chapter 259

90 **63A-3-402**, as last amended by Laws of Utah 2023, Chapter 259

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

92 **63C-25-202**, as last amended by Laws of Utah 2023, Chapter 91

93 ENACTS:

94 **11-70-101**, Utah Code Annotated 1953

95 **11-70-102**, Utah Code Annotated 1953

96 **11-70-103**, Utah Code Annotated 1953

97 **11-70-104**, Utah Code Annotated 1953

98 **11-70-201**, Utah Code Annotated 1953

99 **11-70-202**, Utah Code Annotated 1953

100 **11-70-203**, Utah Code Annotated 1953

101 **11-70-204**, Utah Code Annotated 1953

102 **11-70-205**, Utah Code Annotated 1953

103 **11-70-206**, Utah Code Annotated 1953

104 **11-70-207**, Utah Code Annotated 1953

105 **11-70-301**, Utah Code Annotated 1953

106 **11-70-302**, Utah Code Annotated 1953

107 **11-70-303**, Utah Code Annotated 1953

108 **11-70-304**, Utah Code Annotated 1953

109 **11-70-305**, Utah Code Annotated 1953

110 **11-70-401**, Utah Code Annotated 1953

111 **11-70-402**, Utah Code Annotated 1953

112 **11-70-403**, Utah Code Annotated 1953

113 **11-70-501**, Utah Code Annotated 1953

114 **11-70-502**, Utah Code Annotated 1953

115 **11-70-503**, Utah Code Annotated 1953

116 **11-70-504**, Utah Code Annotated 1953

117 **11-70-505**, Utah Code Annotated 1953

118 **11-70-506**, Utah Code Annotated 1953

119 **11-70-601**, Utah Code Annotated 1953

120 **11-70-602**, Utah Code Annotated 1953

- 121 [11-70-603](#), Utah Code Annotated 1953
- 122 [11-70-604](#), Utah Code Annotated 1953
- 123 [11-70-605](#), Utah Code Annotated 1953
- 124 [11-70-701](#), Utah Code Annotated 1953
- 125 [11-70-702](#), Utah Code Annotated 1953
- 126 [11-70-703](#), Utah Code Annotated 1953
- 127 [11-70-704](#), Utah Code Annotated 1953
- 128 [11-70-801](#), Utah Code Annotated 1953
- 129 [53F-9-207](#), Utah Code Annotated 1953

130 REPEALS:

131 [11-68-402](#), as renumbered and amended by Laws of Utah 2023, Chapter 502



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

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

135 **10-1-203. License fees and taxes -- Application information to be transmitted to**
136 **the county assessor.**

137 (1) As used in this section:

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

141 (b) "Telecommunications provider" means the same as that term is defined in Section
142 [10-1-402](#).

143 (c) "Telecommunications tax or fee" means the same as that term is defined in Section
144 [10-1-402](#).

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

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

152 energy supplier other than the municipal energy sales and use tax provided in Part 3, Municipal
153 Energy Sales and Use Tax Act.

154 (b) (i) Subsection (3)(a) does not affect the validity of a franchise agreement as defined
155 in Subsection [~~10-1-303(6)~~] 10-1-303(7), that is in effect on July 1, 1997, or a future franchise.

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

158 (c) A municipality that collects a contractual franchise fee pursuant to a franchise
159 agreement as defined in Subsection [~~10-1-303(6)~~] 10-1-303(7) with an energy supplier that is
160 in effect on July 1, 1997, may continue to collect that fee as provided in Subsection
161 10-1-310(2).

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

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

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

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

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

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

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

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

182 (5) (a) (i) The legislative body of a municipality may by ordinance raise revenue by

183 levying and collecting a license fee or tax on:

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

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

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

187 (B) a public assembly or other related facility in an amount that is less than or equal to

188 \$5 per ticket purchased from the public assembly or other related facility; and

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

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

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

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

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

198 (i) "Municipal services" includes:

199 (A) public utilities; and

200 (B) services for:

201 (I) police;

202 (II) fire;

203 (III) storm water runoff;

204 (IV) traffic control;

205 (V) parking;

206 (VI) transportation;

207 (VII) beautification; or

208 (VIII) snow removal.

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

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

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

213 (C) that charges a fee for parking.

214 (iii) "Public assembly or other related facility" means an assembly facility that:
215 (A) is wholly or partially funded by public money;
216 (B) is operated by a business; and
217 (C) requires a person attending an event at the assembly facility to purchase a ticket.
218 (c) (i) Before the legislative body of a municipality imposes a license fee on a business
219 that causes disproportionate costs of municipal services under Subsection (5)(a)(i)(C)(I), the
220 legislative body of the municipality shall adopt an ordinance defining for purposes of the tax
221 under Subsection (5)(a)(i)(C)(I):
222 (A) the costs that constitute disproportionate costs; and
223 (B) the amounts that are reasonably related to the costs of the municipal services
224 provided by the municipality.
225 (ii) The amount of a fee under Subsection (5)(a)(i)(C)(I) shall be reasonably related to
226 the costs of the municipal services provided by the municipality.
227 (d) (i) Before the legislative body of a municipality imposes a license fee on a
228 purchaser from a business for which it provides an enhanced level of municipal services under
229 Subsection (5)(a)(i)(C)(II), the legislative body of the municipality shall adopt an ordinance
230 defining for purposes of the fee under Subsection (5)(a)(i)(C)(II):
231 (A) the level of municipal services that constitutes the basic level of municipal services
232 in the municipality; and
233 (B) the amounts that are reasonably related to the costs of providing an enhanced level
234 of municipal services in the municipality.
235 (ii) The amount of a fee under Subsection (5)(a)(i)(C)(II) shall be reasonably related to
236 the costs of providing an enhanced level of the municipal services.
237 (6) All license fees and taxes shall be uniform in respect to the class upon which they
238 are imposed.
239 (7) A municipality may not:
240 (a) require a license or permit for a business that is operated:
241 (i) only occasionally; and
242 (ii) by an individual who is under 18 years old;
243 (b) charge any fee for a resident of the municipality to operate a home-based business,
244 unless the combined offsite impact of the home-based business and the primary residential use

245 materially exceeds the offsite impact of the primary residential use alone;

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

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

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

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

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

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

260 (10) If challenged in court, an ordinance enacted by a municipality before January 1,
261 1994, imposing a business license fee on rental dwellings under this section shall be upheld
262 unless the business license fee is found to impose an unreasonable burden on the fee payer.

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

264 **10-1-303. Definitions.**

265 As used in this part:

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

267 (2) "Contractual franchise fee" means:

268 (a) a fee:

269 (i) provided for in a franchise agreement; and

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

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

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

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

275 (i) the value of the energy itself; and

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

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

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

281 (ii) this part.

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

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

286 (b) \$10,000.

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

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

292 [~~6~~] (7) "Franchise agreement" means a franchise or an ordinance, contract, or
293 agreement granting a franchise.

294 [~~7~~] (8) "Franchise tax" means:

295 (a) a franchise tax;

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

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

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

300 [~~8~~] (10) "Municipality" means a city, town, or metro township.

301 [~~9~~] (11) "Person" is as defined in Section 59-12-102.

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

304 [~~10~~] (13) "Taxable energy" means gas and electricity.

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

306 **10-1-304. Energy sales and use tax -- Rate -- Imposition or repeal of tax -- Tax**

307 **rate change -- Effective date -- Notice requirements -- Exemptions.**

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

310 (i) by ordinance as provided in Section [10-1-305](#); and

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

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

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

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

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

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

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

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

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

338 (ii) "Annexing area" means an area that is annexed into a municipality.
339 (b) (i) If, on or after May 1, 2000, a city or town enacts or repeals a tax or changes the
340 rate of a tax under this part, the enactment, repeal, or change shall take effect:
341 (A) on the first day of a calendar quarter; and
342 (B) after a 90-day period beginning on the date the commission receives notice meeting
343 the requirements of Subsection (3)(b)(ii) from the municipality.
344 (ii) The notice described in Subsection (3)(b)(i)(B) shall state:
345 (A) that the city or town will enact or repeal a tax or change the rate of a tax under this
346 part;
347 (B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);
348 (C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and
349 (D) if the city or town enacts the tax or changes the rate of the tax described in
350 Subsection (3)(b)(ii)(A), the new rate of the tax.
351 (c) (i) If, for an annexation that occurs on or after May 1, 2000, the annexation will
352 result in a change in the rate of a tax under this part for an annexing area, the change shall take
353 effect:
354 (A) on the first day of a calendar quarter; and
355 (B) after a 90-day period beginning on the date the commission receives notice meeting
356 the requirements of Subsection (3)(c)(ii) from the municipality that annexes the annexing area.
357 (ii) The notice described in Subsection (3)(c)(i)(B) shall state:
358 (A) that the annexation described in Subsection (3)(c)(i) will result in a change in the
359 rate of a tax under this part for the annexing area;
360 (B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);
361 (C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and
362 (D) the new rate of the tax described in Subsection (3)(c)(ii)(A).
363 (4) (a) Subject to Subsection (4)(b), a sale or use of electricity within a municipality is
364 exempt from the tax authorized by this section if the sale or use is made under a tariff adopted
365 by the Public Service Commission of Utah only for purchase of electricity produced from a
366 new source of alternative energy, as defined in Section [59-12-102](#), as designated in the tariff by
367 the Public Service Commission of Utah.
368 (b) The exemption under Subsection (4)(a) applies to the portion of the tariff rate a

369 customer pays under the tariff described in Subsection (4)(a) that exceeds the tariff rate under
 370 the tariff described in Subsection (4)(a) that the customer would have paid absent the tariff.

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

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

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

377 (iii) on or after July 1, 2024, within the fairpark district boundary, as defined in Section
 378 [11-70-101](#).

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

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

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

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

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

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

391 **10-1-310. Existing energy franchise taxes or contractual franchise fees.**

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

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

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

398 (2) A municipality that collects a contractual franchise fee from an energy supplier
 399 pursuant to a franchise agreement in effect on July 1, 1997, may continue to collect that fee at

400 the same rate for the remaining term of the franchise agreement, except the municipality shall
401 provide a credit against the municipal energy sales and use tax in the amount of the contractual
402 franchise fee paid by the energy supplier pursuant to Subsection 10-1-305(5).

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

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

409 (ii) imposes the contractual franchise fee on or after the day on which Title 10, Chapter
410 1, Part 3, Municipal Energy Sales and Use Tax Act is:

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

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

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

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

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

421 **10-1-403. Levy of telecommunications license tax -- Recovery from customers --**
422 **Enactment, repeal, or change in rate of tax -- Annexation.**

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

428 (ii) Subject to Section 63H-1-203, the military installation development authority
429 created in Section 63H-1-201 may levy and collect a municipal telecommunications license tax
430 under this part for telecommunications service provided within a project area described in a

431 project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation
432 Development Authority Act, as though the authority were a municipality.

433 (iii) Beginning July 1, 2024, the Utah Fairpark Area Investment and Restoration
434 District, created in Section 11-70-201, may levy and collect a municipal telecommunications
435 license tax under this part for telecommunications service provided within a project area
436 described in a project area plan adopted by the Utah Fairpark Area Investment and Restoration
437 District under Title 11, Chapter 70, Utah Fairpark Area Investment and Restoration District, to
438 the same extent and in the same manner that a municipality is authorized to levy and collect a
439 municipal telecommunications license tax under this part.

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

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

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

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

453 (i) "Annexation" means an annexation to a municipality under Title 10, Chapter 2, Part
454 4, Annexation.

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

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

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

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

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

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

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

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

466 (D) if the municipality enacts the municipal telecommunications license tax or changes
467 the rate of the tax, the new rate of the tax.

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

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

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

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

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

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

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

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

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

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

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

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

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

492 (b) on July 1, 2007, the municipality has in effect an ordinance that levies a municipal

493 telecommunications license tax at a rate that is less than 3.5%.

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

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

500 (ii) a project area described in a project area plan adopted by the Utah Fairpark Area
501 Investment and Restoration District under Title 11, Chapter 70, Utah Fairpark Area Investment
502 and Restoration District.

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

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

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

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

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

515 Section 6. Section **11-68-201** is amended to read:

516 **11-68-201. State Fair Park Authority -- Legal status -- Powers.**

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

518 (2) The authority is:

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

521 (b) a political subdivision of the state; and

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

523 (3) (a) The fair corporation is dissolved and ceases to exist, subject to any winding

524 down and other actions necessary for a transition to the authority.

525 (b) The authority:

526 (i) replaces and is the successor to the fair corporation;

527 (ii) succeeds to all rights, obligations, privileges, immunities, and assets of the fair
528 corporation; and

529 (iii) shall fulfill and perform all contractual and other obligations of the fair
530 corporation.

531 (c) The board shall take all actions necessary and appropriate to wind down the affairs
532 of the fair corporation as quickly as practicable and to make a transition from the fair
533 corporation to the authority.

534 (4) The authority shall:

535 (a) manage, supervise, and control:

536 (i) all activities relating to the annual exhibition described in Subsection (4)(j); and

537 (ii) except as otherwise provided by statute, all state expositions, including setting the
538 time, place, and purpose of any state exposition;

539 (b) for public entertainment, displays, and exhibits or similar events held [~~at the state~~]
540 on fair park land:

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

542 (ii) publicize and promote the events; and

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

544 (A) private contributions;

545 (B) public appropriations;

546 (C) admission charges; and

547 (D) other lawful means;

548 (c) acquire and designate exposition sites;

549 (d) use generally accepted accounting principles in accounting for the authority's assets,
550 liabilities, and operations;

551 (e) seek corporate sponsorships for the state fair park or for individual buildings or
552 facilities on fair park land;

553 (f) work with county and municipal governments, the Salt Lake Convention and
554 Visitor's Bureau, the Utah Office of Tourism, and other entities to develop and promote

555 expositions and the use of fair park land;

556 (g) develop and maintain a marketing program to promote expositions and the use of
557 fair park land;

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

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

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

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

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

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

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

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

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

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

575 and

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

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

583 (6) The authority may:

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

- 586 (b) (i) participate in the state's Risk Management Fund created under Section
 587 [63A-4-201](#) or any captive insurance company created by the risk manager; or
- 588 (ii) procure insurance against any loss in connection with the authority's property and
 589 other assets;
- 590 (c) receive and accept aid or contributions of money, property, labor, or other things of
 591 value from any source, including any grants or appropriations from any department, agency, or
 592 instrumentality of the United States or the state;
- 593 (d) hold, use, loan, grant, and apply that aid and those contributions to carry out the
 594 purposes of the authority, subject to the conditions, if any, upon which the aid and
 595 contributions are made;
- 596 (e) enter into management agreements with any person or entity for the performance of
 597 the authority's functions or powers;
- 598 (f) establish accounts and procedures that are necessary to budget, receive, disburse,
 599 account for, and audit all funds received, appropriated, or generated;
- 600 (g) subject to Subsection (8) and subject to the powers and responsibilities of the Utah
 601 Fairpark Area Investment and Restoration District, created in Section [11-70-201](#), lease any of
 602 the state-owned buildings or facilities located on fair park land;
- 603 (h) sponsor events as approved by the board;
- 604 (i) subject to Subsection (11), acquire any interest in real property that the board
 605 considers necessary or advisable to further a purpose of the authority or facilitate the authority's
 606 fulfillment of a duty under this chapter; and
- 607 (j) in accordance with Title 11, Chapter 42a, Commercial Property Assessed Clean
 608 Energy Act, provide for or finance an energy efficiency upgrade, a renewable energy system, or
 609 electric vehicle charging infrastructure, as those terms are defined in Section [11-42a-102](#)~~;~~and
 610 :
- 611 ~~[(k) enter into one or more agreements to develop the fair park land.]~~
- 612 (7) The authority shall comply with:
- 613 (a) Title 51, Chapter 5, Funds Consolidation Act;
- 614 (b) Title 51, Chapter 7, State Money Management Act;
- 615 (c) Title 52, Chapter 4, Open and Public Meetings Act;
- 616 (d) Title 63G, Chapter 2, Government Records Access and Management Act;

617 (e) the provisions of Section [67-3-12](#);
618 (f) Title 63G, Chapter 6a, Utah Procurement Code, except for a procurement for:
619 (i) entertainment provided at the state fair park;
620 (ii) judges for competitive exhibits; or
621 (iii) sponsorship of an event on fair park land; and
622 (g) the legislative approval requirements for capital development projects established
623 in Section [63A-5b-404](#).

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

627 (i) submit the proposed lease to the division for the division's approval or rejection; and
628 (ii) if the division approves the proposed lease, submit the proposed lease to the
629 Executive Appropriations Committee for the Executive Appropriation Committee's review and
630 recommendation in accordance with Subsection (8)(b).

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

633 (i) execute the proposed lease, either as proposed or with changes recommended by the
634 Executive Appropriations Committee; or
635 (ii) reject the proposed lease.

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

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

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

646 (11) (a) As used in this Subsection (11), "new land" means land that, if acquired by the
647 authority, would result in the authority having acquired over three acres of land more than the

648 land described in Subsection 11-68-101(9)(a).

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

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

653 (i) provide for:

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

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

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

660 Section 7. Section 11-68-202 is amended to read:

661 **11-68-202. Operation of the state-owned buildings and facilities on fair park land**

662 **-- New construction and modification of existing facilities -- Liability insurance --**

663 **Obligations of the authority.**

664 (1) The authority shall:

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

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

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

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

674 (e) in accordance with Subsection (3), at the authority's expense, and for the mutual
675 benefit of the division, maintain general public liability insurance in an amount equal to at least
676 \$1,000,000 through one or more companies that are:

677 (i) licensed to do business in the state;

678 (ii) selected by the authority; and

- 679 (iii) approved by the division and the Division of Risk Management;
- 680 (f) ensure that the division is an additional insured with primary coverage on each
681 insurance policy that the authority obtains in accordance with this section;
- 682 (g) give the division notice at least 30 days before the day on which the authority
683 cancels any insurance policy that the authority obtains in accordance with this section; and
- 684 (h) if any lien that is not invalid under Section 38-1a-103 is recorded or filed against
685 the state fair park as a result of an act or omission of the authority, cause the lien to be satisfied
686 or released within 10 days after the day on which the authority receives notice of the lien.
- 687 (2) (a) As used in this Subsection (2):
- 688 (i) "Existing facility modification" means an alteration, repair, or improvement to an
689 existing state-owned building or facility on fair park land.
- 690 (ii) "Major project" means new construction or an existing facility modification that
691 costs, regardless of the funding source, over \$100,000.
- 692 (iii) "Minor project" means new construction or an existing facility modification that
693 costs, regardless of the funding source, \$100,000 or less.
- 694 (iv) "New construction" means the design and construction of a new state-owned or
695 privately owned building or facility on fair park land.
- 696 (b) (i) The director of the division shall exercise direct supervision over a major
697 project.
- 698 (ii) Notwithstanding Subsection (2)(b)(i), the director of the division may delegate
699 control over a major project to the authority on a project-by-project basis.
- 700 (iii) With respect to a delegation of control under Subsection (2)(b)(ii), the director of
701 the division may:
- 702 (A) impose terms and conditions on the delegation that the director considers necessary
703 or advisable to protect the interests of the state; and
- 704 (B) revoke the delegation and assume control of the design, construction, or other
705 aspect of a delegated project if the director considers the revocation and assumption of control
706 to be necessary to protect the interests of the state.
- 707 (iv) If a major project over which the division exercises direct supervision includes the
708 demolition of a building or other facility on fair park land, the division shall, at least 90 days
709 before demolition work begins, notify the State Historic Preservation Office of the division's

710 demolition plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

739 (6) The powers and responsibilities of the authority under this section are subject to the
740 powers and responsibilities of the Utah Fairpark Area Investment and Restoration District,

741 created in Section [11-70-201](#).

742 Section 8. Section **11-68-403** is amended to read:

743 **11-68-403. Enterprise fund -- Creation -- Revenue -- Uses.**

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

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

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

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

749 (b) revenue received from any expositions or other events wholly or partially sponsored
750 by the authority;

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

754 (d) appropriations made to the fund by the Legislature;

755 (e) revenue received under a privilege tax or a tax on personal property; and

756 (f) any other income obtained by the authority.

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

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

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

761 Section 9. Section **11-68-502** is amended to read:

762 **11-68-502. Sources from which bonds may be made payable -- Authority powers**
763 **regarding bonds.**

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

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

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

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

772 [~~(d)~~] ~~privilege tax and property tax revenue under Section [11-68-402](#);~~
 773 [~~(e)~~] (d) revenue from a special event tax under Title 59, Chapter 12, Part 23, Fair Park
 774 Special Event Tax;
 775 [~~(f)~~] (e) authority revenues generally;
 776 [~~(g)~~] (f) a contribution, loan, grant, or other financial assistance from the federal
 777 government or a public entity in aid of the development; or
 778 [~~(h)~~] (g) funds derived from any combination of the sources listed in Subsections (1)(a)
 779 through [~~(g)~~] (f).

780 (2) (a) In connection with the issuance of authority bonds, the authority may:
 781 (i) pledge all or any part of the authority's gross or net rents, fees, or revenues to which
 782 the authority's right then exists or may thereafter come into existence; and
 783 (ii) make the covenants and take the action that may be necessary, convenient, or
 784 desirable to secure the authority's bonds, or, except as otherwise provided in this chapter, that
 785 will tend to make the bonds more marketable, even though such covenants or actions are not
 786 specifically enumerated in this chapter.
 787 (b) The authority may not use all or any portion of the fair park land as collateral for
 788 any bonds or encumber the fair park land by mortgage, deed of trust, or otherwise as collateral
 789 for any bonds.

790 Section 10. Section **11-70-101** is enacted to read:

791 **CHAPTER 70. UTAH FAIRPARK AREA INVESTMENT AND RESTORATION**
 792 **DISTRICT**

793 **Part 1. General Provisions**

794 **11-70-101. Definitions.**

795 As used in this chapter:

- 796 (1) "Base taxable value" means the taxable value of land within the fairpark district
 797 boundary as of January 1, 2024, as determined under Subsection [11-70-206\(8\)](#).
 798 (2) "Board" means the fairpark district's governing body, created in Section [11-70-301](#).
 799 (3) "Designated parcel" means a parcel of land specified in a designation resolution.
 800 (4) "Designation resolution" means a resolution adopted by the board that designates a
 801 transition date for the parcel specified in the resolution.
 802 (5) "Development" means:

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

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

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

810 (7) "Enhanced property tax revenue":

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

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

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

817 (b) does not include property tax revenue from:

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

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

821 or

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

824 (8) "Facilities division" means the Division of Facilities Construction and
825 Management, created in Section [63A-5b-301](#).

826 (9) "Fair park authority" means the State Fair Park Authority created in Section
827 [11-68-201](#).

828 (10) "Fairpark district" means the Utah Fairpark Area Investment and Restoration
829 District, created in Section [11-70-201](#).

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

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

833 (b) is delineated in the electronic shapefile that is the electronic component of H.B.

834 562, Utah Fairpark Area Investment and Restoration District, 2024 General Session.

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

837 (a) Sections [10-1-304](#) and [11-70-205](#);

838 (b) Section [10-1-403](#);

839 (c) Section [11-70-203](#);

840 (d) Section [11-70-204](#);

841 (e) Sections [59-12-352](#) and [59-12-354](#);

842 (f) Section [59-12-401](#);

843 (g) Section [59-12-402](#);

844 (h) Section [59-12-1201](#); and

845 (i) Section [59-28-103](#).

846 (13) "Fair park land" means the same as that term is defined in Section [11-68-101](#).

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

848 (a) a franchise is awarded for a major league sports team that before January 1, 2024

849 had not been located in the state; and

850 (b) the major league sports team agrees to play home games in a stadium to be

851 constructed within the fairpark district boundary.

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

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

856 (17) "Major league sports team" means a team:

857 (a) consisting of professional athletes;

858 (b) that is part of a professional sports league; and

859 (c) that is engaged in the business of presenting live sporting events before primarily a
860 paying audience.

861 (18) "Other state land" means:

862 (a) land within the fairpark district boundary, other than fair park land, that is owned by
863 the state on January 1, 2024; and

864 (b) land acquired by the fairpark district on or after May 1, 2024. within the fairpark

865 district boundary.

866 (19) "Payment period" means a period of up to 35 years, as specified in a designation
867 resolution, beginning on the transition date, during which a privilege tax under Section
868 11-70-203 or enhanced property tax revenue under Section 11-70-401 is to be paid.

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

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

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

875 (a) for the major league sports teams to compete against one another; and

876 (b) in which the average annual payroll for any major league sports team on the
877 franchise agreement date is not less than \$100,000,000.

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

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

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

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

887 (27) "Public entity" means:

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

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

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

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

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

- 896 (ii) (A) are privately owned;
- 897 (B) benefit the public;
- 898 (C) as determined by the board, provide a substantial benefit to the development and
- 899 operation of a project area; and
- 900 (D) are built according to applicable county or municipal design and safety standards.
- 901 (b) "Public infrastructure and improvements" includes:
- 902 (i) facilities, lines, or systems that provide:
- 903 (A) water, chilled water, or steam; or
- 904 (B) sewer, storm drainage, natural gas, electricity, energy storage, renewable energy,
- 905 microgrids, or telecommunications service;
- 906 (ii) streets, roads, curbs, gutters, sidewalks, walkways, solid waste facilities, parking
- 907 facilities, rail lines, intermodal facilities, multimodal facilities, and public transportation
- 908 facilities;
- 909 (iii) a qualified stadium; and
- 910 (iv) public trails and pathways associated with and rehabilitation of and improvements
- 911 to the Jordan River.
- 912 (29) "Qualified owner" means an owner of at least 65 contiguous acres of privately
- 913 owned land within a project area.
- 914 (30) (a) "Qualified stadium" means a stadium:
- 915 (i) within the fairpark district boundary;
- 916 (ii) with a minimum capacity of 30,000 spectators; and
- 917 (iii) that will primarily be used as the home of a major league sports team.
- 918 (b) "Qualified stadium" includes parking structures or facilities, lighting facilities,
- 919 plazas, and open space associated with a stadium described in Subsection (30)(a).
- 920 (31) "Shapefile" means the digital vector storage format for storing geometric location
- 921 and associated attribute information.
- 922 (32) "State fair purposes" means the purposes for the use of fair park land related to the
- 923 fair park authority's management, supervision, and control over a state fair and related events
- 924 and activities.
- 925 (33) "State-owned land" means:
- 926 (a) fair park land; and

927 (b) other state land.

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

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

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

935 Section 11. Section **11-70-102** is enacted to read:

936 **11-70-102. Severability.**

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

940 Section 12. Section **11-70-103** is enacted to read:

941 **11-70-103. Nonlapsing funds.**

942 Money the fairpark district receives from legislative appropriations is nonlapsing.

943 Section 13. Section **11-70-104** is enacted to read:

944 **11-70-104. Loan approval committee -- Approval of infrastructure loans.**

945 (1) As used in this section:

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

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

949 (c) "Infrastructure loan" means the same as that term is defined in Section
950 63A-3-401.5.

951 (d) "Infrastructure project" means the same as that term is defined in Section
952 63A-3-401.5.

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

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

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

957 (ii) one individual with expertise in public finance or infrastructure development,

958 appointed by the president of the Senate;

959 (iii) one individual with expertise in public finance or infrastructure development,

960 appointed by the speaker of the House of Representatives; and

961 (iv) one individual with expertise in public finance or infrastructure development,

962 appointed jointly by the president of the Senate and the speaker of the House of

963 Representatives.

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

965 committee.

966 (3) (a) The loan committee may recommend for board approval an infrastructure loan

967 from the fairpark district development fund to a borrower for an infrastructure project

968 undertaken by the borrower.

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

970 unless:

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

972 (ii) the board approves the infrastructure loan.

973 (4) (a) If the loan committee recommends an infrastructure loan, the loan committee

974 shall recommend the terms of an infrastructure loan in accordance with Section [63A-3-404](#).

975 (b) The board shall require the terms of an infrastructure loan secured by enhanced

976 property tax revenue to include a requirement that money from the infrastructure loan be used

977 only for an infrastructure project within the project area that generates the enhanced property

978 tax revenue.

979 (5) The board may establish policies and guidelines with respect to prioritizing requests

980 for infrastructure loans and approving infrastructure loans.

981 (6) Within 60 days after the execution of an infrastructure loan, the board shall report

982 the infrastructure loan, including the loan amount, terms, interest rate, and security, to:

983 (a) the Executive Appropriations Committee; and

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

985 (7) (a) Salaries and expenses of committee members who are legislators shall be paid

986 in accordance with Section [36-2-2](#) and Legislative Joint Rules, Title 5, Chapter 3, Legislator

987 Compensation.

988 (b) A committee member who is not a legislator may not receive compensation or

989 benefits for the member's service on the committee, but may receive per diem and
990 reimbursement for travel expenses incurred as a committee member at the rates established by
991 the Division of Finance under:

992 (i) Sections [63A-3-106](#) and [63A-3-107](#); and

993 (ii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
994 [63A-3-107](#).

995 Section 14. Section **11-70-201** is enacted to read:

996 **Part 2. Creation and Powers of Utah Fairpark Area Investment and Restoration District**

997 **11-70-201. Creation of Utah Fairpark Area Investment and Restoration District --**

998 **Status and purposes.**

999 (1) Under the authority of Utah Constitution, Article XI, Section 8, there is created the
1000 Utah Fairpark Area Investment and Restoration District.

1001 (2) The fairpark district is:

1002 (a) an independent, nonprofit, separate body corporate and politic, with perpetual
1003 succession;

1004 (b) a political subdivision of the state; and

1005 (c) a public corporation, as defined in Section [63E-1-102](#).

1006 (3) (a) The purpose of the fairpark district is to fulfill the statewide public purpose of
1007 encouraging and facilitating development within the fairpark district boundary to provide
1008 economic and other benefits to the area within the fairpark district boundary, surrounding
1009 areas, the region, and the state, including:

1010 (i) the development and construction of a qualified stadium and related facilities for a
1011 major league sports team;

1012 (ii) the development and construction of infrastructure to support a qualified stadium,
1013 associated uses, and recreational uses on land within the fairpark district boundary;

1014 (iii) the improvement and restoration of areas along the Jordan River within the
1015 fairpark district boundary for aesthetic and recreational purposes; and

1016 (iv) other development on land within the fairpark district boundary.

1017 (b) The duties and responsibilities of the fairpark district under this chapter are matters
1018 of regional and statewide concern, importance, interest, and impact.

1019 (c) The fairpark district is the mechanism the state chooses to focus resources and

1020 efforts on behalf of the state, to oversee and manage development activities within the fairpark
1021 district boundary, and to ensure that the regional and statewide interests, concerns, and
1022 purposes described in this Subsection (3) are properly addressed from more of a statewide
1023 perspective than any municipality can provide.

1024 Section 15. Section **11-70-202** is enacted to read:

1025 **11-70-202. Fairpark district powers and duties.**

1026 (1) The fairpark district may:

1027 (a) facilitate and bring about the development of land within the fairpark district
1028 boundary, including the development of a qualified stadium to house a major league sports
1029 team;

1030 (b) enter into a lease agreement with a major league sports team to lease a qualified
1031 stadium to a major league sports team and receive lease payments on behalf of the state;

1032 (c) facilitate and provide funding for the development of land in a project area,
1033 including the development of public infrastructure and improvements and other infrastructure
1034 and improvements on or related to land in a project area;

1035 (d) engage in marketing and business recruitment activities and efforts to encourage
1036 and facilitate development of land within the fairpark district boundary;

1037 (e) as the fairpark district considers necessary or advisable to carry out any of the
1038 fairpark district's duties or responsibilities under this chapter:

1039 (i) buy, obtain an option upon, or otherwise acquire any interest in real or personal
1040 property;

1041 (ii) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or
1042 personal property; or

1043 (iii) enter into a lease agreement on real or personal property, as lessee or lessor;

1044 (f) sue and be sued;

1045 (g) enter into contracts generally;

1046 (h) provide funding for the development of public infrastructure and improvements or
1047 other infrastructure and improvements on or related to land within the fairpark district
1048 boundary;

1049 (i) exercise powers and perform functions under a contract, as authorized in the
1050 contract;

- 1051 (j) receive and spend enhanced property tax revenue, as provided in this chapter;
1052 (k) accept financial or other assistance from any public or private source for the
1053 fairpark district's activities, powers, and duties, and expend any funds so received for any of the
1054 purposes of this chapter;
1055 (l) borrow money, contract with, or accept financial or other assistance from the federal
1056 government, a public entity, or any other source for any of the purposes of this chapter and
1057 comply with any conditions of the loan, contract, or assistance;
1058 (m) issue bonds to finance the undertaking of any development objectives of the
1059 fairpark district, including bonds under Chapter 17, Utah Industrial Facilities and Development
1060 Act, bonds under Chapter 42, Assessment Area Act, and bonds under Chapter 42a,
1061 Commercial Property Assessed Clean Energy Act;
1062 (n) hire employees, including independent contractors;
1063 (o) transact other business and exercise all other powers provided for in this chapter;
1064 (p) engage one or more consultants to advise or assist the fairpark district in the
1065 performance of the fairpark district's duties and responsibilities;
1066 (q) enter into an agreement with a private contractor to provide a municipal service
1067 within a project area that is not being provided by a municipality or other governmental service
1068 provider;
1069 (r) finance, develop, own, lease, operate, or otherwise control public infrastructure and
1070 improvements in a project area; and
1071 (s) exercise powers and perform functions that the fairpark district is authorized by
1072 statute to exercise or perform.
1073 (2) (a) The fairpark district is responsible for and has jurisdiction over any
1074 development that occurs on fair park land.
1075 (b) The fairpark district shall consult and coordinate with the fair park authority with
1076 respect to any development activities anticipated for or that occur on fair park land.
1077 (c) Any development of fair park land shall be subject to and compatible with the use
1078 of fair park land for state fair purposes and related and other activities under the jurisdiction of
1079 the fair park authority.
1080 (3) With respect to state land other than fair park land, the fairpark district and the
1081 facilities division shall consult with each other and with agencies occupying the land with

1082 respect to any potential change of use or development of the land.

1083 (4) Beginning April 1, 2025, the fairpark district shall:

1084 (a) be the repository of the official delineation of the fairpark district boundary,

1085 identical to the fairpark district boundary as delineated in the shapefile that is the electronic

1086 component of H.B. 562, Utah Fairpark Area Investment and Restoration District, 2024 General

1087 Session, subject to any later changes to the boundary enacted by the Legislature; and

1088 (b) maintain an accurate digital file of the boundary that is easily accessible by the

1089 public.

1090 Section 16. Section **11-70-203** is enacted to read:

1091 **11-70-203. Privilege tax on state-owned land.**

1092 (1) The possession or beneficial use of property on state-owned land is subject to Title

1093 59, Chapter 4, Privilege Tax.

1094 (2) (a) As provided in Subsection (2)(b):

1095 (i) for revenue from a privilege tax under Subsection (1) on a designated parcel that is

1096 part of the fair park land:

1097 (A) 75% of the revenue shall be paid to the fairpark district during the payment period;

1098 and

1099 (B) 25% of the revenue shall be paid to the fair park authority during the payment

1100 period; and

1101 (ii) for revenue from a privilege tax under Subsection (1) on a designated parcel that is

1102 part of other state land, 95% of the revenue shall be paid to the fairpark district during the

1103 payment period.

1104 (b) The treasurer of the county in which the fair park land is located shall, in the

1105 manner and at the time provided in Section [59-2-1365](#), pay and distribute to the fairpark district

1106 and the fair park authority, as applicable, the revenue described in Subsection (2)(a).

1107 (3) (a) The fairpark district shall use 20% of the money the fairpark district is paid

1108 under Subsection (2)(a)(ii) for affordable housing, as defined in Section [17C-1-102](#), within the

1109 host municipality.

1110 (b) The fairpark district and host municipality shall coordinate and work together to

1111 identify how, when, and where the money described in Subsection (3)(a) is spent.

1112 Section 17. Section **11-70-204** is enacted to read:

- 1113 **11-70-204. Fairpark district accommodations tax.**
- 1114 (1) As used in this section:
- 1115 (a) (i) "Accommodations and services" means an accommodation or service described
- 1116 in Subsection 59-12-103(1)(i).
- 1117 (ii) "Accommodations and services" does not include an accommodation or service for
- 1118 which amounts paid or charged are not part of a rental room rate.
- 1119 (b) "Accommodations tax" means a tax imposed as provided in this section.
- 1120 (2) By resolution, the fairpark district board may impose an accommodations tax on a
- 1121 provider for amounts paid or charged for accommodations and services, if the place of
- 1122 accommodation is located within the fairpark district boundary.
- 1123 (3) The maximum rate of an accommodations tax is 15% of the amounts paid to or
- 1124 charged by the provider for accommodations and services.
- 1125 (4) A provider may recover an amount equal to the accommodations tax from
- 1126 customers, if the provider includes the amount as a separate billing line item.
- 1127 (5) If the fairpark district imposes an accommodations tax, neither the fairpark district
- 1128 nor a public entity may impose, on the amounts paid or charged for accommodations and
- 1129 services, any other tax described in:
- 1130 (a) Title 59, Chapter 12, Sales and Use Tax Act; or
- 1131 (b) Title 59, Chapter 28, State Transient Room Tax Act.
- 1132 (6) Except as provided in Subsection (7) or (8), an accommodations tax shall be
- 1133 administered, collected, and enforced in accordance with:
- 1134 (a) the same procedures used to administer, collect, and enforce the tax under:
- 1135 (i) Title 59, Chapter 12, Part 1, Tax Collection; or
- 1136 (ii) Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and
- 1137 (b) Title 59, Chapter 1, General Taxation Policies.
- 1138 (7) The location of a transaction shall be determined in accordance with Sections
- 1139 59-12-211 through 59-12-215.
- 1140 (8) (a) An accommodations tax is not subject to Section 59-12-107.1 or 59-12-123 or
- 1141 Subsections 59-12-205(2) through (5).
- 1142 (b) The exemptions described in Sections 59-12-104, 59-12-104.1, and 59-12-104.6 do
- 1143 not apply to an accommodations tax.

- 1144 (9) The State Tax Commission shall:
1145 (a) except as provided in Subsection (9)(b), distribute the revenue collected from an
1146 accommodations tax to the fairpark district; and
1147 (b) retain and deposit an administrative charge in accordance with Section 59-1-306
1148 from revenue the commission collects from an accommodations tax.
- 1149 (10) (a) If the fairpark district imposes, repeals, or changes the rate of an
1150 accommodations tax, the implementation, repeal, or change takes effect:
1151 (i) on the first day of a calendar quarter; and
1152 (ii) after a 90-day period beginning on the date the State Tax Commission receives the
1153 notice described in Subsection (10)(b) from the fairpark district.
1154 (b) The notice required in Subsection (10)(a)(ii) shall state:
1155 (i) that the fairpark district will impose, repeal, or change the rate of an
1156 accommodations tax;
1157 (ii) the effective date of the implementation, repeal, or change of the accommodations
1158 tax; and
1159 (iii) the rate of the accommodations tax.
- 1160 (11) In addition to the uses permitted under Section 11-70-207, the fairpark district
1161 may allocate revenue from an accommodations tax to a county in which a place of
1162 accommodation that is subject to the accommodations tax is located, if:
1163 (a) the county had a transient room tax described in Section 59-12-301 in effect at the
1164 time the fairpark district board imposed an accommodations tax; and
1165 (b) the revenue replaces revenue that the county received from a county transient room
1166 tax described in Section 59-12-301 for the county's general operations and administrative
1167 expenses.
- 1168 Section 18. Section **11-70-205** is enacted to read:
1169 **11-70-205. Energy sales and use tax.**
1170 (1) As provided in Subsection 10-1-304(1)(d), the fairpark district may by resolution
1171 levy an energy sales and use tax, under Title 10, Chapter 1, Part 3, Municipal Energy Sales and
1172 Use Tax Act, on an energy supplier, as defined in Section 10-1-303, that supplies energy to a
1173 facility on land within the fairpark district boundary.
1174 (2) An energy sales and use tax under this section is subject to the maximum rate under

1175 Subsection 10-1-304(1)(a)(ii), except that delivered value does not include the amount of a tax
1176 paid under this section.

1177 (3) (a) An energy supplier may recover from the energy supplier's customers an amount
1178 equal to the energy sales and use tax, if the energy supplier includes the amount as a separate
1179 billing line item.

1180 (b) An energy sales and use tax levied under this section is in addition to the rate
1181 approved by the Public Service Commission and charged to the customer.

1182 (4) (a) An energy sales and use tax under this section is payable by the energy supplier
1183 to the fairpark district on a monthly basis as described by the resolution levying the tax.

1184 (b) A resolution levying an energy sales and use tax shall allow the energy supplier to
1185 retain 1% of the tax remittance each month to offset the energy supplier's costs of collecting
1186 and remitting the tax.

1187 (5) Beginning July 1, 2024, a municipality may not levy an energy sales and use tax on
1188 an energy supplier for energy that the energy supplier supplies to a facility located on land
1189 within the fairpark district boundary.

1190 Section 19. Section 11-70-206 is enacted to read:

1191 **11-70-206. Applicability of other law -- Cooperation of state and local**
1192 **governments -- Municipal services -- Services from state agencies -- Procurement policy.**

1193 (1) With respect to the use or development of state-owned land, the fairpark district is
1194 not subject to:

1195 (a) Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act; or

1196 (b) the jurisdiction of a special district under Title 17B, Limited Purpose Local
1197 Government Entities - Special Districts, or a special service district under Title 17D, Chapter 1,
1198 Special Service District Act, except to the extent that:

1199 (i) some or all of the state land is, on January 1, 2024, included within the boundary of
1200 a special district or special service district; and

1201 (ii) the fairpark district elects to receive service from the special district or special
1202 service district for the state land that is included within the boundary of the special district or
1203 special service district, respectively.

1204 (2) The fairpark district has and may exercise all powers relating to the regulation of
1205 land uses on state-owned land.

1206 (3) (a) Subject to Subsection (3)(b), the fairpark district has and may exercise all
1207 powers relating to the regulation of land uses on privately owned land within the fairpark
1208 district boundary.

1209 (b) Privately owned land within the fairpark district boundary is subject to a host
1210 municipality's land use authority under Title 10, Chapter 9a, Municipal Land Use,
1211 Development, and Management Act, if the owner of the privately owned land and the host
1212 municipality enter into an agreement no later than December 31, 2024 subjecting the privately
1213 owned land to land use regulations of the host municipality.

1214 (c) In making land use decisions affecting land within the fairpark district boundary
1215 that is subject to a host municipality's land use authority under this Subsection (3), the
1216 legislative body of the host municipality shall consider input from the board.

1217 (4) A department, division, or other agency of the state and a political subdivision of
1218 the state shall cooperate with the fairpark district to the fullest extent possible to provide
1219 whatever support, information, or other assistance the board requests that is reasonably
1220 necessary to help the fairpark district fulfill its duties and responsibilities under this chapter.

1221 (5) (a) A host municipality shall provide the same municipal services to the area of the
1222 municipality that is within the fairpark district boundary as the municipality provides to other
1223 areas of the municipality with similar zoning and a similar development level.

1224 (b) The level and quality of municipal services that a host municipality provides within
1225 the fairpark district boundary shall be fairly and reasonably consistent with the level and quality
1226 of municipal services that the municipality provides to other areas of the municipality with
1227 similar zoning and a similar development level.

1228 (c) No later than December 31, 2024, the fairpark district and host municipality shall
1229 enter into an agreement providing for the fairpark district to reimburse the host municipality for
1230 services the host municipality provides to a project area.

1231 (6) (a) The fairpark district may request and, upon request, shall receive:

1232 (i) fuel dispensing and motor pool services provided by the Division of Fleet
1233 Operations;

1234 (ii) surplus property services provided by the Division of Purchasing and General
1235 Services;

1236 (iii) information technology services provided by the Division of Technology Services;

1237 (iv) archive services provided by the Division of Archives and Records Service;

1238 (v) financial services provided by the Division of Finance;

1239 (vi) human resources services provided by the Division of Human Resource

1240 Management;

1241 (vii) legal services provided by the Office of the Attorney General; and

1242 (viii) banking services provided by the Office of the State Treasurer.

1243 (b) Nothing in Subsection (6)(a) may be construed to relieve the fairpark district of the
1244 obligation to pay the applicable fee for the service provided.

1245 (7) (a) To govern fairpark district procurements, the board shall adopt a procurement
1246 policy that the board determines to be substantially consistent with applicable provisions of
1247 Title 63G, Chapter 6a, Utah Procurement Code.

1248 (b) The board may delegate to the executive director the responsibility to adopt a
1249 procurement policy.

1250 (c) The board's determination under Subsection (7)(a) of substantial consistency is final
1251 and conclusive.

1252 (8) No later than December 31, 2024, the board and the assessor of the county in which
1253 the fairpark district is located shall together determine the base taxable value of privately
1254 owned property within the fairpark district boundary.

1255 Section 20. Section **11-70-207** is enacted to read:

1256 **11-70-207. Use of fairpark district funds.**

1257 (1) (a) Subject to Subsection (2), the fairpark district may use fairpark district funds for
1258 any purpose authorized under this chapter, including to pay for:

1259 (i) the development and construction of a qualified stadium;

1260 (ii) administrative, overhead, legal, consulting, and other operating expenses of the
1261 fairpark district;

1262 (iii) all or part of the development of land within a project area, including:

1263 (A) financing or refinancing; and

1264 (B) assisting the ongoing operation of a development or facility within the project area;

1265 (iv) the cost of the installation of public infrastructure and improvements outside a
1266 project area if the board determines by resolution that the infrastructure and improvements are
1267 of benefit to the project area;

1268 (v) the principal and interest on bonds issued by the fairpark district; and
 1269 (vi) the costs of promoting, facilitating, and implementing other development of land
 1270 within the fairpark district boundary.

1271 (b) The determination of the board under Subsection (1)(a)(iv) regarding benefit to the
 1272 project area is final.

1273 (2) The fairpark district may use money it receives under Subsection
 1274 59-12-1201(1)(a)(ii) and Section 59-28-103 only for the development and construction of a
 1275 qualified stadium.

1276 (3) The fairpark district may share enhanced property tax revenue with a taxing entity
 1277 that levies a property tax on land within the project area from which the enhanced property tax
 1278 revenue is generated.

1279 Section 21. Section **11-70-301** is enacted to read:

Part 3. Fairpark District Board and Executive Director

11-70-301. Fairpark district board.

1282 (1) The fairpark district shall be governed by a board.

1283 (2) The board shall manage and conduct the business and affairs of the fairpark district
 1284 and shall determine all questions of fairpark district policy.

1285 (3) All powers of the fairpark district are exercised through the board or, as provided in
 1286 Section 11-70-305, the executive director.

1287 (4) The board may by resolution delegate powers to the executive director or other
 1288 fairpark district staff.

1289 (5) The board may not designate a transition date that is later than May 1, 2027.

1290 Section 22. Section **11-70-302** is enacted to read:

11-70-302. Number of board members -- Appointment -- Term -- Vacancies.

1292 (1) The fairpark district's board consists of five voting members, as provided in
 1293 Subsection (2).

1294 (2) (a) The governor shall appoint two individuals as board members, one of whom
 1295 shall be a member of the fair park authority board.

1296 (b) The president of the Senate shall appoint as a board member one individual with
 1297 relevant business expertise.

1298 (c) The speaker of the House of Representatives shall appoint as a board member one

1299 individual with relevant business expertise.

1300 (d) The member of the Salt Lake City council whose district includes more of the
1301 fairpark land than is included within any other district of the Salt Lake City council shall serve
1302 as a board member.

1303 (3) An individual required under Subsection (2) to appoint a board member shall
1304 appoint each initial board member the individual is required to appoint no later than June 1,
1305 2024.

1306 (4) The term of a board member appointed under Subsection (2) is six years, except
1307 that the initial term of the members appointed under Subsection (2)(a) is three years.

1308 (5) Each board member serves until a successor is duly appointed and qualified.

1309 (6) An appointed board member may serve multiple terms if duly appointed under
1310 Subsection (2) to serve each term.

1311 (7) (a) A vacancy in the board shall be filled in the same manner under this section as
1312 the appointment of the member whose vacancy is being filled.

1313 (b) An individual appointed to fill a vacancy shall serve the remaining unexpired term
1314 of the member whose vacancy the individual is filling.

1315 (8) A member of the board appointed under Subsection (2)(a), (b), or (c) serves at the
1316 pleasure of and may be removed and replaced at any time, with or without cause, by the
1317 individual who appointed the member.

1318 (9) A majority of the voting members of the board may appoint no more than two
1319 individuals to serve as nonvoting board advisory members, to serve as the board determines.

1320 Section 23. Section **11-70-303** is enacted to read:

1321 **11-70-303. Board quorum -- Chair and officers -- Compensation.**

1322 (1) A majority of voting members constitutes a quorum, and the action of a majority of
1323 voting members constitutes action of the board.

1324 (2) Upon a vote of a majority of all voting board members, the board may appoint a
1325 board chair and any other officer of the board.

1326 (3) (a) A board member who is not a legislator may not receive compensation or
1327 benefits for the member's service on the board, but may receive per diem and reimbursement
1328 for travel expenses incurred as a board member as allowed in:

1329 (i) Sections [63A-3-106](#) and [63A-3-107](#); and

1330 (ii) rules made by the Division of Finance according to Sections 63A-3-106 and
1331 63A-3-107.

1332 (b) Compensation and expenses of a board member who is a legislator are governed by
1333 Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.
1334 Section 24. Section **11-70-304** is enacted to read:
1335 **11-70-304. Limitations on board members and executive director.**

1336 (1) As used in this section:

1337 (a) "Direct financial benefit":

1338 (i) means any form of financial benefit that accrues to an individual directly, including:
1339 (A) compensation, commission, or any other form of a payment or increase of money;
1340 and

1341 (B) an increase in the value of a business or property; and
1342 (ii) does not include a financial benefit that accrues to the public generally.

1343 (b) "Family member" means a parent, spouse, sibling, child, or grandchild.

1344 (2) An individual may not serve as a member of the board or as executive director if:

1345 (a) the individual owns real property, other than a personal residence in which the
1346 individual resides, within the fairpark district boundary, whether or not the ownership interest
1347 is a recorded interest;

1348 (b) a family member of the individual owns an interest in real property, other than a
1349 personal residence in which the family member resides, located within the fairpark district
1350 boundary; or

1351 (c) the individual or a family member of the individual owns an interest in, is directly
1352 affiliated with, or is an employee or officer of a private firm, private company, or other private
1353 entity that the individual reasonably believes is likely to:

1354 (i) participate in or receive a direct financial benefit from the development of land
1355 within the fairpark district boundary; or

1356 (ii) acquire an interest in or locate a facility within the fairpark district boundary.

1357 (3) Before taking office as a board member or accepting employment as executive
1358 director, an individual shall submit to the fairpark district a statement verifying that the
1359 individual's service as a board member or employment as executive director does not violate
1360 Subsection (2).

1361 (4) (a) An individual may not, at any time during the individual's service as a board
1362 member or employment with the fairpark district, acquire, or take any action to initiate,
1363 negotiate, or otherwise arrange for the acquisition of, an interest in real property located within
1364 the fairpark district boundary, if:

1365 (i) the acquisition is in the individual's personal capacity or in the individual's capacity
1366 as an employee or officer of a private firm, private company, or other private entity; and

1367 (ii) the acquisition will enable the individual to receive a direct financial benefit as a
1368 result of the development of land within the fairpark district boundary.

1369 (b) Subsection (4)(a) does not apply to an individual's acquisition of, or action to
1370 initiate, negotiate, or otherwise arrange for the acquisition of, an interest in real property that is
1371 a personal residence in which the individual will reside upon acquisition of the real property.

1372 (5) (a) A board member or an employee of the fairpark district may not receive a direct
1373 financial benefit from development within the fairpark district boundary.

1374 (b) For purposes of Subsection (5)(a), a direct financial benefit does not include:

1375 (i) expense reimbursements;

1376 (ii) per diem pay for board member service, if applicable; or

1377 (iii) an employee's compensation or benefits from employment with the fairpark
1378 district.

1379 (6) Nothing in this section may be construed to affect the application or effect of any
1380 other code provision applicable to a board member or employee relating to ethics or conflicts
1381 of interest.

1382 Section 25. Section **11-70-305** is enacted to read:

1383 **11-70-305. Executive director.**

1384 (1) (a) The board may hire an executive director to be the chief executive officer of the
1385 fairpark district.

1386 (b) The board shall oversee an executive director hired by the board.

1387 (2) The role of an executive director hired by the board is to:

1388 (a) manage and oversee the day-to-day operations of the fairpark district;

1389 (b) fulfill the executive and administrative duties and responsibilities of the fairpark
1390 district; and

1391 (c) perform other functions or duties, as directed by the board.

1392 (3) An executive director shall have the education, experience, and training necessary
1393 to perform the executive director's duties in a way that maximizes the potential for the fairpark
1394 district to successfully fulfill the fairpark district's duties and responsibilities under this chapter.

1395 (4) An executive director is an at-will employee who serves at the pleasure of the board
1396 and may be removed by the board at any time.

1397 (5) The board shall establish the compensation and benefits of an executive director.

1398 Section 26. Section **11-70-401** is enacted to read:

1399 **Part 4. Enhanced Property Tax Revenue**

1400 **11-70-401. Enhanced property tax revenue to be paid to fairpark district.**

1401 (1) During the payment period, the fairpark district shall be paid up to 100% of
1402 enhanced property tax revenue:

1403 (a) generated from designated parcels of privately owned land within a project area;

1404 and

1405 (b) as the board specifies in a designation resolution adopted in consultation with a
1406 qualified owner.

1407 (2) For purposes of the payment of enhanced property tax revenue under this section, a
1408 payment period shall begin January 1 of the year specified in the designation resolution.

1409 (3) (a) For purposes of this section, the fairpark district may designate an improved
1410 portion of a parcel in a project area as a separate parcel.

1411 (b) A fairpark district designation of an improved portion of a parcel as a separate
1412 parcel under Subsection (3)(a) does not constitute a subdivision, as defined in Section
1413 [10-9a-103](#) or Section [17-27a-103](#).

1414 (c) A county recorder shall assign a separate tax identification number to the improved
1415 portion of a parcel designated by the authority as a separate parcel under Subsection (3)(a).

1416 Section 27. Section **11-70-402** is enacted to read:

1417 **11-70-402. Distribution of enhanced property tax revenue.**

1418 A county that collects property tax on property within the county in which the fairpark
1419 district is located shall, in the manner and at the time provided in Section [59-2-1365](#), pay and
1420 distribute to the fairpark district the amount of enhanced property tax revenue that the fairpark
1421 district is entitled to collect under this chapter.

1422 Section 28. Section **11-70-403** is enacted to read:

1423 **11-70-403. Limits on enhanced property tax revenue.**

1424 (1) Except as provided in Subsection [17C-1-407\(4\)](#), a community reinvestment agency
1425 may not be paid any tax increment, as defined in Section [17C-1-102](#), generated within a project
1426 area of the fairpark district.

1427 (2) The fairpark district may not use enhanced property tax revenue collected from one
1428 project area for a development project within another project area.

1429 Section 29. Section **11-70-501** is enacted to read:

1430 **Part 5. Project Area Plan and Budget**

1431 **11-70-501. Preparation of project area plan -- Required contents of project area**
1432 **plan.**

1433 (1) As provided in this section, the fairpark district may adopt a project area plan for
1434 the development of some or all of the land within the fairpark district boundary.

1435 (2) In consultation with the fair park authority board, the fairpark district may adopt a
1436 project area plan for the development of some or all of the fair park land.

1437 (3) With the consent of a qualified owner, the fairpark district may adopt a project area
1438 plan for the development of the qualified owner's land, including the development and
1439 construction of a qualified stadium.

1440 (4) (a) To adopt a project area plan, the board shall:

1441 (i) prepare a draft project area plan;

1442 (ii) give notice as required under Subsection [11-70-503\(2\)](#);

1443 (iii) hold at least one public meeting, as required under Subsection [11-70-503\(1\)](#); and

1444 (iv) after holding at least one public meeting and subject to Subsection (4)(b), adopt the
1445 draft project area plan as the project area plan.

1446 (b) Before adopting a draft project area plan as the project area plan, the board may
1447 make modifications to the draft project area plan that the board considers necessary or
1448 appropriate.

1449 (5) A project area plan and draft project area plan shall contain:

1450 (a) a legal description of the boundary of the project area;

1451 (b) the fairpark district's purposes and intent with respect to the project area; and

1452 (c) the board's findings and determination that:

1453 (i) there is a need for the proposed development project to effectuate a public purpose;

1454 (ii) there is a public benefit that will result from the proposed development project; and
1455 (iii) it is economically sound and feasible to adopt and carry out the project area plan.

1456 Section 30. Section **11-70-502** is enacted to read:

1457 **11-70-502. Qualified stadium under project area plan.**

1458 (1) As used in this section, "qualified owner" includes a qualified owner's affiliate that:

1459 (a) participates in the development and construction of a qualified stadium; and

1460 (b) executes a franchise agreement that is also executed by a major league sports team.

1461 (2) A project area plan may provide for the development and construction of a
1462 qualified stadium on land that, until conveyed to the fairpark district as provided in Subsection
1463 (4)(b), is owned by a qualified owner.

1464 (3) A project area plan under Subsection (2) shall include a requirement that the
1465 qualified owner and fairpark district enter an agreement relating to the development,
1466 construction, and ownership of a qualified stadium.

1467 (4) An agreement under Subsection (3) shall:

1468 (a) limit the amount of funding for the qualified stadium provided by the fairpark
1469 district to the lesser of:

1470 (i) half the actual cost of developing and constructing the qualified stadium; or

1471 (ii) \$900,000,000;

1472 (b) require the qualified owner to convey to the fairpark district, as soon as practicable
1473 after the franchise agreement date, title to the property on which the qualified stadium will be
1474 constructed;

1475 (c) require the qualified owner to repay to the fairpark district the full amount of the
1476 funding for the qualified stadium provided by the fairpark district if the major league sports
1477 team leaves the qualified stadium before 30 years after the franchise agreement date;

1478 (d) provide for the fairpark district to possess full ownership rights to the qualified
1479 stadium;

1480 (e) provide for the fairpark district to lease the qualified stadium to the major league
1481 sports team for lease payments of \$150,000 per month for 360 months;

1482 (f) require the qualified owner to operate and maintain the qualified stadium and to pay
1483 for all operation and maintenance costs; and

1484 (g) require the qualified owner to cooperate and coordinate with the fairpark district to

1485 allow events other than events of the major league sports team to occur at the qualified stadium
1486 if those other events do not interfere with the use of the qualified stadium for events of the
1487 major league sports team.

1488 (5) The fairpark district shall pay to the Division of Finance, for deposit into the
1489 General Fund, all lease payments the fairpark district receives under a lease agreement for the
1490 qualified stadium.

1491 Section 31. Section **11-70-503** is enacted to read:

1492 **11-70-503. Public meeting to consider and discuss draft project area plan -- Notice**
1493 **-- Adoption of plan.**

1494 (1) The board shall hold at least one public meeting to consider and discuss a draft
1495 project area plan.

1496 (2) Before holding a public meeting under Subsection (1), the board shall give notice
1497 of the public meeting:

1498 (a) to each taxing entity, at least 10 days before the public meeting; and

1499 (b) for the project area, as a class A notice under Section [63G-30-102](#), for at least 10
1500 days before the public meeting.

1501 (3) Following consideration and discussion at a public meeting under Subsection (1),
1502 and any modification of the project area plan under Subsection [11-70-501](#)(4)(b), the board may
1503 adopt the draft project area plan or modified draft project area plan as the project area plan.

1504 Section 32. Section **11-70-504** is enacted to read:

1505 **11-70-504. Notice of project area plan adoption -- Effective date of plan -- Time**
1506 **for challenging a project area plan or project area.**

1507 (1) Upon the board's adoption of a project area plan, the board shall provide notice as
1508 provided in Subsection (2) by publishing or causing to be published legal notice:

1509 (a) for the project area, as a class A notice under Section [63G-30-102](#), for at least 30
1510 days; and

1511 (b) as required by Section [45-1-101](#).

1512 (2) (a) A notice under Subsection (1) shall include:

1513 (i) the board resolution adopting the project area plan or a summary of the resolution;

1514 and

1515 (ii) a statement that the project area plan is available for general public inspection and

1516 the hours for inspection.

1517 (b) The statement required under Subsection (2)(a)(ii) may be included within the
1518 board resolution adopting the project area plan or within the summary of the resolution.

1519 (3) The project area plan shall become effective on the date designated in the board
1520 resolution.

1521 (4) The fairpark district shall make the adopted project area plan available to the
1522 general public at the fairpark district's offices during normal business hours.

1523 (5) Within 10 days after the day on which a project area plan is adopted that establishes
1524 a project area, or after an amendment to a project area plan is adopted under which the
1525 boundary of a project area is modified, the fairpark district shall send notice of the
1526 establishment or modification of the project area and an accurate map or plat of the project area
1527 to:

1528 (a) the State Tax Commission;

1529 (b) the Utah Geospatial Resource Center created in Section [63A-16-505](#); and

1530 (c) the assessor and recorder of each county where the project area is located.

1531 (6) A legal action or other challenge to a project area plan or a project area described in
1532 a project area plan is barred unless brought within 30 days after the effective date of the project
1533 area plan.

1534 Section 33. Section **11-70-505** is enacted to read:

1535 **11-70-505. Amendment to a project area plan.**

1536 (1) The fairpark district may amend a project area plan by following the same
1537 procedure under this part as applies to the adoption of a project area plan.

1538 (2) The provisions of this part apply to the fairpark district's adoption of an amendment
1539 to a project area plan to the same extent as they apply to the adoption of a project area plan.

1540 Section 34. Section **11-70-506** is enacted to read:

1541 **11-70-506. Project area budget.**

1542 (1) Before the fairpark district may use the enhanced property tax revenue from a
1543 project area, the board shall prepare and adopt a project area budget.

1544 (2) A project area budget shall include:

1545 (a) the base taxable value of property in the project area;

1546 (b) the projected enhanced property tax revenue expected to be generated within the

1547 project area;

1548 (c) the amount of the enhanced property tax revenue expected to be used to implement
1549 the project area plan, including the estimated amount of the enhanced property tax revenue to
1550 be used for:

1551 (i) land acquisition;

1552 (ii) public infrastructure and improvements; and

1553 (iv) loans, grants, or other incentives to private and public entities;

1554 (d) the enhanced property tax revenue expected to be used to cover the cost of
1555 administering the project area plan;

1556 (e) the amount of enhanced property tax revenue expected to be shared with other
1557 taxing entities; and

1558 (f) for property that the fairpark district owns or leases and expects to sell or sublease,
1559 the expected total cost of the property to the fairpark district and the expected selling price or
1560 lease payments.

1561 (3) The board may amend an adopted project area budget as and when the board
1562 considers it appropriate.

1563 Section 35. Section **11-70-601** is enacted to read:

1564 **Part 6. Fairpark District Bonds**

1565 **11-70-601. Resolution authorizing issuance of fairpark district bonds --**

1566 **Characteristics of bonds -- Notice.**

1567 (1) In issuing bonds under this part, the fairpark district shall comply with applicable
1568 requirements and provisions of Title 63C, Chapter 25, State Finance Review Commission.

1569 (2) (a) As provided in the fairpark district resolution authorizing the issuance of bonds
1570 under this part or the trust indenture under which the bonds are issued, bonds issued under this
1571 part may be issued in one or more series and may be sold at public or private sale and in the
1572 manner provided in the resolution or indenture.

1573 (b) Bonds issued under this part shall bear the date, be payable at the time, bear interest
1574 at the rate, be in the denomination and in the form, carry the conversion or registration
1575 privileges, have the rank or priority, be executed in the manner, be subject to the terms of
1576 redemption or tender, with or without premium, be payable in the medium of payment and at
1577 the place, and have other characteristics as provided in the fairpark district resolution

1578 authorizing their issuance or the trust indenture under which they are issued.

1579 (3) Upon the board's adoption of a resolution providing for the issuance of bonds, the
1580 board may provide for the publication of the resolution:

1581 (a) for the area within the fairpark district's boundaries, as a class A notice under
1582 Section [63G-30-102](#), for at least 30 days; and

1583 (b) as required in Section [45-1-101](#).

1584 (4) In lieu of publishing the entire resolution, the board may publish notice of bonds
1585 that contains the information described in Subsection [11-14-316\(2\)](#).

1586 (5) For a period of 30 days after the publication, any person in interest may contest:

1587 (a) the legality of the resolution or proceeding;

1588 (b) any bonds that may be authorized by the resolution or proceeding; or

1589 (c) any provisions made for the security and payment of the bonds.

1590 (6) (a) A person may contest the matters set forth in Subsection (5) by filing a verified
1591 written complaint, within 30 days of the publication under Subsection (5), in the district court
1592 of the county in which the person resides.

1593 (b) A person may not contest the matters set forth in Subsection (5), or the regularity,
1594 formality, or legality of the resolution or proceeding, for any reason, after the 30-day period for
1595 contesting provided in Subsection (6)(a).

1596 (7) No later than 60 days after the closing day of any bonds, the fairpark district shall
1597 report the bonds issuance, including the amount of the bonds, terms, interest rate, and security,
1598 to:

1599 (a) the Executive Appropriations Committee; and

1600 (b) the State Finance Review Commission created in Section [63C-25-201](#).

1601 Section 36. Section **11-70-602** is enacted to read:

1602 **11-70-602. Sources from which bonds may be made payable -- Fairpark district**
1603 **powers regarding bonds.**

1604 (1) Subject to Subsection [11-70-207\(2\)](#), the principal and interest on bonds issued by
1605 the fairpark district may be made payable from:

1606 (a) the income and revenues of the projects financed with the proceeds of the bonds;

1607 (b) the income and revenues of certain designated projects whether or not they were
1608 financed in whole or in part with the proceeds of the bonds;

1609 (c) the income, proceeds, revenues, property, and funds the fairpark district derives
 1610 from or holds in connection with its undertaking and carrying out development of land within
 1611 the fairpark district boundary;

1612 (d) enhanced property tax revenue;

1613 (e) fairpark district revenues generally;

1614 (f) a contribution, loan, grant, or other financial assistance from the federal government
 1615 or a public entity in aid of the fairpark district; or

1616 (g) funds derived from any combination of the methods listed in Subsections (1)(a)
 1617 through (f).

1618 (2) In connection with the issuance of fairpark district bonds, the fairpark district may:

1619 (a) as the board determines in the board's reasonable discretion, pledge all or any part
 1620 of the fairpark district's gross or net rents, fees, or revenues to which the fairpark district's right
 1621 then exists or may thereafter come into existence;

1622 (b) encumber by mortgage, deed of trust, or otherwise all or any part of the fairpark
 1623 district's real or personal property, then owned or thereafter acquired; and

1624 (c) make the covenants and take the action that may be necessary, convenient, or
 1625 desirable to secure its bonds, or, except as otherwise provided in this chapter, that will tend to
 1626 make the bonds more marketable, even though such covenants or actions are not specifically
 1627 enumerated in this chapter.

1628 Section 37. Section **11-70-603** is enacted to read:

1629 **11-70-603. Purchase of fairpark district bonds.**

1630 (1) Any person, firm, corporation, association, political subdivision of the state, or
 1631 other entity or public or private officer may purchase bonds issued by the fairpark district under
 1632 this part with funds owned or controlled by the purchaser.

1633 (2) Nothing in this section may be construed to relieve a purchaser of fairpark district
 1634 bonds of any duty to exercise reasonable care in selecting securities.

1635 Section 38. Section **11-70-604** is enacted to read:

1636 **11-70-604. Those executing bonds not personally liable -- Limitation of**
 1637 **obligations under bonds -- Negotiability.**

1638 (1) A member of the board or other person executing a fairpark district bond is not
 1639 liable personally on the bond.

1640 (2) (a) A bond issued by the fairpark district is not a general obligation or liability of
1641 the state or any of its political subdivisions and does not constitute a charge against their
1642 general credit or taxing powers.

1643 (b) A bond issued by the fairpark district is not payable out of any funds or properties
1644 other than those of the fairpark district.

1645 (c) The state and its political subdivisions are not and may not be held liable on a bond
1646 issued by the fairpark district.

1647 (d) A bond issued by the fairpark district does not constitute indebtedness within the
1648 meaning of any constitutional or statutory debt limitation.

1649 (3) A bond issued by the fairpark district under this part is fully negotiable.

1650 Section 39. Section **11-70-605** is enacted to read:

1651 **11-70-605. Bonds exempt from taxes -- Fairpark district may purchase its own**
1652 **bonds.**

1653 (1) A bond issued by the fairpark district under this part is issued for an essential
1654 public and governmental purpose and is, together with interest on the bond and income from it,
1655 exempt from all state taxes except the corporate franchise tax.

1656 (2) The fairpark district may purchase its own bonds at a price that its board
1657 determines.

1658 (3) Nothing in this section may be construed to limit the right of an obligee to pursue a
1659 remedy for the enforcement of a pledge or lien given under this part by the fairpark district on
1660 its rents, fees, grants, properties, or revenues.

1661 Section 40. Section **11-70-701** is enacted to read:

1662 **Part 7. Fairpark District Budget and Other Financial Matters**

1663 **11-70-701. Annual fairpark district budget -- Fiscal year -- Public hearing and**
1664 **notice required -- Auditor forms.**

1665 (1) The fairpark district shall prepare and the board adopt an annual budget of revenues
1666 and expenditures for the fairpark district for each fiscal year.

1667 (2) Each annual fairpark district budget shall be adopted before June 22.

1668 (3) The fairpark district's fiscal year shall be the period from July 1 to the following
1669 June 30.

1670 (4) (a) Before adopting an annual budget, the fairpark district board shall hold a public

1671 hearing on the annual budget.

1672 (b) The fairpark district shall provide notice of the public hearing on the annual budget
1673 by publishing notice as a class A notice under Section 63G-30-102 for at least one week before
1674 the public hearing.

1675 (c) The fairpark district shall make the annual budget available for public inspection at
1676 least three days before the date of the public hearing.

1677 (5) The state auditor shall prescribe the budget forms and the categories to be contained
1678 in each fairpark district budget, including:

1679 (a) revenues and expenditures for the budget year;

1680 (b) legal fees; and

1681 (c) administrative costs, including rent, supplies, and other materials, and salaries of
1682 fairpark district personnel.

1683 Section 41. Section **11-70-702** is enacted to read:

1684 **11-70-702. Amending the fairpark district annual budget.**

1685 (1) The fairpark district board may by resolution amend an annual fairpark district
1686 budget.

1687 (2) An amendment of the annual fairpark district budget that would increase the total
1688 expenditures may be made only after public hearing by notice published as required for initial
1689 adoption of the annual budget.

1690 (3) The fairpark district may not make expenditures in excess of the total expenditures
1691 established in the annual budget as it is adopted or amended.

1692 Section 42. Section **11-70-703** is enacted to read:

1693 **11-70-703. Audit requirements.**

1694 The fairpark district shall comply with the audit requirements of Title 51, Chapter 2a,
1695 Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local
1696 Entities Act.

1697 Section 43. Section **11-70-704** is enacted to read:

1698 **11-70-704. Fairpark district chief financial officer is a public treasurer -- Certain**
1699 **fairpark district funds are public funds.**

1700 (1) The fairpark district's chief financial officer:

1701 (a) is a public treasurer, as defined in Section 51-7-3; and

1702 (b) shall invest the fairpark district funds specified in Subsection (2) as provided in that
 1703 subsection.

1704 (2) Notwithstanding Subsection 63E-2-110(2)(a), appropriations that the fairpark
 1705 district receives from the state:

1706 (a) are public funds; and

1707 (b) shall be invested as provided in Title 51, Chapter 7, State Money Management Act.

1708 Section 44. Section **11-70-801** is enacted to read:

1709 **Part 8. Fairpark District Dissolution**

1710 **11-70-801. Dissolution of fairpark district -- Restrictions -- Notice of dissolution --**

1711 **Disposition of fairpark district property -- Fairpark district records -- Dissolution**

1712 **expenses.**

1713 (1) The fairpark district may not be dissolved unless the fairpark district has no
 1714 outstanding bonded indebtedness, other unpaid loans, indebtedness, or advances, and no legally
 1715 binding contractual obligations with persons or entities other than the state.

1716 (2) Upon the dissolution of the fairpark district:

1717 (a) the Governor's Office of Economic Opportunity shall publish a notice of
 1718 dissolution:

1719 (i) for the county in which the dissolved fairpark district is located, as a class A notice
 1720 under Section 63G-30-102, for at least seven days; and

1721 (ii) as required in Section 45-1-101; and

1722 (b) all title to property owned by the fairpark district vests in the state.

1723 (3) The books, documents, records, papers, and seal of each dissolved fairpark district
 1724 shall be deposited for safekeeping and reference with the state auditor.

1725 (4) The fairpark district shall pay all expenses of the deactivation and dissolution.

1726 Section 45. Section **17C-1-407** is amended to read:

1727 **17C-1-407. Limitations on tax increment.**

1728 (1) (a) If the development of retail sales of goods is the primary objective of an urban
 1729 renewal project area, tax increment from the urban renewal project area may not be paid to or
 1730 used by an agency unless the agency makes a development impediment determination under
 1731 Chapter 2, Part 3, Development Impediment Determination in Urban Renewal Project Areas.

1732 (b) Except as provided in Section **11-41-103**, development of retail sales of goods does

1733 not disqualify an agency from receiving tax increment.

1734 (c) After July 1, 2005, an agency may not receive or use tax increment generated from
1735 the value of property within an economic development project area that is attributable to the
1736 development of retail sales of goods, unless the tax increment was previously pledged to pay
1737 for bonds or other contractual obligations of the agency.

1738 (2) (a) For the purpose of this Subsection (2):

1739 (i) "Final tax rate" means the rate used to determine the amount of taxes a taxing entity
1740 levies as described in the notice to a taxpayer under Subsection 59-2-1317(2).

1741 (ii) "Increased tax revenue" means tax revenue attributable to a tax rate increase.

1742 (iii) "Tax rate increase" means the amount calculated by subtracting a taxing entity's
1743 certified rate, as defined in Section 59-2-924, from the taxing entity's final tax rate.

1744 (b) Except as provided in Subsection (2)(c), for a year in which a taxing entity imposes
1745 a final tax rate higher than the certified tax rate, a county shall not pay an agency any portion of
1746 a taxing entity's increased tax revenue.

1747 (c) Notwithstanding Subsection (2)(b), a county may pay all or a portion of a taxing
1748 entity's increased tax revenue to an agency if, at the time of the project area budget approval,
1749 the taxing entity committee or each taxing entity that is a party to an agreement under Section
1750 17C-4-201 or 17C-5-204 consents to pay the agency the increased tax revenue.

1751 (d) If the taxing entity committee or each tax entity that is a party to an agreement
1752 under Section 17C-4-201 or 17C-5-204 does not consent to payment of the increased tax
1753 revenue to the agency under Subsection (2)(c), the county shall distribute to the taxing entity
1754 the increased tax revenue in the same manner as other property tax revenue.

1755 (e) Notwithstanding any other provision of this section, if, before tax year 2013,
1756 increased tax revenue is paid to an agency without the consent of the taxing entity committee or
1757 each taxing entity that is a party to an agreement under Section 17C-4-201 or 17C-5-204, and
1758 notwithstanding the law at the time that the tax revenue was collected or increased:

1759 (i) the State Tax Commission, the county as the collector of the taxes, a taxing entity,
1760 or any other person or entity may not recover, directly or indirectly, the increased tax revenue
1761 from the agency by adjustment of a tax rate used to calculate tax increment or otherwise;

1762 (ii) the county is not liable to a taxing entity or any other person or entity for the
1763 increased tax revenue that was paid to the agency; and

1764 (iii) tax increment, including the increased tax revenue, shall continue to be paid to the
1765 agency subject to the same number of tax years, percentage of tax increment, and cumulative
1766 dollar amount of tax increment as approved in the project area budget and previously paid to
1767 the agency.

1768 (f) An adjustment may not be made to incremental value under Section 59-2-924 for
1769 increased tax revenue not paid to an agency under this section.

1770 (3) Except as the taxing entity committee otherwise agrees, an agency may not receive
1771 tax increment under an urban renewal or economic development project area budget adopted
1772 on or after March 30, 2009:

1773 (a) that exceeds the percentage of tax increment or cumulative dollar amount of tax
1774 increment specified in the project area budget; or

1775 (b) for more tax years than specified in the project area budget.

1776 (4) Beginning May 1, 2024, an agency may not be paid tax increment from an area that
1777 is within the fairpark district boundary, as defined in Section 11-70-101, unless and only to the
1778 extent that the tax increment revenue from that area is pledged to pay for a bond issued before
1779 January 1, 2024.

1780 Section 46. Section 17D-4-102 is amended to read:

1781 **17D-4-102. Definitions.**

1782 As used in this chapter:

1783 (1) "Board" means the board of trustees of a public infrastructure district.

1784 (2) "Creating entity" means the county, municipality, or development authority that
1785 approves the creation of a public infrastructure district.

1786 (3) "Development authority" means:

1787 (a) the Utah Inland Port Authority created in Section 11-58-201;

1788 (b) the Point of the Mountain State Land Authority created in Section 11-59-201; [or]

1789 (c) the Utah Fairpark Area Investment and Restoration District created in Section
1790 11-70-201; or

1791 [~~e~~] (d) the military installation development authority created in Section 63H-1-201.

1792 (4) "District applicant" means the person proposing the creation of a public
1793 infrastructure district.

1794 (5) "Division" means a division of a public infrastructure district:

1795 (a) that is relatively equal in number of eligible voters or potential eligible voters to all
1796 other divisions within the public infrastructure district, taking into account existing or potential
1797 developments which, when completed, would increase or decrease the population within the
1798 public infrastructure district; and

1799 (b) which a member of the board represents.

1800 (6) "Governing document" means the document governing a public infrastructure
1801 district to which the creating entity agrees before the creation of the public infrastructure
1802 district, as amended from time to time, and subject to the limitations of Title 17B, Chapter 1,
1803 Provisions Applicable to All Special Districts, and this chapter.

1804 (7) (a) "Limited tax bond" means a bond:

1805 (i) that is directly payable from and secured by ad valorem property taxes that are
1806 levied:

1807 (A) by a public infrastructure district that issues the bond; and

1808 (B) on taxable property within the district;

1809 (ii) that is a general obligation of the public infrastructure district; and

1810 (iii) for which the ad valorem property tax levy for repayment of the bond does not
1811 exceed the property tax levy rate limit established under Section 17D-4-303 for any fiscal year,
1812 except as provided in Subsection 17D-4-301(8).

1813 (b) "Limited tax bond" does not include:

1814 (i) a short-term bond;

1815 (ii) a tax and revenue anticipation bond; or

1816 (iii) a special assessment bond.

1817 (8) "Public infrastructure and improvements" means:

1818 (a) the same as that term is defined in Section 11-58-102, for a public infrastructure
1819 district created by the Utah Inland Port Authority created in Section 11-58-201; ~~and~~

1820 (b) the same as that term is defined in Section 11-70-101, for a public infrastructure
1821 district created by the Utah Fairpark Area Investment and Restoration District created in
1822 Section 11-70-201; and

1823 ~~(b)~~ (c) the same as that term is defined in Section 63H-1-102, for a public
1824 infrastructure district created by the military installation development authority created in
1825 Section 63H-1-201.

1826 Section 47. Section **53F-9-207** is enacted to read:

1827 **53F-9-207. Funding for At-risk Student Account.**

1828 (1) As used in this section, "account" means the Funding for At-risk Student Account
1829 created in this section.

1830 (2) There is created within the Income Tax Fund a restricted account known as the
1831 "Funding for At-risk Student Account."

1832 (3) The account shall be funded by:

1833 (a) amounts deposited into the account in accordance with Subsection [59-10-544\(3\)](#);

1834 and

1835 (b) other legislative appropriations.

1836 (4) The account shall earn interest.

1837 (5) Interest earned on the account shall be deposited into the account.

1838 (6) (a) The Legislature shall appropriate money in the account to the state board to be
1839 used for the purposes described in Subsection [53F-2-314\(3\)](#).

1840 (b) Money appropriated to the state board under Subsection (6)(a) is in addition to
1841 money allocated according to the weighted pupil unit calculation described in Subsection
1842 [53F-2-314\(2\)](#).

1843 Section 48. Section **59-2-924** is amended to read:

1844 **59-2-924. Definitions -- Report of valuation of property to county auditor and**
1845 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
1846 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**
1847 **commission.**

1848 (1) As used in this section:

1849 (a) (i) "Ad valorem property tax revenue" means revenue collected in accordance with
1850 this chapter.

1851 (ii) "Ad valorem property tax revenue" does not include:

1852 (A) interest;

1853 (B) penalties;

1854 (C) collections from redemptions; or

1855 (D) revenue received by a taxing entity from personal property that is semiconductor
1856 manufacturing equipment assessed by a county assessor in accordance with Part 3, County

1857 Assessment.

1858 (b) "Adjusted tax increment" means the same as that term is defined in Section
1859 [17C-1-102](#).

1860 (c) (i) "Aggregate taxable value of all property taxed" means:

1861 (A) the aggregate taxable value of all real property a county assessor assesses in
1862 accordance with Part 3, County Assessment, for the current year;

1863 (B) the aggregate taxable value of all real and personal property the commission
1864 assesses in accordance with Part 2, Assessment of Property, for the current year; and

1865 (C) the aggregate year end taxable value of all personal property a county assessor
1866 assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls
1867 of the taxing entity.

1868 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year
1869 end taxable value of personal property that is:

1870 (A) semiconductor manufacturing equipment assessed by a county assessor in
1871 accordance with Part 3, County Assessment; and

1872 (B) contained on the prior year's tax rolls of the taxing entity.

1873 (d) "Base taxable value" means:

1874 (i) for an authority created under Section [11-58-201](#), the same as that term is defined in
1875 Section [11-58-102](#);

1876 (ii) for the Point of the Mountain State Land Authority created in Section [11-59-201](#),
1877 the same as that term is defined in Section [11-59-207](#);

1878 (iii) for an agency created under Section [17C-1-201.5](#), the same as that term is defined
1879 in Section [17C-1-102](#);

1880 (iv) for an authority created under Section [63H-1-201](#), the same as that term is defined
1881 in Section [63H-1-102](#);

1882 (v) for a host local government, the same as that term is defined in Section [63N-2-502](#);

1883 or

1884 (vi) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
1885 Part 6, Housing and Transit Reinvestment Zone Act, a property's taxable value as shown upon
1886 the assessment roll last equalized during the base year, as that term is defined in Section
1887 [63N-3-602](#).

1888 (e) "Centrally assessed benchmark value" means an amount equal to the highest year
1889 end taxable value of real and personal property the commission assesses in accordance with
1890 Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1,
1891 2015, adjusted for taxable value attributable to:

1892 (i) an annexation to a taxing entity;

1893 (ii) an incorrect allocation of taxable value of real or personal property the commission
1894 assesses in accordance with Part 2, Assessment of Property; or

1895 (iii) a change in value as a result of a change in the method of apportioning the value
1896 prescribed by the Legislature, a court, or the commission in an administrative rule or
1897 administrative order.

1898 (f) (i) "Centrally assessed new growth" means the greater of:

1899 (A) zero; or

1900 (B) the amount calculated by subtracting the centrally assessed benchmark value
1901 adjusted for prior year end incremental value from the taxable value of real and personal
1902 property the commission assesses in accordance with Part 2, Assessment of Property, for the
1903 current year, adjusted for current year incremental value.

1904 (ii) "Centrally assessed new growth" does not include a change in value as a result of a
1905 change in the method of apportioning the value prescribed by the Legislature, a court, or the
1906 commission in an administrative rule or administrative order.

1907 (g) "Certified tax rate" means a tax rate that will provide the same ad valorem property
1908 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

1909 (h) "Community reinvestment agency" means the same as that term is defined in
1910 Section [17C-1-102](#).

1911 (i) "Eligible new growth" means the greater of:

1912 (i) zero; or

1913 (ii) the sum of:

1914 (A) locally assessed new growth;

1915 (B) centrally assessed new growth; and

1916 (C) project area new growth or hotel property new growth.

1917 (j) "Host local government" means the same as that term is defined in Section
1918 [63N-2-502](#).

- 1919 (k) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- 1920 (l) "Hotel property new growth" means an amount equal to the incremental value that
- 1921 is no longer provided to a host local government as incremental property tax revenue.
- 1922 (m) "Incremental property tax revenue" means the same as that term is defined in
- 1923 Section 63N-2-502.
- 1924 (n) "Incremental value" means:
- 1925 (i) for an authority created under Section 11-58-201, the amount calculated by
- 1926 multiplying:
- 1927 (A) the difference between the taxable value and the base taxable value of the property
- 1928 that is located within a project area and on which property tax differential is collected; and
- 1929 (B) the number that represents the percentage of the property tax differential that is
- 1930 paid to the authority;
- 1931 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
- 1932 an amount calculated by multiplying:
- 1933 (A) the difference between the current assessed value of the property and the base
- 1934 taxable value; and
- 1935 (B) the number that represents the percentage of the property tax augmentation, as
- 1936 defined in Section 11-59-207, that is paid to the Point of the Mountain State Land Authority;
- 1937 (iii) for an agency created under Section 17C-1-201.5, the amount calculated by
- 1938 multiplying:
- 1939 (A) the difference between the taxable value and the base taxable value of the property
- 1940 located within a project area and on which tax increment is collected; and
- 1941 (B) the number that represents the adjusted tax increment from that project area that is
- 1942 paid to the agency;
- 1943 (iv) for an authority created under Section 63H-1-201, the amount calculated by
- 1944 multiplying:
- 1945 (A) the difference between the taxable value and the base taxable value of the property
- 1946 located within a project area and on which property tax allocation is collected; and
- 1947 (B) the number that represents the percentage of the property tax allocation from that
- 1948 project area that is paid to the authority;
- 1949 (v) for a housing and transit reinvestment zone created pursuant to Title 63N, Chapter

1950 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount calculated by multiplying:

1951 (A) the difference between the taxable value and the base taxable value of the property
1952 that is located within a housing and transit reinvestment zone and on which tax increment is
1953 collected; and

1954 (B) the number that represents the percentage of the tax increment that is paid to the
1955 housing and transit reinvestment zone; or

1956 (vi) for a host local government, an amount calculated by multiplying:

1957 (A) the difference between the taxable value and the base taxable value of the hotel
1958 property on which incremental property tax revenue is collected; and

1959 (B) the number that represents the percentage of the incremental property tax revenue
1960 from that hotel property that is paid to the host local government[~~;~~~~or~~].

1961 [~~(vii) for the State Fair Park Authority created in Section 11-68-201, the taxable value~~
1962 ~~of.~~]

1963 [~~(A) fair park land, as defined in Section 11-68-101, that is subject to a privilege tax~~
1964 ~~under Section 11-68-402; or]~~

1965 [~~(B) personal property located on property that is subject to the privilege tax described~~
1966 ~~in Subsection (1)(n)(vii)(A).]~~

1967 (o) (i) "Locally assessed new growth" means the greater of:

1968 (A) zero; or

1969 (B) the amount calculated by subtracting the year end taxable value of real property the
1970 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,
1971 adjusted for prior year end incremental value from the taxable value of real property the county
1972 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted
1973 for current year incremental value.

1974 (ii) "Locally assessed new growth" does not include a change in:

1975 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or
1976 another adjustment;

1977 (B) assessed value based on whether a property is allowed a residential exemption for a
1978 primary residence under Section 59-2-103;

1979 (C) assessed value based on whether a property is assessed under Part 5, Farmland
1980 Assessment Act; or

- 1981 (D) assessed value based on whether a property is assessed under Part 17, Urban
1982 Farming Assessment Act.
- 1983 (p) "Project area" means:
- 1984 (i) for an authority created under Section 11-58-201, the same as that term is defined in
1985 Section 11-58-102;
- 1986 (ii) for an agency created under Section 17C-1-201.5, the same as that term is defined
1987 in Section 17C-1-102; or
- 1988 (iii) for an authority created under Section 63H-1-201, the same as that term is defined
1989 in Section 63H-1-102.
- 1990 (q) "Project area new growth" means:
- 1991 (i) for an authority created under Section 11-58-201, an amount equal to the
1992 incremental value that is no longer provided to an authority as property tax differential;
- 1993 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
1994 an amount equal to the incremental value that is no longer provided to the Point of the
1995 Mountain State Land Authority as property tax augmentation, as defined in Section 11-59-207;
- 1996 (iii) for an agency created under Section 17C-1-201.5, an amount equal to the
1997 incremental value that is no longer provided to an agency as tax increment;
- 1998 (iv) for an authority created under Section 63H-1-201, an amount equal to the
1999 incremental value that is no longer provided to an authority as property tax allocation; or
- 2000 (v) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part
2001 6, Housing and Transit Reinvestment Zone Act, an amount equal to the incremental value that
2002 is no longer provided to a housing and transit reinvestment zone as tax increment.
- 2003 (r) "Project area incremental revenue" means the same as that term is defined in
2004 Section 17C-1-1001.
- 2005 (s) "Property tax allocation" means the same as that term is defined in Section
2006 63H-1-102.
- 2007 (t) "Property tax differential" means the same as that term is defined in Section
2008 11-58-102.
- 2009 (u) "Qualifying exempt revenue" means revenue received:
- 2010 (i) for the previous calendar year;
- 2011 (ii) by a taxing entity;

2012 (iii) from tangible personal property contained on the prior year's tax rolls that is
2013 exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year beginning on
2014 January 1, 2022; and

2015 (iv) on the aggregate 2021 year end taxable value of the tangible personal property that
2016 exceeds \$15,300.

2017 (v) "Tax increment" means:

2018 (i) for a project created under Section 17C-1-201.5, the same as that term is defined in
2019 Section 17C-1-102; or

2020 (ii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
2021 Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is defined in Section
2022 63N-3-602.

2023 (2) Before June 1 of each year, the county assessor of each county shall deliver to the
2024 county auditor and the commission the following statements:

2025 (a) a statement containing the aggregate valuation of all taxable real property a county
2026 assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and

2027 (b) a statement containing the taxable value of all personal property a county assessor
2028 assesses in accordance with Part 3, County Assessment, from the prior year end values.

2029 (3) The county auditor shall, on or before June 8, transmit to the governing body of
2030 each taxing entity:

2031 (a) the statements described in Subsections (2)(a) and (b);

2032 (b) an estimate of the revenue from personal property;

2033 (c) the certified tax rate; and

2034 (d) all forms necessary to submit a tax levy request.

2035 (4) (a) Except as otherwise provided in this section, the certified tax rate shall be
2036 calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the
2037 prior year minus the qualifying exempt revenue by the amount calculated under Subsection
2038 (4)(b).

2039 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
2040 calculate an amount as follows:

2041 (i) calculate for the taxing entity the difference between:

2042 (A) the aggregate taxable value of all property taxed; and

2043 (B) any adjustments for current year incremental value;

2044 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount

2045 determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the

2046 average of the percentage net change in the value of taxable property for the equalization

2047 period for the three calendar years immediately preceding the current calendar year;

2048 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product

2049 of:

2050 (A) the amount calculated under Subsection (4)(b)(ii); and

2051 (B) the percentage of property taxes collected for the five calendar years immediately

2052 preceding the current calendar year; and

2053 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount

2054 determined by:

2055 (A) multiplying the percentage of property taxes collected for the five calendar years

2056 immediately preceding the current calendar year by eligible new growth; and

2057 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount

2058 calculated under Subsection (4)(b)(iii).

2059 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be

2060 calculated as follows:

2061 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified

2062 tax rate is zero;

2063 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

2064 (i) in a county of the first, second, or third class, the levy imposed for municipal-type

2065 services under Sections 17-34-1 and 17-36-9; and

2066 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county

2067 purposes and such other levies imposed solely for the municipal-type services identified in

2068 Section 17-34-1 and Subsection 17-36-3(23);

2069 (c) for a community reinvestment agency that received all or a portion of a taxing

2070 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10,

2071 Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4)

2072 except that the commission shall treat the total revenue transferred to the community

2073 reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the

2074 prior year; and

2075 (d) for debt service voted on by the public, the certified tax rate is the actual levy
2076 imposed by that section, except that a certified tax rate for the following levies shall be
2077 calculated in accordance with Section 59-2-913 and this section:

2078 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
2079 (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative
2080 orders under Section 59-2-1602.

2081 (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be
2082 imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more
2083 eligible judgments.

2084 (b) The ad valorem property tax revenue generated by a judgment levy described in
2085 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax
2086 rate.

2087 (7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

2088 (i) the taxable value of real property:

2089 (A) the county assessor assesses in accordance with Part 3, County Assessment; and

2090 (B) contained on the assessment roll;

2091 (ii) the year end taxable value of personal property:

2092 (A) a county assessor assesses in accordance with Part 3, County Assessment; and

2093 (B) contained on the prior year's assessment roll; and

2094 (iii) the taxable value of real and personal property the commission assesses in
2095 accordance with Part 2, Assessment of Property.

2096 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
2097 growth.

2098 (8) (a) On or before June 30, a taxing entity shall annually adopt a tentative budget.

2099 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall
2100 notify the county auditor of:

2101 (i) the taxing entity's intent to exceed the certified tax rate; and

2102 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

2103 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
2104 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

2105 (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through
2106 electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim
2107 Committee if:

2108 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
2109 taxable value of the real and personal property the commission assesses in accordance with
2110 Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental
2111 value; and

2112 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end
2113 taxable value of the real and personal property of a taxpayer the commission assesses in
2114 accordance with Part 2, Assessment of Property, for the previous year.

2115 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
2116 subtracting the taxable value of real and personal property the commission assesses in
2117 accordance with Part 2, Assessment of Property, for the current year, adjusted for current year
2118 incremental value, from the year end taxable value of the real and personal property the
2119 commission assesses in accordance with Part 2, Assessment of Property, for the previous year,
2120 adjusted for prior year end incremental value.

2121 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
2122 subtracting the total taxable value of real and personal property of a taxpayer the commission
2123 assesses in accordance with Part 2, Assessment of Property, for the current year, from the total
2124 year end taxable value of the real and personal property of a taxpayer the commission assesses
2125 in accordance with Part 2, Assessment of Property, for the previous year.

2126 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet
2127 the requirement under Subsection (9)(a)(ii).

2128 Section 49. Section **59-4-101** is amended to read:

2129 **59-4-101. Tax basis -- Exceptions -- Assessment and collection -- Designation of**
2130 **person to receive notice.**

2131 (1) (a) Except as provided in Subsections (1)(b), (1)(c), and (3), a tax is imposed on the
2132 possession or other beneficial use enjoyed by any person of any real or personal property that is
2133 exempt for any reason from taxation, if that property is used in connection with a business
2134 conducted for profit.

2135 (b) Any interest remaining in the state in state lands after subtracting amounts paid or

2136 due in part payment of the purchase price as provided in Subsection 59-2-1103(2)(b)(i) under a
2137 contract of sale is subject to taxation under this chapter regardless of whether the property is
2138 used in connection with a business conducted for profit.

2139 (c) The tax imposed under Subsection (1)(a) does not apply to property exempt from
2140 taxation under Section 59-2-1114.

2141 (2) (a) The tax imposed under this chapter is the same amount that the ad valorem
2142 property tax would be if the possessor or user were the owner of the property.

2143 (b) The amount of any payments that are made in lieu of taxes is credited against the
2144 tax imposed on the beneficial use of property owned by the federal government.

2145 (3) A tax is not imposed under this chapter on the following:

2146 (a) the use of property that is a concession in, or relative to, the use of a public airport,
2147 park, fairground, or similar property that is available as a matter of right to the use of the
2148 general public;

2149 (b) the use or possession of property by a religious, educational, or charitable
2150 organization;

2151 (c) the use or possession of property if the revenue generated by the possessor or user
2152 of the property through its possession or use of the property inures only to the benefit of a
2153 religious, educational, or charitable organization and not to the benefit of any other person;

2154 (d) the possession or other beneficial use of public land occupied under the terms of an
2155 agricultural lease or permit issued by the United States or this state;

2156 (e) the use or possession of any lease, permit, or easement unless the lease, permit, or
2157 easement entitles the lessee or permittee to exclusive possession of the premises to which the
2158 lease, permit, or easement relates;

2159 (f) the use or possession of property by a public agency, as defined in Section
2160 11-13-103, to the extent that the ownership interest of the public agency in that property is
2161 subject to a fee in lieu of ad valorem property tax under Section 11-13-302; or

2162 (g) the possession or beneficial use of public property as a tollway by a private entity
2163 through a tollway development agreement as defined in Section 72-6-202.

2164 (4) For purposes of Subsection (3)(e):

2165 (a) every lessee, permittee, or other holder of a right to remove or extract the mineral
2166 covered by the holder's lease, right permit, or easement, except from brines of the Great Salt

2167 Lake, is considered to be in possession of the premises, regardless of whether another party has
2168 a similar right to remove or extract another mineral from the same property; and

2169 (b) a lessee, permittee, or holder of an easement still has exclusive possession of the
2170 premises if the owner has the right to enter the premises, approve leasehold improvements, or
2171 inspect the premises.

2172 (5) A tax imposed under this chapter is assessed to the possessors or users of the
2173 property on the same forms, and collected and, subject to ~~[Subsection 11-68-402(2)]~~ Section
2174 11-70-203, distributed at the same time and in the same manner, as taxes assessed owners,
2175 possessors, or other claimants of property that is subject to ad valorem property taxation. The
2176 tax is not a lien against the property, and no tax-exempt property may be attached, encumbered,
2177 sold, or otherwise affected for the collection of the tax.

2178 (6) (a) (i) Except as provided in Subsection (6)(a)(ii), if a governmental entity is
2179 required under this chapter to send information or notice to a person, the governmental entity
2180 shall send the information or notice to:

2181 (A) the person required under the applicable provision of this chapter; and

2182 (B) each person designated in accordance with Subsection (6)(b) by the person
2183 described in Subsection (6)(a)(i)(A).

2184 (ii) If a governmental entity is required under Section 59-2-919.1 or 59-2-1317 to send
2185 information or notice to a person, the governmental entity shall send the information or notice
2186 to:

2187 (A) the person required under the applicable section; or

2188 (B) one person designated in accordance with Subsection (6)(b) by the person
2189 described in Subsection (6)(a)(ii)(A).

2190 (b) (i) A person to whom a governmental entity is required under this chapter to send
2191 information or notice may designate a person to receive the information or notice in accordance
2192 with Subsection (6)(a).

2193 (ii) To make a designation described in Subsection (6)(b)(i), the person shall submit a
2194 written request to the governmental entity on a form prescribed by the commission.

2195 (c) A person who makes a designation described in Subsection (6)(b) may revoke the
2196 designation by submitting a written request to the governmental entity on a form prescribed by
2197 the commission.

2198 (7) Sections 59-2-301.1 through 59-2-301.7 apply for purposes of assessing a tax under
2199 this chapter.

2200 Section 50. Section 59-10-544 is amended to read:

2201 **59-10-544. General powers and duties of the commission -- Deposit, distribution,**
2202 **or credit of revenues -- Refund reverts to state under certain circumstances.**

2203 (1) (a) The commission shall administer and enforce a tax imposed under this chapter
2204 for which purpose it may divide the state into districts in each of which a branch office of the
2205 commission may be maintained.

2206 (b) A county may not be divided in forming a district.

2207 (2) (a) The commission shall deposit at least quarterly all revenue collected or received
2208 by the commission under this chapter with the state treasurer.

2209 (b) Subject to Sections 59-10-529 and 59-10-531, the commission shall distribute and
2210 credit, at least quarterly and based on a pro rata share of Income Tax Fund and Uniform School
2211 Fund appropriations for the current fiscal year, the revenue described in Subsection (2)(a) to:

2212 (i) the Income Tax Fund; and

2213 (ii) the Uniform School Fund in accordance with Section 53F-9-201.1.

2214 (c) The commission may credit to or draw from the Income Tax Fund and the Uniform
2215 School Fund:

2216 (i) annually to adjust for differences between estimates and actual amounts; or

2217 (ii) in the proportion described in Subsection (2)(b) to issue a refund.

2218 (d) If a refund the commission makes is not claimed within two years from the date the
2219 commission issues the refund:

2220 (i) the refund reverts to the state to be credited to the Income Tax Fund; and

2221 (ii) no further claim may be made on the commission for the amount of the refund.

2222 (3) (a) As used in this Subsection (3):

2223 (i) "Fairpark district area" means the area within the fairpark district boundary, as
2224 defined in Section 11-70-101.

2225 (ii) "Nonresident professional athlete" means a nonresident individual who:

2226 (A) is a professional athlete; and

2227 (B) earns income that is taxable under Section 59-10-116 while engaged in
2228 professional sports competition within the fairpark district area.

2229 (b) Notwithstanding any other provision of this section, the commission shall deposit
2230 into the Funding for At-risk Student Account, created in Section 53F-9-207, all income tax
2231 revenue generated from nonresident professional athletes.

2232 Section 51. Section **59-12-104** is amended to read:

2233 **59-12-104. Exemptions.**

2234 Exemptions from the taxes imposed by this chapter are as follows:

2235 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
2236 under Chapter 13, Motor and Special Fuel Tax Act;

2237 (2) subject to Section [59-12-104.6](#), sales to the state, its institutions, and its political
2238 subdivisions; however, this exemption does not apply to sales of:

2239 (a) construction materials except:

2240 (i) construction materials purchased by or on behalf of institutions of the public
2241 education system as defined in Utah Constitution, Article X, Section 2, provided the
2242 construction materials are clearly identified and segregated and installed or converted to real
2243 property which is owned by institutions of the public education system; and

2244 (ii) construction materials purchased by the state, its institutions, or its political
2245 subdivisions which are installed or converted to real property by employees of the state, its
2246 institutions, or its political subdivisions; or

2247 (b) tangible personal property in connection with the construction, operation,
2248 maintenance, repair, or replacement of a project, as defined in Section [11-13-103](#), or facilities
2249 providing additional project capacity, as defined in Section [11-13-103](#);

2250 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:

2251 (i) the proceeds of each sale do not exceed \$1; and

2252 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
2253 the cost of the item described in Subsection (3)(b) as goods consumed; and

2254 (b) Subsection (3)(a) applies to:

2255 (i) food and food ingredients; or

2256 (ii) prepared food;

2257 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:

2258 (i) alcoholic beverages;

2259 (ii) food and food ingredients; or

- 2260 (iii) prepared food;
- 2261 (b) sales of tangible personal property or a product transferred electronically:
- 2262 (i) to a passenger;
- 2263 (ii) by a commercial airline carrier; and
- 2264 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 2265 (c) services related to Subsection (4)(a) or (b);
- 2266 (5) sales of parts and equipment for installation in an aircraft operated by a common
- 2267 carrier in interstate or foreign commerce;
- 2268 (6) sales of commercials, motion picture films, prerecorded audio program tapes or
- 2269 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture
- 2270 exhibitor, distributor, or commercial television or radio broadcaster;
- 2271 (7) (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of
- 2272 cleaning or washing of tangible personal property if the cleaning or washing of the tangible
- 2273 personal property is not assisted cleaning or washing of tangible personal property;
- 2274 (b) if a seller that sells at the same business location assisted cleaning or washing of
- 2275 tangible personal property and cleaning or washing of tangible personal property that is not
- 2276 assisted cleaning or washing of tangible personal property, the exemption described in
- 2277 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning
- 2278 or washing of the tangible personal property; and
- 2279 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,
- 2280 Utah Administrative Rulemaking Act, the commission may make rules:
- 2281 (i) governing the circumstances under which sales are at the same business location;
- 2282 and
- 2283 (ii) establishing the procedures and requirements for a seller to separately account for
- 2284 sales of assisted cleaning or washing of tangible personal property;
- 2285 (8) sales made to or by religious or charitable institutions in the conduct of their regular
- 2286 religious or charitable functions and activities, if the requirements of Section [59-12-104.1](#) are
- 2287 fulfilled;
- 2288 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of
- 2289 this state if:
- 2290 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;

- 2291 (b) the vehicle is not registered in this state; and
- 2292 (c) (i) the vehicle is not used in this state; or
- 2293 (ii) the vehicle is used in this state:
- 2294 (A) if the vehicle is not used to conduct business, for a time period that does not
- 2295 exceed the longer of:
- 2296 (I) 30 days in any calendar year; or
- 2297 (II) the time period necessary to transport the vehicle to the borders of this state; or
- 2298 (B) if the vehicle is used to conduct business, for the time period necessary to transport
- 2299 the vehicle to the borders of this state;
- 2300 (10) (a) amounts paid for an item described in Subsection (10)(b) if:
- 2301 (i) the item is intended for human use; and
- 2302 (ii) (A) a prescription was issued for the item; or
- 2303 (B) the item was purchased by a hospital or other medical facility; and
- 2304 (b) (i) Subsection (10)(a) applies to:
- 2305 (A) a drug;
- 2306 (B) a syringe; or
- 2307 (C) a stoma supply; and
- 2308 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2309 commission may by rule define the terms:
- 2310 (A) "syringe"; or
- 2311 (B) "stoma supply";
- 2312 (11) purchases or leases exempt under Section [19-12-201](#);
- 2313 (12) (a) sales of an item described in Subsection (12)(c) served by:
- 2314 (i) the following if the item described in Subsection (12)(c) is not available to the
- 2315 general public:
- 2316 (A) a church; or
- 2317 (B) a charitable institution; or
- 2318 (ii) an institution of higher education if:
- 2319 (A) the item described in Subsection (12)(c) is not available to the general public; or
- 2320 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan
- 2321 offered by the institution of higher education; or

- 2322 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 2323 (i) a medical facility; or
- 2324 (ii) a nursing facility; and
- 2325 (c) Subsections (12)(a) and (b) apply to:
- 2326 (i) food and food ingredients;
- 2327 (ii) prepared food; or
- 2328 (iii) alcoholic beverages;
- 2329 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
- 2330 or a product transferred electronically by a person:
- 2331 (i) regardless of the number of transactions involving the sale of that tangible personal
- 2332 property or product transferred electronically by that person; and
- 2333 (ii) not regularly engaged in the business of selling that type of tangible personal
- 2334 property or product transferred electronically;
- 2335 (b) this Subsection (13) does not apply if:
- 2336 (i) the sale is one of a series of sales of a character to indicate that the person is
- 2337 regularly engaged in the business of selling that type of tangible personal property or product
- 2338 transferred electronically;
- 2339 (ii) the person holds that person out as regularly engaged in the business of selling that
- 2340 type of tangible personal property or product transferred electronically;
- 2341 (iii) the person sells an item of tangible personal property or product transferred
- 2342 electronically that the person purchased as a sale that is exempt under Subsection (25); or
- 2343 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of
- 2344 this state in which case the tax is based upon:
- 2345 (A) the bill of sale, lease agreement, or other written evidence of value of the vehicle or
- 2346 vessel being sold; or
- 2347 (B) in the absence of a bill of sale, lease agreement, or other written evidence of value,
- 2348 the fair market value of the vehicle or vessel being sold at the time of the sale as determined by
- 2349 the commission; and
- 2350 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2351 commission shall make rules establishing the circumstances under which:
- 2352 (i) a person is regularly engaged in the business of selling a type of tangible personal

2353 property or product transferred electronically;

2354 (ii) a sale of tangible personal property or a product transferred electronically is one of
2355 a series of sales of a character to indicate that a person is regularly engaged in the business of
2356 selling that type of tangible personal property or product transferred electronically; or

2357 (iii) a person holds that person out as regularly engaged in the business of selling a type
2358 of tangible personal property or product transferred electronically;

2359 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal
2360 operating repair or replacement parts, or materials, except for office equipment or office
2361 supplies, by:

2362 (a) a manufacturing facility that:

2363 (i) is located in the state; and

2364 (ii) uses or consumes the machinery, equipment, normal operating repair or
2365 replacement parts, or materials:

2366 (A) in the manufacturing process to manufacture an item sold as tangible personal
2367 property, as the commission may define that phrase in accordance with Title 63G, Chapter 3,
2368 Utah Administrative Rulemaking Act; or

2369 (B) for a scrap recycler, to process an item sold as tangible personal property, as the
2370 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
2371 Administrative Rulemaking Act;

2372 (b) an establishment, as the commission defines that term in accordance with Title
2373 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

2374 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
2375 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal
2376 Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the
2377 2002 North American Industry Classification System of the federal Executive Office of the
2378 President, Office of Management and Budget;

2379 (ii) is located in the state; and

2380 (iii) uses or consumes the machinery, equipment, normal operating repair or
2381 replacement parts, or materials in:

2382 (A) the production process to produce an item sold as tangible personal property, as the
2383 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah

2384 Administrative Rulemaking Act;

2385 (B) research and development, as the commission may define that phrase in accordance
2386 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

2387 (C) transporting, storing, or managing tailings, overburden, or similar waste materials
2388 produced from mining;

2389 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in
2390 mining; or

2391 (E) preventing, controlling, or reducing dust or other pollutants from mining; or

2392 (c) an establishment, as the commission defines that term in accordance with Title
2393 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

2394 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
2395 American Industry Classification System of the federal Executive Office of the President,
2396 Office of Management and Budget;

2397 (ii) is located in the state; and

2398 (iii) uses or consumes the machinery, equipment, normal operating repair or
2399 replacement parts, or materials in the operation of the web search portal;

2400 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:

2401 (i) tooling;

2402 (ii) special tooling;

2403 (iii) support equipment;

2404 (iv) special test equipment; or

2405 (v) parts used in the repairs or renovations of tooling or equipment described in
2406 Subsections (15)(a)(i) through (iv); and

2407 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:

2408 (i) the tooling, equipment, or parts are used or consumed exclusively in the
2409 performance of any aerospace or electronics industry contract with the United States
2410 government or any subcontract under that contract; and

2411 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
2412 title to the tooling, equipment, or parts is vested in the United States government as evidenced
2413 by:

2414 (A) a government identification tag placed on the tooling, equipment, or parts; or

2415 (B) listing on a government-approved property record if placing a government
2416 identification tag on the tooling, equipment, or parts is impractical;

2417 (16) sales of newspapers or newspaper subscriptions;

2418 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a
2419 product transferred electronically traded in as full or part payment of the purchase price, except
2420 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,
2421 trade-ins are limited to other vehicles only, and the tax is based upon:

2422 (i) the bill of sale or other written evidence of value of the vehicle being sold and the
2423 vehicle being traded in; or

2424 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
2425 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the
2426 commission; and

2427 (b) Subsection (17)(a) does not apply to the following items of tangible personal
2428 property or products transferred electronically traded in as full or part payment of the purchase
2429 price:

2430 (i) money;

2431 (ii) electricity;

2432 (iii) water;

2433 (iv) gas; or

2434 (v) steam;

2435 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property
2436 or a product transferred electronically used or consumed primarily and directly in farming
2437 operations, regardless of whether the tangible personal property or product transferred
2438 electronically:

2439 (A) becomes part of real estate; or

2440 (B) is installed by a farmer, contractor, or subcontractor; or

2441 (ii) sales of parts used in the repairs or renovations of tangible personal property or a
2442 product transferred electronically if the tangible personal property or product transferred
2443 electronically is exempt under Subsection (18)(a)(i); and

2444 (b) amounts paid or charged for the following are subject to the taxes imposed by this
2445 chapter:

2446 (i) (A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or
2447 supplies if used in a manner that is incidental to farming; and
2448 (B) tangible personal property that is considered to be used in a manner that is
2449 incidental to farming includes:
2450 (I) hand tools; or
2451 (II) maintenance and janitorial equipment and supplies;
2452 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product
2453 transferred electronically if the tangible personal property or product transferred electronically
2454 is used in an activity other than farming; and
2455 (B) tangible personal property or a product transferred electronically that is considered
2456 to be used in an activity other than farming includes:
2457 (I) office equipment and supplies; or
2458 (II) equipment and supplies used in:
2459 (Aa) the sale or distribution of farm products;
2460 (Bb) research; or
2461 (Cc) transportation; or
2462 (iii) a vehicle required to be registered by the laws of this state during the period
2463 ending two years after the date of the vehicle's purchase;
2464 (19) sales of hay;
2465 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or
2466 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
2467 garden, farm, or other agricultural produce is sold by:
2468 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
2469 agricultural produce;
2470 (b) an employee of the producer described in Subsection (20)(a); or
2471 (c) a member of the immediate family of the producer described in Subsection (20)(a);
2472 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued
2473 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;;
2474 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
2475 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
2476 wholesaler, or retailer for use in packaging tangible personal property to be sold by that

2477 manufacturer, processor, wholesaler, or retailer;

2478 (23) a product stored in the state for resale;

2479 (24) (a) purchases of a product if:

2480 (i) the product is:

2481 (A) purchased outside of this state;

2482 (B) brought into this state:

2483 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and

2484 (II) by a nonresident person who is not living or working in this state at the time of the

2485 purchase;

2486 (C) used for the personal use or enjoyment of the nonresident person described in

2487 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and

2488 (D) not used in conducting business in this state; and

2489 (ii) for:

2490 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of

2491 the product for a purpose for which the product is designed occurs outside of this state;

2492 (B) a boat, the boat is registered outside of this state; or

2493 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered

2494 outside of this state;

2495 (b) the exemption provided for in Subsection (24)(a) does not apply to:

2496 (i) a lease or rental of a product; or

2497 (ii) a sale of a vehicle exempt under Subsection (33); and

2498 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for

2499 purposes of Subsection (24)(a), the commission may by rule define what constitutes the

2500 following:

2501 (i) conducting business in this state if that phrase has the same meaning in this

2502 Subsection (24) as in Subsection (63);

2503 (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)

2504 as in Subsection (63); or

2505 (iii) a purpose for which a product is designed if that phrase has the same meaning in

2506 this Subsection (24) as in Subsection (63);

2507 (25) a product purchased for resale in the regular course of business, either in its

2508 original form or as an ingredient or component part of a manufactured or compounded product;

2509 (26) a product upon which a sales or use tax was paid to some other state, or one of its
2510 subdivisions, except that the state shall be paid any difference between the tax paid and the tax
2511 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if
2512 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax
2513 Act;

2514 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a
2515 person for use in compounding a service taxable under the subsections;

2516 (28) purchases made in accordance with the special supplemental nutrition program for
2517 women, infants, and children established in 42 U.S.C. Sec. 1786;

2518 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other
2519 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code
2520 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of
2521 the President, Office of Management and Budget;

2522 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
2523 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:

2524 (a) not registered in this state; and

2525 (b) (i) not used in this state; or

2526 (ii) used in this state:

2527 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a
2528 time period that does not exceed the longer of:

2529 (I) 30 days in any calendar year; or

2530 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to
2531 the borders of this state; or

2532 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time
2533 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this
2534 state;

2535 (31) sales of aircraft manufactured in Utah;

2536 (32) amounts paid for the purchase of telecommunications service for purposes of
2537 providing telecommunications service;

2538 (33) sales, leases, or uses of the following:

- 2539 (a) a vehicle by an authorized carrier; or
- 2540 (b) tangible personal property that is installed on a vehicle:
- 2541 (i) sold or leased to or used by an authorized carrier; and
- 2542 (ii) before the vehicle is placed in service for the first time;
- 2543 (34) (a) 45% of the sales price of any new manufactured home; and
- 2544 (b) 100% of the sales price of any used manufactured home;
- 2545 (35) sales relating to schools and fundraising sales;
- 2546 (36) sales or rentals of durable medical equipment if:
- 2547 (a) a person presents a prescription for the durable medical equipment; and
- 2548 (b) the durable medical equipment is used for home use only;
- 2549 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
- 2550 Section [72-11-102](#); and
- 2551 (b) the commission shall by rule determine the method for calculating sales exempt
- 2552 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;
- 2553 (38) sales to a ski resort of:
- 2554 (a) snowmaking equipment;
- 2555 (b) ski slope grooming equipment;
- 2556 (c) passenger ropeways as defined in Section [72-11-102](#); or
- 2557 (d) parts used in the repairs or renovations of equipment or passenger ropeways
- 2558 described in Subsections (38)(a) through (c);
- 2559 (39) subject to Subsection [59-12-103\(2\)\(j\)](#), sales of natural gas, electricity, heat, coal,
- 2560 fuel oil, or other fuels for industrial use;
- 2561 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
- 2562 amusement, entertainment, or recreation an unassisted amusement device as defined in Section
- 2563 [59-12-102](#);
- 2564 (b) if a seller that sells or rents at the same business location the right to use or operate
- 2565 for amusement, entertainment, or recreation one or more unassisted amusement devices and
- 2566 one or more assisted amusement devices, the exemption described in Subsection (40)(a)
- 2567 applies if the seller separately accounts for the sales or rentals of the right to use or operate for
- 2568 amusement, entertainment, or recreation for the assisted amusement devices; and
- 2569 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,

2570 Utah Administrative Rulemaking Act, the commission may make rules:

2571 (i) governing the circumstances under which sales are at the same business location;

2572 and

2573 (ii) establishing the procedures and requirements for a seller to separately account for
2574 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for
2575 assisted amusement devices;

2576 (41) (a) sales of photocopies by:

2577 (i) a governmental entity; or

2578 (ii) an entity within the state system of public education, including:

2579 (A) a school; or

2580 (B) the State Board of Education; or

2581 (b) sales of publications by a governmental entity;

2582 (42) amounts paid for admission to an athletic event at an institution of higher
2583 education that is subject to the provisions of Title IX of the Education Amendments of 1972,
2584 20 U.S.C. Sec. 1681 et seq.;

2585 (43) (a) sales made to or by:

2586 (i) an area agency on aging; or

2587 (ii) a senior citizen center owned by a county, city, or town; or

2588 (b) sales made by a senior citizen center that contracts with an area agency on aging;

2589 (44) sales or leases of semiconductor fabricating, processing, research, or development
2590 materials regardless of whether the semiconductor fabricating, processing, research, or
2591 development materials:

2592 (a) actually come into contact with a semiconductor; or

2593 (b) ultimately become incorporated into real property;

2594 (45) an amount paid by or charged to a purchaser for accommodations and services
2595 described in Subsection [59-12-103\(1\)\(i\)](#) to the extent the amount is exempt under Section
2596 [59-12-104.2](#);

2597 (46) the lease or use of a vehicle issued a temporary sports event registration certificate
2598 in accordance with Section [41-3-306](#) for the event period specified on the temporary sports
2599 event registration certificate;

2600 (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff

2601 adopted by the Public Service Commission only for purchase of electricity produced from a
2602 new alternative energy source built after January 1, 2016, as designated in the tariff by the
2603 Public Service Commission; and

2604 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
2605 only to the portion of the tariff rate a customer pays under the tariff described in Subsection
2606 (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the
2607 customer would have paid absent the tariff;

2608 (48) sales or rentals of mobility enhancing equipment if a person presents a
2609 prescription for the mobility enhancing equipment;

2610 (49) sales of water in a:

2611 (a) pipe;

2612 (b) conduit;

2613 (c) ditch; or

2614 (d) reservoir;

2615 (50) sales of currency or coins that constitute legal tender of a state, the United States,
2616 or a foreign nation;

2617 (51) (a) sales of an item described in Subsection (51)(b) if the item:

2618 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and

2619 (ii) has a gold, silver, or platinum content of 50% or more; and

2620 (b) Subsection (51)(a) applies to a gold, silver, or platinum:

2621 (i) ingot;

2622 (ii) bar;

2623 (iii) medallion; or

2624 (iv) decorative coin;

2625 (52) amounts paid on a sale-leaseback transaction;

2626 (53) sales of a prosthetic device:

2627 (a) for use on or in a human; and

2628 (b) (i) for which a prescription is required; or

2629 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

2630 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of

2631 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery

2632 or equipment is primarily used in the production or postproduction of the following media for
2633 commercial distribution:

- 2634 (i) a motion picture;
- 2635 (ii) a television program;
- 2636 (iii) a movie made for television;
- 2637 (iv) a music video;
- 2638 (v) a commercial;
- 2639 (vi) a documentary; or
- 2640 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
2641 commission by administrative rule made in accordance with Subsection (54)(d); or

2642 (b) purchases, leases, or rentals of machinery or equipment by an establishment
2643 described in Subsection (54)(c) that is used for the production or postproduction of the
2644 following are subject to the taxes imposed by this chapter:

- 2645 (i) a live musical performance;
- 2646 (ii) a live news program; or
- 2647 (iii) a live sporting event;
- 2648 (c) the following establishments listed in the 1997 North American Industry
2649 Classification System of the federal Executive Office of the President, Office of Management
2650 and Budget, apply to Subsections (54)(a) and (b):

- 2651 (i) NAICS Code 512110; or
- 2652 (ii) NAICS Code 51219; and
- 2653 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2654 commission may by rule:

2655 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);

2656 or

- 2657 (ii) define:
 - 2658 (A) "commercial distribution";
 - 2659 (B) "live musical performance";
 - 2660 (C) "live news program"; or
 - 2661 (D) "live sporting event";

2662 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but

2663 on or before June 30, 2027, of tangible personal property that:

2664 (i) is leased or purchased for or by a facility that:

2665 (A) is an alternative energy electricity production facility;

2666 (B) is located in the state; and

2667 (C) (I) becomes operational on or after July 1, 2004; or

2668 (II) has its generation capacity increased by one or more megawatts on or after July 1,

2669 2004, as a result of the use of the tangible personal property;

2670 (ii) has an economic life of five or more years; and

2671 (iii) is used to make the facility or the increase in capacity of the facility described in

2672 Subsection (55)(a)(i) operational up to the point of interconnection with an existing

2673 transmission grid including:

2674 (A) a wind turbine;

2675 (B) generating equipment;

2676 (C) a control and monitoring system;

2677 (D) a power line;

2678 (E) substation equipment;

2679 (F) lighting;

2680 (G) fencing;

2681 (H) pipes; or

2682 (I) other equipment used for locating a power line or pole; and

2683 (b) this Subsection (55) does not apply to:

2684 (i) tangible personal property used in construction of:

2685 (A) a new alternative energy electricity production facility; or

2686 (B) the increase in the capacity of an alternative energy electricity production facility;

2687 (ii) contracted services required for construction and routine maintenance activities;

2688 and

2689 (iii) unless the tangible personal property is used or acquired for an increase in capacity

2690 of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or

2691 acquired after:

2692 (A) the alternative energy electricity production facility described in Subsection

2693 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or

2694 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described
2695 in Subsection (55)(a)(iii);

2696 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but
2697 on or before June 30, 2027, of tangible personal property that:

2698 (i) is leased or purchased for or by a facility that:

2699 (A) is a waste energy production facility;

2700 (B) is located in the state; and

2701 (C) (I) becomes operational on or after July 1, 2004; or

2702 (II) has its generation capacity increased by one or more megawatts on or after July 1,
2703 2004, as a result of the use of the tangible personal property;

2704 (ii) has an economic life of five or more years; and

2705 (iii) is used to make the facility or the increase in capacity of the facility described in
2706 Subsection (56)(a)(i) operational up to the point of interconnection with an existing
2707 transmission grid including:

2708 (A) generating equipment;

2709 (B) a control and monitoring system;

2710 (C) a power line;

2711 (D) substation equipment;

2712 (E) lighting;

2713 (F) fencing;

2714 (G) pipes; or

2715 (H) other equipment used for locating a power line or pole; and

2716 (b) this Subsection (56) does not apply to:

2717 (i) tangible personal property used in construction of:

2718 (A) a new waste energy facility; or

2719 (B) the increase in the capacity of a waste energy facility;

2720 (ii) contracted services required for construction and routine maintenance activities;

2721 and

2722 (iii) unless the tangible personal property is used or acquired for an increase in capacity
2723 described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:

2724 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as

2725 described in Subsection (56)(a)(iii); or
2726 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described
2727 in Subsection (56)(a)(iii);
2728 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on
2729 or before June 30, 2027, of tangible personal property that:
2730 (i) is leased or purchased for or by a facility that:
2731 (A) is located in the state;
2732 (B) produces fuel from alternative energy, including:
2733 (I) methanol; or
2734 (II) ethanol; and
2735 (C) (I) becomes operational on or after July 1, 2004; or
2736 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as
2737 a result of the installation of the tangible personal property;
2738 (ii) has an economic life of five or more years; and
2739 (iii) is installed on the facility described in Subsection (57)(a)(i);
2740 (b) this Subsection (57) does not apply to:
2741 (i) tangible personal property used in construction of:
2742 (A) a new facility described in Subsection (57)(a)(i); or
2743 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or
2744 (ii) contracted services required for construction and routine maintenance activities;
2745 and
2746 (iii) unless the tangible personal property is used or acquired for an increase in capacity
2747 described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:
2748 (A) the facility described in Subsection (57)(a)(i) is operational; or
2749 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
2750 (58) (a) subject to Subsection (58)(b), sales of tangible personal property or a product
2751 transferred electronically to a person within this state if that tangible personal property or
2752 product transferred electronically is subsequently shipped outside the state and incorporated
2753 pursuant to contract into and becomes a part of real property located outside of this state; and
2754 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
2755 state or political entity to which the tangible personal property is shipped imposes a sales, use,

2756 gross receipts, or other similar transaction excise tax on the transaction against which the other
2757 state or political entity allows a credit for sales and use taxes imposed by this chapter;

2758 (59) purchases:

2759 (a) of one or more of the following items in printed or electronic format:

2760 (i) a list containing information that includes one or more:

2761 (A) names; or

2762 (B) addresses; or

2763 (ii) a database containing information that includes one or more:

2764 (A) names; or

2765 (B) addresses; and

2766 (b) used to send direct mail;

2767 (60) redemptions or repurchases of a product by a person if that product was:

2768 (a) delivered to a pawnbroker as part of a pawn transaction; and

2769 (b) redeemed or repurchased within the time period established in a written agreement

2770 between the person and the pawnbroker for redeeming or repurchasing the product;

2771 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:

2772 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;

2773 and

2774 (ii) has a useful economic life of one or more years; and

2775 (b) the following apply to Subsection (61)(a):

2776 (i) telecommunications enabling or facilitating equipment, machinery, or software;

2777 (ii) telecommunications equipment, machinery, or software required for 911 service;

2778 (iii) telecommunications maintenance or repair equipment, machinery, or software;

2779 (iv) telecommunications switching or routing equipment, machinery, or software; or

2780 (v) telecommunications transmission equipment, machinery, or software;

2781 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible

2782 personal property or a product transferred electronically that are used in the research and

2783 development of alternative energy technology; and

2784 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

2785 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes

2786 purchases of tangible personal property or a product transferred electronically that are used in

2787 the research and development of alternative energy technology;

2788 (63) (a) purchases of tangible personal property or a product transferred electronically

2789 if:

2790 (i) the tangible personal property or product transferred electronically is:

2791 (A) purchased outside of this state;

2792 (B) brought into this state at any time after the purchase described in Subsection

2793 (63)(a)(i)(A); and

2794 (C) used in conducting business in this state; and

2795 (ii) for:

2796 (A) tangible personal property or a product transferred electronically other than the

2797 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property

2798 for a purpose for which the property is designed occurs outside of this state; or

2799 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered

2800 outside of this state and not required to be registered in this state under Section [41-1a-202](#) or

2801 [73-18-9](#) based on residency;

2802 (b) the exemption provided for in Subsection (63)(a) does not apply to:

2803 (i) a lease or rental of tangible personal property or a product transferred electronically;

2804 or

2805 (ii) a sale of a vehicle exempt under Subsection (33); and

2806 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for

2807 purposes of Subsection (63)(a), the commission may by rule define what constitutes the

2808 following:

2809 (i) conducting business in this state if that phrase has the same meaning in this

2810 Subsection (63) as in Subsection (24);

2811 (ii) the first use of tangible personal property or a product transferred electronically if

2812 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or

2813 (iii) a purpose for which tangible personal property or a product transferred

2814 electronically is designed if that phrase has the same meaning in this Subsection (63) as in

2815 Subsection (24);

2816 (64) sales of disposable home medical equipment or supplies if:

2817 (a) a person presents a prescription for the disposable home medical equipment or

2818 supplies;

2819 (b) the disposable home medical equipment or supplies are used exclusively by the

2820 person to whom the prescription described in Subsection (64)(a) is issued; and

2821 (c) the disposable home medical equipment and supplies are listed as eligible for

2822 payment under:

2823 (i) Title XVIII, federal Social Security Act; or

2824 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

2825 (65) sales:

2826 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit

2827 District Act; or

2828 (b) of tangible personal property to a subcontractor of a public transit district, if the

2829 tangible personal property is:

2830 (i) clearly identified; and

2831 (ii) installed or converted to real property owned by the public transit district;

2832 (66) sales of construction materials:

2833 (a) purchased on or after July 1, 2010;

2834 (b) purchased by, on behalf of, or for the benefit of an international airport:

2835 (i) located within a county of the first class; and

2836 (ii) that has a United States customs office on its premises; and

2837 (c) if the construction materials are:

2838 (i) clearly identified;

2839 (ii) segregated; and

2840 (iii) installed or converted to real property:

2841 (A) owned or operated by the international airport described in Subsection (66)(b); and

2842 (B) located at the international airport described in Subsection (66)(b);

2843 (67) sales of construction materials:

2844 (a) purchased on or after July 1, 2008;

2845 (b) purchased by, on behalf of, or for the benefit of a new airport:

2846 (i) located within a county of the second class; and

2847 (ii) that is owned or operated by a city in which an airline as defined in Section

2848 [59-2-102](#) is headquartered; and

2849 (c) if the construction materials are:
2850 (i) clearly identified;
2851 (ii) segregated; and
2852 (iii) installed or converted to real property:
2853 (A) owned or operated by the new airport described in Subsection (67)(b);
2854 (B) located at the new airport described in Subsection (67)(b); and
2855 (C) as part of the construction of the new airport described in Subsection (67)(b);
2856 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a
2857 common carrier that is a railroad for use in a locomotive engine;
2858 (69) purchases and sales described in Section 63H-4-111;
2859 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and
2860 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of
2861 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
2862 lists a state or country other than this state as the location of registry of the fixed wing turbine
2863 powered aircraft; or
2864 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
2865 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of
2866 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
2867 lists a state or country other than this state as the location of registry of the fixed wing turbine
2868 powered aircraft;
2869 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
2870 (a) to a person admitted to an institution of higher education; and
2871 (b) by a seller, other than a bookstore owned by an institution of higher education, if
2872 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a
2873 textbook for a higher education course;
2874 (72) a license fee or tax a municipality imposes in accordance with Subsection
2875 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced
2876 level of municipal services;
2877 (73) amounts paid or charged for construction materials used in the construction of a
2878 new or expanding life science research and development facility in the state, if the construction
2879 materials are:

- 2880 (a) clearly identified;
- 2881 (b) segregated; and
- 2882 (c) installed or converted to real property;
- 2883 (74) amounts paid or charged for:
 - 2884 (a) a purchase or lease of machinery and equipment that:
 - 2885 (i) are used in performing qualified research:
 - 2886 (A) as defined in Section 41(d), Internal Revenue Code; and
 - 2887 (B) in the state; and
 - 2888 (ii) have an economic life of three or more years; and
 - 2889 (b) normal operating repair or replacement parts:
 - 2890 (i) for the machinery and equipment described in Subsection (74)(a); and
 - 2891 (ii) that have an economic life of three or more years;
 - 2892 (75) a sale or lease of tangible personal property used in the preparation of prepared
 - 2893 food if:
 - 2894 (a) for a sale:
 - 2895 (i) the ownership of the seller and the ownership of the purchaser are identical; and
 - 2896 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
 - 2897 tangible personal property prior to making the sale; or
 - 2898 (b) for a lease:
 - 2899 (i) the ownership of the lessor and the ownership of the lessee are identical; and
 - 2900 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible
 - 2901 personal property prior to making the lease;
 - 2902 (76) (a) purchases of machinery or equipment if:
 - 2903 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
 - 2904 Gambling, and Recreation Industries, of the 2012 North American Industry Classification
 - 2905 System of the federal Executive Office of the President, Office of Management and Budget;
 - 2906 (ii) the machinery or equipment:
 - 2907 (A) has an economic life of three or more years; and
 - 2908 (B) is used by one or more persons who pay admission or user fees described in
 - 2909 Subsection [59-12-103\(1\)\(f\)](#) to the purchaser of the machinery and equipment; and
 - 2910 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:

- 2911 (A) amounts paid or charged as admission or user fees described in Subsection
2912 [59-12-103\(1\)\(f\)](#); and
- 2913 (B) subject to taxation under this chapter; and
- 2914 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2915 commission may make rules for verifying that 51% of a purchaser's sales revenue for the
2916 previous calendar quarter is:
- 2917 (i) amounts paid or charged as admission or user fees described in Subsection
2918 [59-12-103\(1\)\(f\)](#); and
- 2919 (ii) subject to taxation under this chapter;
- 2920 (77) purchases of a short-term lodging consumable by a business that provides
2921 accommodations and services described in Subsection [59-12-103\(1\)\(i\)](#);
- 2922 (78) amounts paid or charged to access a database:
- 2923 (a) if the primary purpose for accessing the database is to view or retrieve information
2924 from the database; and
- 2925 (b) not including amounts paid or charged for a:
- 2926 (i) digital audio work;
- 2927 (ii) digital audio-visual work; or
- 2928 (iii) digital book;
- 2929 (79) amounts paid or charged for a purchase or lease made by an electronic financial
2930 payment service, of:
- 2931 (a) machinery and equipment that:
- 2932 (i) are used in the operation of the electronic financial payment service; and
- 2933 (ii) have an economic life of three or more years; and
- 2934 (b) normal operating repair or replacement parts that:
- 2935 (i) are used in the operation of the electronic financial payment service; and
- 2936 (ii) have an economic life of three or more years;
- 2937 (80) sales of a fuel cell as defined in Section [54-15-102](#);
- 2938 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
2939 product transferred electronically if the tangible personal property or product transferred
2940 electronically:
- 2941 (a) is stored, used, or consumed in the state; and

- 2942 (b) is temporarily brought into the state from another state:
- 2943 (i) during a disaster period as defined in Section 53-2a-1202;
- 2944 (ii) by an out-of-state business as defined in Section 53-2a-1202;
- 2945 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
- 2946 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
- 2947 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined
- 2948 in Section 39A-7-102, made pursuant to Title 39A, Chapter 7, Morale, Welfare, and Recreation
- 2949 Program;
- 2950 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 2951 (84) amounts paid or charged for a purchase or lease made by a qualifying data center
- 2952 or an occupant of a qualifying data center of machinery, equipment, or normal operating repair
- 2953 or replacement parts, if the machinery, equipment, or normal operating repair or replacement
- 2954 parts:
- 2955 (a) are used in:
- 2956 (i) the operation of the qualifying data center; or
- 2957 (ii) the occupant's operations in the qualifying data center; and
- 2958 (b) have an economic life of one or more years;
- 2959 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a
- 2960 vehicle that includes cleaning or washing of the interior of the vehicle;
- 2961 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
- 2962 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used
- 2963 or consumed:
- 2964 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
- 2965 in Section 79-6-701 located in the state;
- 2966 (b) if the machinery, equipment, normal operating repair or replacement parts,
- 2967 catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:
- 2968 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
- 2969 added to gasoline or diesel fuel;
- 2970 (ii) research and development;
- 2971 (iii) transporting, storing, or managing raw materials, work in process, finished
- 2972 products, and waste materials produced from refining gasoline or diesel fuel, or adding

- 2973 blendstock to gasoline or diesel fuel;
- 2974 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
2975 refining; or
- 2976 (v) preventing, controlling, or reducing pollutants from refining; and
- 2977 (c) if the person holds a valid refiner tax exemption certification as defined in Section
2978 [79-6-701](#);
- 2979 (87) amounts paid to or charged by a proprietor for accommodations and services, as
2980 defined in Section [63H-1-205](#), if the proprietor is subject to the MIDA accommodations tax
2981 imposed under Section [63H-1-205](#);
- 2982 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal
2983 operating repair or replacement parts, or materials, except for office equipment or office
2984 supplies, by an establishment, as the commission defines that term in accordance with Title
2985 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 2986 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North
2987 American Industry Classification System of the federal Executive Office of the President,
2988 Office of Management and Budget;
- 2989 (b) is located in this state; and
- 2990 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
2991 materials in the operation of the establishment;
- 2992 (89) amounts paid or charged for an item exempt under Section [59-12-104.10](#);
- 2993 (90) sales of a note, leaf, foil, or film, if the item:
- 2994 (a) is used as currency;
- 2995 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 2996 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any
2997 transparent polymer holder, coating, or encasement;
- 2998 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or
2999 surfing facility, if a trained instructor:
- 3000 (a) is present with the participant, in person or by video, for the duration of the activity;
- 3001 and
- 3002 (b) actively instructs the participant, including providing observation or feedback;
- 3003 (92) amounts paid or charged in connection with the construction, operation,

3004 maintenance, repair, or replacement of facilities owned by or constructed for:

3005 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or

3006 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;

3007 (93) amounts paid by the service provider for tangible personal property, other than

3008 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels, that:

3009 (a) is consumed in the performance of a service that is subject to tax under Subsection

3010 59-12-103(1)(b), (f), (g), (h), (i), or (j);

3011 (b) has to be consumed for the service provider to provide the service described in

3012 Subsection (93)(a); and

3013 (c) will be consumed in the performance of the service described in Subsection (93)(a),

3014 to one or more customers, to the point that the tangible personal property disappears or cannot

3015 be used for any other purpose;

3016 (94) sales of rail rolling stock manufactured in Utah; ~~and~~

3017 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement

3018 products, or construction materials between establishments, as the commission defines that

3019 term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:

3020 (a) the establishments are related directly or indirectly through 100% common

3021 ownership or control; and

3022 (b) each establishment is described in one of the following subsectors of the 2022

3023 North American Industry Classification System of the federal Executive Office of the

3024 President, Office of Management and Budget:

3025 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or

3026 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing[-]; and

3027 (96) sales of construction materials used for the construction of a qualified stadium, as

3028 defined in Section 11-70-101.

3029 Section 52. Section 59-12-352 is amended to read:

3030 **59-12-352. Authority to impose a transient room tax -- Purposes for which**

3031 **revenues may be used.**

3032 (1) (a) Except as provided in Subsection (5), the governing body of a municipality may

3033 impose a tax of not to exceed 1% on charges for the accommodations and services described in

3034 Subsection 59-12-103(1)(i).

3035 (b) Subject to Section [63H-1-203](#), the military installation development authority
3036 created in Section [63H-1-201](#) may impose a tax under this section for accommodations and
3037 services described in Subsection [59-12-103](#)(1)(i) within a project area described in a project
3038 area plan adopted by the authority under Title 63H, Chapter 1, Military Installation
3039 Development Authority Act, as though the authority were a municipality.

3040 (c) The Utah Fairpark Area Investment and Restoration District, created in Section
3041 [11-70-201](#), may impose a tax under this section for accommodations and services described in
3042 Subsection [59-12-103](#)(1)(i) within a project area described in a project area plan adopted by the
3043 Utah Fairpark Area Investment and Restoration District to the same extent and in the same
3044 manner as a municipality may impose a tax under this section.

3045 (2) Subject to the limitations of Subsection (1), a governing body of a municipality
3046 may, by ordinance, increase or decrease the tax under this part.

3047 (3) A governing body of a municipality shall regulate the tax under this part by
3048 ordinance.

3049 (4) A municipality may use revenues generated by the tax under this part for general
3050 fund purposes.

3051 (5) (a) A municipality may not impose a tax under this section for accommodations and
3052 services described in Subsection [59-12-103](#)(1)(i) within a project area described in a project
3053 area plan adopted by:

3054 (i) the [military installation development](#) authority under Title 63H, Chapter 1, Military
3055 Installation Development Authority Act[-]; or

3056 (ii) the Utah Fairpark Area Investment and Restoration District under Title 11, Chapter
3057 [70](#), Utah Fairpark Area Investment and Restoration District.

3058 (b) Subsection (5)(a) does not apply to the military installation development authority's
3059 imposition of a tax under this section.

3060 (6) (a) As used in this Subsection (6):

3061 (i) "Authority" means the Point of the Mountain State Land Authority, created in
3062 Section [11-59-201](#).

3063 (ii) "Authority board" means the board referred to in Section [11-59-301](#).

3064 (b) The authority may, by a resolution adopted by the authority board, impose a tax of
3065 not to exceed 5% on charges for the accommodations and services described in Subsection

3066 59-12-103(1)(i) for transactions that occur on point of the mountain state land, as defined in
 3067 Section 11-59-102.

3068 (c) The authority board, by resolution, shall regulate the tax under this Subsection (6).

3069 (d) The authority shall use all revenue from a tax imposed under this Subsection (6) to
 3070 provide affordable housing, consistent with the manner that a community reinvestment agency
 3071 uses funds for affordable housing under Section 17C-1-412.

3072 (e) A tax under this Subsection (6) is in addition to any other tax that may be imposed
 3073 under this part.

3074 Section 53. Section 59-12-354 is amended to read:

3075 **59-12-354. Collection of tax -- Administrative charge.**

3076 (1) Except as provided in Subsections (2) and (3), the tax authorized under this part
 3077 shall be administered, collected, and enforced in accordance with:

3078 (a) the same procedures used to administer, collect, and enforce the tax under:

3079 (i) Part 1, Tax Collection; or

3080 (ii) Part 2, Local Sales and Use Tax Act; and

3081 (b) Chapter 1, General Taxation Policies.

3082 (2) (a) The location of a transaction shall be determined in accordance with Sections
 3083 59-12-211 through 59-12-215.

3084 (b) ~~[The]~~ Except as provided in Subsection (2)(c), the commission[:]

3085 ~~[(i) except as provided in Subsection (2)(b)(ii);]~~ shall distribute the revenue collected
 3086 from the tax to:

3087 ~~[(A)]~~ (i) (A) the municipality within which the revenue was collected, for a tax
 3088 imposed under this part by a municipality; ~~[and]~~ or

3089 (B) the Utah Fairpark Area Investment and Restoration District, for a tax imposed
 3090 under this part by the Utah Fairpark Area Investment and Restoration District; and

3091 ~~[(B)]~~ (ii) the Point of the Mountain State Land Authority, for a tax imposed under
 3092 Subsection 59-12-352(6); ~~[and]~~.

3093 ~~[(i)]~~ (c) The commission shall retain and deposit an administrative charge in
 3094 accordance with Section 59-1-306 from the revenue the commission collects from a tax under
 3095 this part.

3096 (3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or

3097 Subsections [59-12-205](#)(2) through (5).

3098 Section 54. Section **59-12-401** is amended to read:

3099 **59-12-401. Resort communities tax authority for cities, towns, and military**
 3100 **installation development authority -- Base -- Rate -- Collection fees.**

3101 (1) (a) In addition to other sales and use taxes, a city or town in which the transient
 3102 room capacity as defined in Section [59-12-405](#) is greater than or equal to 66% of the
 3103 municipality's permanent census population may impose a sales and use tax of up to 1.1% on
 3104 the transactions described in Subsection [59-12-103](#)(1) located within the city or town.

3105 (b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this
 3106 section on:

3107 (i) (A) the sale of[:] a motor vehicle, an aircraft, a watercraft, a modular home, a
 3108 manufactured home, or a mobile home;

3109 [~~(A) a motor vehicle;~~]

3110 [~~(B) an aircraft;~~]

3111 [~~(C) a watercraft;~~]

3112 [~~(D) a modular home;~~]

3113 [~~(E) a manufactured home; or~~]

3114 [~~(F) a mobile home;~~]

3115 [(ii)] (B) the sales and uses described in Section [59-12-104](#) to the extent the sales and
 3116 uses are exempt from taxation under Section [59-12-104](#); and

3117 [(iii)] (C) except as provided in Subsection (1)(d), amounts paid or charged for food
 3118 and food ingredients[:]; or

3119 (ii) transactions that occur in a fairpark district project area, as defined in Subsection
 3120 (4), if the fairpark district, as defined in Subsection (4), has imposed a tax under Subsection
 3121 (4).

3122 (c) For purposes of this Subsection (1), the location of a transaction shall be
 3123 determined in accordance with Sections [59-12-211](#) through [59-12-215](#).

3124 (d) A city or town imposing a tax under this section shall impose the tax on the
 3125 purchase price or the sales price for amounts paid or charged for food and food ingredients if
 3126 the food and food ingredients are sold as part of a bundled transaction attributable to food and
 3127 food ingredients and tangible personal property other than food and food ingredients.

3128 (2) (a) An amount equal to the total of any costs incurred by the state in connection
3129 with the implementation of Subsection (1) which exceed, in any year, the revenues received by
3130 the state from its collection fees received in connection with the implementation of Subsection
3131 (1) shall be paid over to the state General Fund by the cities and towns which impose the tax
3132 provided for in Subsection (1).

3133 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among
3134 those cities and towns according to the amount of revenue the respective cities and towns
3135 generate in that year through imposition of that tax.

3136 (3) (a) Subject to Section [63H-1-203](#), the military installation development authority
3137 created in Section [63H-1-201](#) may impose a tax under this section on the transactions described
3138 in Subsection [59-12-103](#)(1) located within a project area described in a project area plan
3139 adopted by the authority under Title 63H, Chapter 1, Military Installation Development
3140 Authority Act, as though the authority were a city or a town.

3141 (b) For purposes of calculating the permanent census population within a project area,
3142 the board, as defined in Section [63H-1-102](#), shall:

3143 (i) use the actual number of permanent residents within the project area as determined
3144 by the board;

3145 (ii) include in the calculation of transient room capacity the number, as determined by
3146 the board, of approved high-occupancy lodging units, recreational lodging units, special
3147 lodging units, and standard lodging units, even if the units are not constructed;

3148 (iii) adopt a resolution verifying the population number; and

3149 (iv) provide the commission any information required in Section [59-12-405](#).

3150 (c) Notwithstanding Subsection (1)(a), a board as defined in Section [63H-1-102](#) may
3151 impose the sales and use tax under this section if there are no permanent residents.

3152 (4) (a) As used in this Subsection (4):

3153 (i) "Fairpark district" means the Utah Fairpark Area Investment and Restoration
3154 District, created in Section [11-70-201](#).

3155 (ii) "Fairpark district board" means the board of the fairpark district.

3156 (iii) "Fairpark district project area" means a project area as defined in Section
3157 [11-70-101](#).

3158 (b) The fairpark district, by resolution of the fairpark district board, may impose a tax

3159 under this section on transactions described in Subsection 59-12-103(1) located within a
 3160 fairpark district project area, as though the fairpark district were a city or town.

3161 (c) For purposes of calculating the permanent census population within a fairpark
 3162 district project area, the fairpark district board shall:

3163 (i) use the actual number of permanent residents within the fairpark district project area
 3164 as determined by the fairpark district board;

3165 (ii) include in the calculation of transient room capacity the number, as determined by
 3166 the fairpark district board, of approved high-occupancy lodging units, recreational lodging
 3167 units, special lodging units, and standard lodging units, even if the units are not constructed;

3168 (iii) adopt a resolution verifying the population number; and

3169 (iv) provide the commission any information required in Section 59-12-405.

3170 (d) Notwithstanding Subsection (1)(a), the fairpark district may impose the sales and
 3171 use tax under this section if there are no permanent residents within the fairpark district project
 3172 area.

3173 Section 55. Section **59-12-402** is amended to read:

3174 **59-12-402. Additional resort communities sales and use tax -- Base -- Rate --**
 3175 **Collection fees -- Resolution and voter approval requirements -- Election requirements --**
 3176 **Notice requirements -- Ordinance requirements -- Prohibition of military installation**
 3177 **development authority imposition of tax.**

3178 (1) (a) Subject to Subsections (2) through (6), the governing body of a municipality in
 3179 which the transient room capacity as defined in Section 59-12-405 is greater than or equal to
 3180 66% of the municipality's permanent census population may, in addition to the sales tax
 3181 authorized under Section 59-12-401, impose an additional resort communities sales tax in an
 3182 amount that is less than or equal to .5% on the transactions described in Subsection
 3183 59-12-103(1) located within the municipality.

3184 (b) Notwithstanding Subsection (1)(a), the governing body of a municipality may not
 3185 impose a tax under this section on:

3186 (i) (A) the sale of[;] a motor vehicle, an aircraft, a watercraft, a modular home, a
 3187 manufactured home, or a mobile home;

3188 ~~[(A) a motor vehicle;]~~

3189 ~~[(B) an aircraft;]~~

3190 ~~[(C) a watercraft;]~~
3191 ~~[(D) a modular home;]~~
3192 ~~[(E) a manufactured home; or]~~
3193 ~~[(F) a mobile home;]~~
3194 [(ii)] (B) the sales and uses described in Section [59-12-104](#) to the extent the sales and
3195 uses are exempt from taxation under Section [59-12-104](#); and
3196 [(iii)] (C) except as provided in Subsection (1)(d), amounts paid or charged for food
3197 and food ingredients~~[-];~~ or
3198 (ii) transactions that occur in a fairpark district project area, as defined in Subsection
3199 [59-12-401\(4\)](#), if the Utah Fairpark Area Investment and Restoration District, created in Section
3200 [11-70-201](#), has imposed a tax under Subsection (8).
3201 (c) For purposes of this Subsection (1), the location of a transaction shall be
3202 determined in accordance with Sections [59-12-211](#) through [59-12-215](#).
3203 (d) A municipality imposing a tax under this section shall impose the tax on the
3204 purchase price or sales price for amounts paid or charged for food and food ingredients if the
3205 food and food ingredients are sold as part of a bundled transaction attributable to food and food
3206 ingredients and tangible personal property other than food and food ingredients.
3207 (2) (a) An amount equal to the total of any costs incurred by the state in connection
3208 with the implementation of Subsection (1) which exceed, in any year, the revenues received by
3209 the state from its collection fees received in connection with the implementation of Subsection
3210 (1) shall be paid over to the state General Fund by the cities and towns which impose the tax
3211 provided for in Subsection (1).
3212 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among
3213 those cities and towns according to the amount of revenue the respective cities and towns
3214 generate in that year through imposition of that tax.
3215 (3) To impose an additional resort communities sales tax under this section, the
3216 governing body of the municipality shall:
3217 (a) pass a resolution approving the tax; and
3218 (b) except as provided in Subsection (6), obtain voter approval for the tax as provided
3219 in Subsection (4).
3220 (4) To obtain voter approval for an additional resort communities sales tax under

3221 Subsection (3)(b), a municipality shall:

3222 (a) hold the additional resort communities sales tax election during:

3223 (i) a regular general election; or

3224 (ii) a municipal general election; and

3225 (b) post notice of the election for the municipality, as a class A notice under Section
3226 [63G-30-102](#), for at least 15 days before the day on which the election is held.

3227 (5) An ordinance approving an additional resort communities sales tax under this
3228 section shall provide an effective date for the tax as provided in Section [59-12-403](#).

3229 (6) (a) Except as provided in Subsection (6)(b), a municipality is not subject to the
3230 voter approval requirements of Subsection (3)(b) if, on or before January 1, 1996, the
3231 municipality imposed a license fee or tax on businesses based on gross receipts pursuant to
3232 Section [10-1-203](#).

3233 (b) The exception from the voter approval requirements in Subsection (6)(a) does not
3234 apply to a municipality that, on or before January 1, 1996, imposed a license fee or tax on only
3235 one class of businesses based on gross receipts pursuant to Section [10-1-203](#).

3236 (7) A military installation development authority authorized to impose a resort
3237 communities tax under Section [59-12-401](#) may not impose an additional resort communities
3238 sales tax under this section.

3239 (8) The Utah Fairpark Area Investment and Restoration District, created in Section
3240 [11-70-201](#), may impose an additional resort communities tax under this section on transactions
3241 that occur within a fairpark district project area, as defined in Subsection [59-12-401](#)(4).

3242 Section 56. Section [59-12-1201](#) is amended to read:

3243 **[59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,](#)**
3244 **[collection, and enforcement of tax -- Administrative charge -- Deposits.](#)**

3245 (1) (a) (i) Except as provided in Subsections (3) and (4), there is imposed a tax of 2.5%
3246 on all short-term leases and rentals of motor vehicles not exceeding 30 days.

3247 (ii) (A) In addition to the tax imposed under Subsection (1)(a)(i), beginning the first
3248 day of the calendar quarter that begins 90 days after the board of the Utah Fairpark Area
3249 Investment and Restoration District, created in Section [11-70-201](#), delivers to the commission
3250 the certificate described in Subsection (1)(a)(ii)(B), there is imposed a tax of 1.5% on all
3251 short-term leases and rentals of motor vehicles not exceeding 30 days.

3252 (B) After the franchise agreement date, as defined in Section 11-70-101, the board of
3253 the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, shall
3254 deliver to the commission a certificate verifying the execution of a franchise agreement, as
3255 defined in Section 11-70-101, and providing the franchise agreement date, as defined in
3256 Section 11-70-101.

3257 (C) A tax under this Subsection (1)(a)(ii) is imposed only if the franchise agreement
3258 date, as defined in Section 11-70-101, is on or before June 30, 2032.

3259 (b) The tax imposed in this section is in addition to all other state, county, or municipal
3260 fees and taxes imposed on rentals of motor vehicles.

3261 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax
3262 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

3263 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall
3264 take effect on the first day of the first billing period:

3265 (A) that begins after the effective date of the tax rate increase; and

3266 (B) if the billing period for the transaction begins before the effective date of a tax rate
3267 increase imposed under Subsection (1).

3268 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax
3269 rate decrease shall take effect on the first day of the last billing period:

3270 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
3271 and

3272 (B) if the billing period for the transaction begins before the effective date of the repeal
3273 of the tax or the tax rate decrease imposed under Subsection (1).

3274 (3) Beginning on July 1, 2023, a tax imposed under Subsection (1) applies at the same
3275 rate to car sharing, except for:

3276 (a) car sharing for the purpose of temporarily replacing a person's motor vehicle that is
3277 being repaired pursuant to a repair or an insurance agreement; and

3278 (b) car sharing for more than 30 days.

3279 (4) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

3280 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

3281 (b) the motor vehicle is rented as a personal household goods moving van; or

3282 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily

3283 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an
3284 insurance agreement.

3285 (5) (a) (i) The tax authorized under this section shall be administered, collected, and
3286 enforced in accordance with:

3287 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,
3288 Tax Collection; and

3289 (B) Chapter 1, General Taxation Policies.

3290 (ii) Notwithstanding Subsection (5)(a)(i), a tax under this part is not subject to

3291 [59-12-103](#)(4) through (9) or Section [59-12-107.1](#) or [59-12-123](#).

3292 (b) The commission shall retain and deposit an administrative charge in accordance
3293 with Section [59-1-306](#) from the revenues the commission collects from a tax under this part.

3294 (c) Except as provided under [~~Subsection (5)(b)~~] Subsections (5)(b) and (d), all
3295 revenue received by the commission under this section shall be deposited daily with the state
3296 treasurer and credited monthly to the Marda Dillree Corridor Preservation Fund under Section
3297 [72-2-117](#). All revenue received by the commission under Subsection (1)(a)(ii) shall be paid to
3298 the Utah Fairpark Area Investment and Restoration District, created in Section [11-70-201](#).

3299 Section 57. Section **59-28-103** is amended to read:

3300 **59-28-103. Imposition -- Rate -- Revenue distribution.**

3301 (1) As used in this section:

3302 (a) "Fairpark district board" means the board of the Utah Fairpark Area Investment and
3303 Restoration District, created in Section [11-70-201](#).

3304 (b) "Franchise agreement" means the same as that term is defined in Section
3305 [11-70-101](#).

3306 (c) "Franchise agreement date" means the same as that term is defined in Section
3307 [11-70-101](#).

3308 (d) "Transition date" means the first day of the calendar quarter that begins at least 90
3309 days after the fairpark district board delivers to the commission the certificate described in
3310 Subsection (2)(b)(ii).

3311 (2) (a) Subject to the other provisions of this chapter, the state shall, until the transition
3312 date, impose a tax on the transactions described in Subsection [59-12-103](#)(1)(i) at a rate of
3313 .32%.

3314 (b) (i) There is imposed, beginning the transition date, a tax on charges within the state
3315 for the accommodations and services described in Subsection 59-12-103(1)(i) at a rate of
3316 1.92%.

3317 (ii) After the franchise agreement date, the fairpark district board shall deliver to the
3318 commission a certificate:

3319 (A) verifying the execution of a franchise agreement; and

3320 (B) providing the franchise agreement date.

3321 (iii) A tax under this Subsection (2)(b) is imposed only if the franchise agreement date
3322 is on or before June 30, 2032.

3323 ~~[(2)]~~ (3) The tax imposed under this chapter is in addition to any other taxes imposed
3324 on the transactions described in Subsection 59-12-103(1)(i).

3325 ~~[(3)]~~ (4) (a) (i) Subject to Subsection ~~[(3)(a)(ii)]~~ (4)(a)(ii), the commission shall deposit
3326 6% of the revenue the state collects before the transition date from the tax under this chapter
3327 into the Hospitality and Tourism Management Education Account created in Section
3328 53F-9-501 to fund the Hospitality and Tourism Management Career and Technical Education
3329 Pilot Program created in Section 53E-3-515.

3330 (ii) The commission may not deposit more than \$300,000 into the Hospitality and
3331 Tourism Management Education Account under Subsection ~~[(3)(a)(i)]~~ (4)(a)(i) in a fiscal year.

3332 (b) Except for the amount deposited into the Hospitality and Tourism Management
3333 Education Account under Subsection ~~[(3)(a)]~~ (4)(a) and the administrative charge retained
3334 under Subsection 59-28-104(4), the commission shall deposit any revenue the state collects
3335 from the tax under this chapter before the transition date into the Outdoor Recreation
3336 Infrastructure Account created in Section 79-8-106 to fund the Outdoor Recreational
3337 Infrastructure Grant Program created in Section 79-8-401 and the Recreation Restoration
3338 Infrastructure Grant Program created in Section 79-8-202.

3339 (5) Subject to Section 59-28-104, the commission shall:

3340 (a) distribute 94.8% of the revenue collected from the tax imposed under this section
3341 after the transition date to the Utah Fairpark Area Investment and Restoration District, created
3342 in Section 11-70-201; and

3343 (b) distribute 5.2% of the revenue collected from the tax imposed under this section
3344 after the transition date to counties of the fourth, fifth, and sixth class, in proportion to the

3345 relative population in those counties, to be used only to pay for emergency medical services
 3346 and search and rescue activities.

3347 Section 58. Section **63A-3-401.5** is amended to read:

3348 **63A-3-401.5. Definitions.**

3349 As used in this part:

3350 (1) "Borrower" means a person who borrows money from an infrastructure fund for an
 3351 infrastructure project.

3352 (2) "Fairpark district development fund" means the infrastructure fund created in

3353 Subsection [63A-3-402\(1\)\(c\)](#).

3354 [~~2~~] (3) "Independent political subdivision" means:

3355 (a) the Utah Inland Port Authority created in Section [11-58-201](#);

3356 (b) the Point of the Mountain State Land Authority created in Section [11-59-201](#); ~~or~~

3357 (c) the Utah Fairpark Area Investment and Restoration District created in Section

3358 [11-70-201](#); or

3359 [~~e~~] (d) the Military Installation Development Authority created in Section [63H-1-201](#).

3360 [~~3~~] (4) "Infrastructure fund" means a fund created in Subsection [63A-3-402\(1\)](#).

3361 [~~4~~] (5) "Infrastructure loan" means a loan of infrastructure fund money to finance an
 3362 infrastructure project.

3363 [~~5~~] (6) "Infrastructure project" means a project to acquire, construct, reconstruct,
 3364 rehabilitate, equip, or improve public infrastructure and improvements:

3365 (a) within a project area; or

3366 (b) outside a project area, if the respective loan approval body determines by resolution
 3367 that the public infrastructure and improvements are of benefit to the project area.

3368 [~~6~~] (7) "Inland port" means the same as that term is defined in Section [11-58-102](#).

3369 [~~7~~] (8) "Inland port fund" means the infrastructure fund created in Subsection
 3370 [63A-3-402\(1\)\(a\)](#).

3371 [~~8~~] (9) "Military development fund" means the infrastructure fund created in
 3372 Subsection [~~[63A-3-402\(1\)\(e\)](#)~~ [63A-3-402\(1\)\(d\)](#)].

3373 [~~9~~] (10) "Point of the mountain fund" means the infrastructure fund created in
 3374 Subsection [63A-3-402\(1\)\(b\)](#).

3375 [~~10~~] (11) "Project area" means:

3376 (a) the same as that term is defined in Section 11-58-102, for purposes of an
3377 infrastructure loan from the inland port fund;

3378 (b) the point of the mountain state land, as defined in Section 11-59-102, for purposes
3379 of an infrastructure loan from the point of the mountain fund; ~~and~~

3380 (c) the same as that term is defined in Section 11-70-101, for purposes of an
3381 infrastructure loan from the fairpark district development fund; or

3382 ~~(e)~~ (d) the same as that term is defined in Section 63H-1-102, for purposes of an
3383 infrastructure loan from the military development fund.

3384 ~~(11)~~ (12) "Property tax revenue" means:

3385 (a) property tax differential, as defined in Section 11-58-102, for purposes of an
3386 infrastructure loan from the inland port fund; ~~or~~

3387 (b) enhanced property tax revenue, as defined in Section 11-70-101, for purposes of an
3388 infrastructure loan from the fairpark district development fund; or

3389 ~~(b)~~ (c) property tax allocation, as defined in Section 63H-1-102, for purposes of an
3390 infrastructure loan from the military development fund.

3391 ~~(12)~~ (13) "Public infrastructure and improvements" means:

3392 (a) ~~means~~ the same as that term is defined in Section 11-58-102, for purposes of an
3393 infrastructure loan from the inland port fund;

3394 (b) ~~means~~ publicly owned infrastructure and improvements, as defined in Section
3395 11-59-102, for purposes of an infrastructure loan from the point of the mountain fund; ~~and~~

3396 (c) the same as that term is defined in Section 11-70-101, for purposes of an
3397 infrastructure loan from the fairpark district development fund; or

3398 ~~(e)~~ (d) ~~means~~ the same as that term is defined in Section 63H-1-102, for purposes of
3399 an infrastructure loan from the military development fund.

3400 ~~(13)~~ (14) "Respective loan approval body" means:

3401 (a) the board created in Section 11-58-301, for purposes of an infrastructure loan from
3402 the inland port fund;

3403 (b) the board created in Section 11-59-301, for purposes of an infrastructure loan from
3404 the point of the mountain fund; ~~and~~

3405 (c) the board created in Section 11-70-301, for purposes of an infrastructure loan from
3406 the fairpark area development fund; or

3407 ~~[(c)]~~ (d) the committee created in Section [63H-1-104](#), for purposes of an infrastructure
3408 loan from the military development fund.

3409 Section 59. Section **63A-3-402** is amended to read:

3410 **63A-3-402. Infrastructure funds established -- Purpose of funds -- Use of money**
3411 **in funds.**

3412 (1) There are created, as enterprise revolving loan funds:

3413 (a) the inland port infrastructure revolving loan fund;

3414 (b) the point of the mountain infrastructure revolving loan fund; ~~[and]~~

3415 (c) the fairpark area development revolving loan fund; and

3416 ~~[(c)]~~ (d) the military development infrastructure revolving loan fund.

3417 (2) The purpose of each infrastructure fund is to provide funding, through
3418 infrastructure loans, for infrastructure projects undertaken by a borrower.

3419 (3) (a) Money in an infrastructure fund may be used only to provide loans for
3420 infrastructure projects.

3421 (b) The division may not loan money in an infrastructure fund without the approval of:

3422 (i) the respective loan approval body; and

3423 (ii) the Executive Appropriations Committee of the Legislature, for a loan from the
3424 inland port fund ~~[or]~~, the point of the mountain fund, or the fairpark area development fund.

3425 Section 60. Section **63C-25-101** is amended to read:

3426 **63C-25-101. Definitions.**

3427 As used in this chapter:

3428 (1) "Authority" means the same as that term is defined in Section [63B-1-303](#).

3429 (2) "Bond" means the same as that term is defined in Section [63B-1-101](#).

3430 (3) (a) "Bonding government entity" means the state or any entity that is authorized to
3431 issue bonds under any provision of state law.

3432 (b) "Bonding government entity" includes:

3433 (i) a bonding political subdivision; and

3434 (ii) a public infrastructure district that is authorized to issue bonds either directly, or
3435 through the authority of a bonding political subdivision or other governmental entity.

3436 (4) "Bonding political subdivision" means:

3437 (a) the Utah Inland Port Authority, created in Section [11-58-201](#);

- 3438 (b) the Military Installation Development Authority, created in Section [63H-1-201](#);
- 3439 (c) the Point of the Mountain State Land Authority, created in Section [11-59-201](#);
- 3440 (d) the Utah Lake Authority, created in Section [11-65-201](#); [or]
- 3441 (e) the State Fair Park Authority, created in Section [11-68-201](#)[~~;~~]; or
- 3442 (f) the Utah Fairpark Area Investment and Restoration District, created in Section
- 3443 [11-70-201](#).

3444 (5) "Commission" means the State Finance Review Commission created in Section

3445 [63C-25-201](#).

3446 (6) "Concessionaire" means a person who:

3447 (a) operates, finances, maintains, or constructs a government facility under a contract

3448 with a bonding political subdivision; and

3449 (b) is not a bonding government entity.

3450 (7) "Concessionaire contract" means a contract:

3451 (a) between a bonding government entity and a concessionaire for the operation,

3452 finance, maintenance, or construction of a government facility;

3453 (b) that authorizes the concessionaire to operate the government facility for a term of

3454 five years or longer, including any extension of the contract; and

3455 (c) in which all or some of the annual source of payment to the concessionaire comes

3456 from state funds provided to the bonding government entity.

3457 (8) "Creating entity" means the same as that term is defined in Section [17D-4-102](#).

3458 (9) "Government facility" means infrastructure, improvements, or a building that:

3459 (a) costs more than \$5,000,000 to construct; and

3460 (b) has a useful life greater than five years.

3461 (10) "Large public transit district" means the same as that term is defined in Section

3462 [17B-2a-802](#).

3463 (11) "Loan entity" means the board, person, unit, or agency with legal responsibility for

3464 making a loan from a revolving loan fund.

3465 (12) "Obligation" means the same as that term is defined in Section [63B-1-303](#).

3466 (13) "Parameters resolution" means a resolution of a bonding government entity that

3467 sets forth for proposed bonds:

3468 (a) the maximum:

- 3469 (i) amount of bonds;
- 3470 (ii) term; and
- 3471 (iii) interest rate; and
- 3472 (b) the expected security for the bonds.
- 3473 (14) "Public infrastructure district" means a public infrastructure district created under
- 3474 Title 17D, Chapter 4, Public Infrastructure District Act.
- 3475 (15) "Revolving loan fund" means:
- 3476 (a) the Water Resources Conservation and Development Fund, created in Section
- 3477 [73-10-24](#);
- 3478 (b) the Water Resources Construction Fund, created in Section [73-10-8](#);
- 3479 (c) the Water Resources Cities Water Loan Fund, created in Section [73-10-22](#);
- 3480 (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean
- 3481 Fuels and Emission Reduction Technology Program Act;
- 3482 (e) the Water Development Security Fund and its subaccounts, created in Section
- 3483 [73-10c-5](#);
- 3484 (f) the Agriculture Resource Development Fund, created in Section [4-18-106](#);
- 3485 (g) the Utah Rural Rehabilitation Fund, created in Section [4-19-105](#);
- 3486 (h) the Permanent Community Impact Fund, created in Section [35A-8-303](#);
- 3487 (i) the Petroleum Storage Tank Fund, created in Section [19-6-409](#);
- 3488 (j) the School Building Revolving Account, created in Section [53F-9-206](#);
- 3489 (k) the State Infrastructure Bank Fund, created in Section [72-2-202](#);
- 3490 (l) the Uintah Basin Revitalization Fund, created in Section [35A-8-1602](#);
- 3491 (m) the Navajo Revitalization Fund, created in Section [35A-8-1704](#);
- 3492 (n) the Energy Efficiency Fund, created in Section [11-45-201](#);
- 3493 (o) the Brownfields Fund, created in Section [19-8-120](#);
- 3494 (p) [~~the following~~] any of the enterprise revolving loan funds created in Section
- 3495 [63A-3-402](#)[~~;~~]; and
- 3496 [~~(i) the inland port infrastructure revolving loan fund;~~]
- 3497 [~~(ii) the point of the mountain infrastructure revolving loan fund; or~~]
- 3498 [~~(iii) the military development infrastructure revolving loan fund; and~~]
- 3499 (q) any other revolving loan fund created in statute where the borrower from the

3500 revolving loan fund is a public non-profit entity or political subdivision, including a fund listed
3501 in Section 63A-3-205, from which a loan entity is authorized to make a loan.

3502 (16) (a) "State funds" means an appropriation by the Legislature identified as coming
3503 from the General Fund or Education Fund.

3504 (b) "State funds" does not include:

3505 (i) a revolving loan fund; or

3506 (ii) revenues received by a bonding political subdivision from:

3507 (A) a tax levied by the bonding political subdivision;

3508 (B) a fee assessed by the bonding political subdivision; or

3509 (C) operation of the bonding political subdivision's government facility.

3510 Section 61. Section 63C-25-202 is amended to read:

3511 **63C-25-202. Powers and duties.**

3512 (1) The commission shall annually review a report provided in accordance with Section
3513 63B-1-305 or 63B-1a-102.

3514 (2) (a) A loan entity other than a loan entity described in Subsection (2)(b) shall no
3515 later than January 1 of each year submit information on each revolving loan fund from which
3516 the loan entity made a loan in the previous fiscal year, including information identifying new
3517 and ongoing loan recipients, the terms of each loan, loan repayment, and any other information
3518 regarding a revolving loan fund requested by the commission.

3519 (b) If a loan entity is:

3520 (i) the Utah Inland Port Authority, the loan entity shall submit the information in
3521 accordance with Section 11-58-106 and any other information regarding a revolving loan fund
3522 requested by the commission;

3523 (ii) the Point of the Mountain State Land Authority, the loan entity shall submit the
3524 information in accordance with Section 11-59-104 and any other information regarding a
3525 revolving loan fund requested by the commission; [or]

3526 (iii) the Utah Fairpark Area Investment and Restoration District, the loan entity shall
3527 submit the information in accordance with Section 11-70-104 and any other information
3528 regarding a revolving loan fund requested by the commission; or

3529 [~~(iii)~~] (iv) the Military Installation Development Authority, the loan entity shall submit
3530 the information in accordance with Section 63H-1-104 and any other information regarding a

3531 revolving loan fund requested by the commission.

3532 (c) The commission may annually review and provide feedback for the following:

3533 (i) each loan entity for compliance with state law authorizing and regulating the

3534 revolving loan fund, including, as applicable, Title 11, Chapter 14, Local Government Bonding

3535 Act;

3536 (ii) each loan entity's revolving loan fund policies and practices, including policies and

3537 practices for approving and setting the terms of a loan; and

3538 (iii) each borrower of funds from a revolving loan fund for accurate and timely

3539 reporting by the borrower to the appropriate debt repository.

3540 (3) (a) The commission shall review and may approve a bond before a large public

3541 transit district may issue a bond.

3542 (b) The commission may not approve issuance of a bond described in Subsection (3)(a)

3543 unless the execution and terms of the bond comply with state law.

3544 (c) If, after review, the commission approves a bond described in Subsection (3)(a), the

3545 large public transit district:

3546 (i) may not change before issuing the bond the terms of the bond that were reviewed by

3547 the commission if the change is outside the approved parameters and intended purposes; and

3548 (ii) is under no obligation to issue the bond.

3549 (d) A member of the commission who approves a bond under Subsection (3)(a) or

3550 reviews a parameters resolution under Subsection (4)(a) is not liable personally on the bond.

3551 (e) The approval of a bond under Subsection (3)(a) or review under Subsection (4)(a)

3552 of a parameters resolution by the commission:

3553 (i) is not an obligation of the state; and

3554 (ii) is not an act that:

3555 (A) lends the state's credit; or

3556 (B) constitutes indebtedness within the meaning of any constitutional or statutory debt

3557 limitation.

3558 (4) (a) The commission shall review and, at the commission's discretion, may make

3559 recommendations regarding a parameters resolution before:

3560 (i) a bonding political subdivision may issue a bond; or

3561 (ii) a public infrastructure district may issue a bond, if the creating entity of the public

3562 infrastructure district is a bonding political subdivision.

3563 (b) The commission shall conduct the review under Subsection (4)(a) and forward any
3564 recommendations to the bonding political subdivision or public infrastructure district no later
3565 than 45 days after the day on which the commission receives the bonding political subdivision's
3566 or public infrastructure district's parameters resolution.

3567 (c) Notwithstanding Subsection (4)(a), if the commission fails to review a parameters
3568 resolution or forward recommendations, if any, in the timeframe described in Subsection
3569 (4)(b), the bonding political subdivision or public infrastructure district, respectively, may
3570 proceed with the bond without review by the commission.

3571 (d) After review by the commission under Subsection (4)(a), the bonding political
3572 subdivision or public infrastructure district:

3573 (i) shall consider recommendations by the commission; and

3574 (ii) may proceed with the bond but is under no obligation to issue the bond.

3575 (5) The commission shall provide training and other information on debt management,
3576 lending and borrowing best practices, and compliance with state law to the authority, a bonding
3577 political subdivision, a large public transit district, and a loan entity.

3578 (6) (a) Before a bonding government entity may enter into a concessionaire contract,
3579 the commission shall review and approve the concessionaire contract.

3580 (b) If, after review, the commission approves the concessionaire contract, the bonding
3581 government entity:

3582 (i) may not change the terms of the concessionaire contract if the change is outside of:

3583 (A) any applicable approved parameters of the concessionaire contract; or

3584 (B) the intended purposes of the concessionaire contract; and

3585 (ii) is under no obligation to enter into the concessionaire contract.

3586 **Section 62. Repealer.**

3587 This bill repeals:

3588 Section **11-68-402, Privilege tax -- Personal property tax revenue -- Deposit into**
3589 **Utah State Fair Fund.**

3590 **Section 63. Effective date.**

3591 This bill takes effect on May 1, 2024.