

COUNTY SALES AND USE TAX AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Jordan D. Teuscher

LONG TITLE

General Description:

This bill modifies distribution provisions of the County Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities.

Highlighted Provisions:

This bill:

revises the distribution of 16% of the revenue from the county botanical, cultural, recreational, and zoological organizations or facilities tax in a county of the first class.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-12-702, as last amended by Laws of Utah 2017, Chapter 382

59-12-704, as last amended by Laws of Utah 2021, Chapter 396

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

Section 1. Section 59-12-702 is amended to read:

59-12-702 . Definitions.

As used in this part:

(1) "Administrative unit" means a division of a private nonprofit organization or institution that:

(a) would, if it were a separate entity, be a botanical organization or cultural organization; and

(b) consistently maintains books and records separate from those of [its] the

- 29 administrative unit's parent organization.
- 30 (2) "Aquarium" means a park or building where a collection of water animals and plants is
31 kept for study, conservation, and public exhibition.
- 32 (3) "Aviary" means a park or building where a collection of birds is kept for study,
33 conservation, and public exhibition.
- 34 (4) "Botanical organization" means:
- 35 (a) a private nonprofit organization or institution having as [its] the private nonprofit
36 organization's or institution's primary purpose the advancement and preservation of
37 plant science through horticultural display, botanical research, and community
38 education; or
- 39 (b) an administrative unit.
- 40 (5) "Cultural facility" means the same as that term is defined in Section 59-12-602.
- 41 (6) (a) "Cultural organization" means:
- 42 [~~(i)~~] means:
- 43 [~~(A)~~] (i) a private nonprofit organization or institution having as [its] the private
44 nonprofit organization's or institution's primary purpose the advancement and
45 preservation of:
- 46 [~~(H)~~] (A) natural history;
- 47 [~~(HH)~~] (B) art;
- 48 [~~(HH)~~] (C) music;
- 49 [~~(HV)~~] (D) theater;
- 50 [~~(V)~~] (E) dance; or
- 51 [~~(VH)~~] (F) cultural arts, including literature, a motion picture, or storytelling; and
- 52 [~~(B)~~] (ii) an administrative unit~~;~~ and .
- 53 [~~(ii)~~] (b) "Cultural organization" includes, for purposes of Subsections 59-12-704(1)(d)
54 and [~~(6)~~] (10) only:
- 55 [~~(A)~~] (i) a private nonprofit organization or institution having as [its] the private
56 nonprofit organization's or institution's primary purpose the advancement and
57 preservation of history; or
- 58 [~~(B)~~] (ii) a municipal or county cultural council having as [its] the municipal or county
59 cultural council's primary purpose the advancement and preservation of:
- 60 [~~(H)~~] (A) history;
- 61 [~~(H)~~] (B) natural history;
- 62 [~~(HH)~~] (C) art;

- 63 ~~[(IV)]~~ (D) music;
- 64 ~~[(V)]~~ (E) theater; or
- 65 ~~[(VI)]~~ (F) dance.
- 66 ~~[(b)]~~ (c) "Cultural organization" does not include:
- 67 (i) an agency of the state;
- 68 (ii) except as provided in Subsection ~~[(6)(a)(ii)(B)]~~ (6)(b)(ii), a political subdivision of
- 69 the state;
- 70 (iii) an educational institution [~~whose annual revenues are~~] for which annual revenue
- 71 is directly derived more than 50% from state funds; or
- 72 (iv) in a county of the first or second class, a radio or television broadcasting network
- 73 or station, cable communications system, newspaper, or magazine.
- 74 (7) "Institution" means an institution of higher education listed in Subsection 53B-1-102
- 75 (1)(a).
- 76 (8) "Recreational facility" means a publicly owned or operated park, campground, marina,
- 77 dock, golf course, playground, athletic field, gymnasium, swimming pool, trail system,
- 78 or other facility used for recreational purposes.
- 79 (9) "Rural radio station" means a nonprofit radio station based in a county of the third,
- 80 fourth, fifth, or sixth class.
- 81 (10) In a county of the first class, "zoological facility" means a public, public-private
- 82 partnership, or private nonprofit building, exhibit, utility and infrastructure, walkway,
- 83 pathway, roadway, office, administration facility, public service facility, educational
- 84 facility, enclosure, public viewing area, animal barrier, animal housing, animal care
- 85 facility, and veterinary and hospital facility related to the advancement, exhibition, or
- 86 preservation of a mammal, bird, reptile, fish, or an amphibian.
- 87 (11) (a) (i) Except as provided in Subsection (11)(a)(ii), "zoological organization"
- 88 means a public, public-private partnership, or private nonprofit organization
- 89 having as its primary purpose the advancement and preservation of zoology.
- 90 (ii) In a county of the first class, "zoological organization" means a nonprofit
- 91 organization having as [its] nonprofit organization's primary purpose the
- 92 advancement and exhibition of a mammal, bird, reptile, fish, or an amphibian to
- 93 an audience of 75,000 or more persons annually.
- 94 (b) "Zoological organization" does not include an agency of the state, educational
- 95 institution, radio or television broadcasting network or station, cable communications
- 96 system, newspaper, or magazine.

97 (12) "Zoological park" means a park or garden where a collection of wild animals is kept
 98 for study, conservation, and public exhibition.

99 Section 2. Section **59-12-704** is amended to read:

100 **59-12-704 . Distribution of revenue -- Advisory board creation -- Determining**
 101 **operating expenses -- Administrative charge.**

102 (1) Except as provided in Subsections ~~[(3)(b)]~~ (7)(b) and ~~[(5)]~~ (9), and subject to the
 103 requirements of this section, ~~[any revenues collected by a county of the first class under~~
 104 ~~this part shall be distributed annually by the county legislative body]~~ the county
 105 legislative body of a county of the first class shall distribute annually any revenue
 106 collected under this part to support cultural facilities, recreational facilities, and
 107 zoological facilities and botanical organizations, cultural organizations, and zoological
 108 organizations within that first class county as follows:

109 ~~[(a) 30% of the revenue collected by the county under this section shall be distributed~~
 110 ~~by the county legislative body to support cultural facilities and recreational facilities~~
 111 ~~located within the county;]~~

112 ~~[(b) (i) subject to Subsection (1)(b)(ii) and except as provided in Subsection (1)(b)(iii),~~
 113 ~~16% of the revenue collected by the county under this section shall be distributed by~~
 114 ~~the county legislative body to support no more than three zoological facilities and~~
 115 ~~zoological organizations located within the county, having average annual operating~~
 116 ~~expenses of \$1,500,000 or more as determined under Subsection (3), with:]~~

117 ~~[(A) 63.5% of that revenue being distributed to support a zoological organization~~
 118 ~~having as its primary purpose the operation of a zoological park, or a zoological~~
 119 ~~facility that is part of or integrated with a zoological park;]~~

120 ~~[(B) 28.25% of that revenue being distributed to support a zoological organization~~
 121 ~~having as its primary purpose the operation of an aquarium, or a zoological facility~~
 122 ~~that is part of or integrated with an aquarium; and]~~

123 ~~[(C) 8.25% of that revenue being distributed to support a zoological organization~~
 124 ~~having as its primary purpose the operation of an aviary, or a zoological facility that~~
 125 ~~is part of or integrated with an aviary;]~~

126 ~~[(ii) if more than one zoological organization or zoological facility qualifies to receive~~
 127 ~~the money described in Subsection (1)(b)(i)(A), (B), or (C), the county legislative~~
 128 ~~body shall distribute the money described in the subsection for which more than one~~
 129 ~~zoological organization or zoological facility qualifies to whichever zoological~~
 130 ~~organization or zoological facility the county legislative body determines is most~~

- 131 appropriate, except that a zoological organization or zoological facility may not
132 receive money under more than one subsection under Subsection (1)(b)(i); and]
- 133 [(iii) if no zoological organization or zoological facility qualifies to receive money
134 described in Subsection (1)(b)(i)(A), (B), or (C), the county legislative body shall
135 distribute the money described in the subsection for which no zoological organization
136 or zoological facility qualifies among the zoological organizations or zoological
137 facilities qualifying for and receiving money under the other subsections in
138 proportion to the zoological organizations' or zoological facilities' average annual
139 operating expenses as determined under Subsection (3);]
- 140 [(c) (i) 45% of the revenue collected by the county under this section shall be
141 distributed to no more than 22 botanical organizations and cultural organizations:]
- 142 [(A) each of which has average annual operating expenses of more than \$250,000 as
143 determined under Subsection (3); and]
- 144 [(B) whose activities impact all or a significant region of the county or state;]
- 145 [(ii) subject to Subsection (1)(c)(iii), the county legislative body shall distribute the
146 money described in Subsection (1)(c)(i) among the botanical organizations and
147 cultural organizations in proportion to their average annual operating expenses as
148 determined under Subsection (3); and]
- 149 [(iii) the amount distributed to any botanical organization or cultural organization
150 described in Subsection (1)(c)(i) may not exceed 35% of the botanical organization's
151 or cultural organization's operating budget; and]
- 152 [(d) (i) 9% of the revenue collected by the county under this section shall be distributed
153 to botanical organizations and cultural organizations that do not receive revenue
154 under Subsection (1)(c)(i) in communities throughout the county; and]
- 155 [(ii) the county legislative body shall determine how the money shall be distributed
156 among the botanical organizations and cultural organizations described in Subsection
157 (1)(d)(i).]
- 158 (a) 30% of the revenue to support cultural facilities and recreational facilities located
159 within the county;
- 160 (b) 16% of the revenue to support zoological facilities and zoological organizations
161 located within the county as provided in Subsection (2);
- 162 (c) as provided in Subsection (5), 45% of the revenue to support no more than 22
163 botanical organizations and cultural organizations:
- 164 (i) each of which has average annual operating expenses of more than \$250,000 as

- 165 determined under Subsection (7); and
166 (ii) whose activities impact all or a significant region of the county or state; and
167 (d) 9% of the revenue to botanical organizations and cultural organizations that do not
168 receive revenue under Subsection (1)(c) in communities throughout the county as
169 determined by the county legislative body.
- 170 (2) (a) The distribution described in Subsection (1)(b) shall support no more than three
171 zoological facilities and zoological organizations located within the county and
172 having average annual operating expenses of \$1,500,000 or more as determined
173 under Subsection (7).
- 174 (b) For the calendar years that begin on or after January 1, 2025, and on or before
175 January 1, 2029, the county shall distribute the 16% of the revenue as follows:
- 176 (i) 8.25% of the revenue to support a zoological organization having as the zoological
177 organization's primary purpose the operation of an aviary, or a zoological facility
178 that is part of or integrated with an aviary;
- 179 (ii) an amount equal to the amount distributed during the previous calendar year to
180 support a zoological organization having as the zoological organization's primary
181 purpose the operation of a zoological park, or a zoological facility that is part of or
182 integrated with a zoological park; and
- 183 (iii) the remaining amount to a zoological organization having as the zoological
184 organization's primary purpose the operation of an aquarium, or a zoological
185 facility that is part of or integrated with an aquarium.
- 186 (c) For a calendar year that begins on or after January 1, 2030, the county shall provide
187 by ordinance for the distribution of the 16% of revenue to no more than three
188 zoological facilities and zoological organizations located within the county and
189 having average annual operating expenses of \$1,500,000 or more as determined
190 under Subsection (7).
- 191 (3) If more than one zoological organization or zoological facility qualifies to receive the
192 money described in Subsection (2), the county legislative body shall distribute the
193 money described in the subsection for which more than one zoological organization or
194 zoological facility qualifies to whichever zoological organization or zoological facility
195 the county legislative body determines is most appropriate, except that a zoological
196 organization or zoological facility may not receive money under more than one
197 subsection under Subsection (2).
- 198 (4) If no zoological organization or zoological facility qualifies to receive money described

199 in Subsection (2), the county legislative body shall distribute the money described in the
200 subsection for which no zoological organization or zoological facility qualifies among
201 the zoological organizations or zoological facilities qualifying for and receiving money
202 under the other subsections in proportion to the zoological organizations' or zoological
203 facilities' average annual operating expenses as determined under Subsection (7).

204 (5) (a) Subject to Subsection (5)(b), the county legislative body shall distribute the
205 money described in Subsection (1)(c) among the botanical organizations and cultural
206 organizations in proportion to the botanical organizations' and cultural organizations'
207 average annual operating expenses as determined under Subsection (7).

208 (b) The county may not distribute to any botanical organization or cultural organization
209 described in Subsection (1)(c) an amount that exceeds 35% of the botanical
210 organization's or cultural organization's operating budget.

211 [~~(2)~~] (6) (a) The county legislative body of each county shall create an advisory board to
212 advise the county legislative body on disbursement of funds to botanical
213 organizations and cultural organizations under Subsection [~~(1)(e)(i)~~] (1)(c).

214 (b) (i) The advisory board under Subsection [~~(2)(a)~~] (6)(a) shall consist of seven
215 members appointed by the county legislative body.

216 (ii) [~~In a county of the first class, two of the seven members of the advisory board~~
217 ~~under Subsection (2)(a) shall be appointed by the Division of Arts and Museums~~
218 ~~created in Section 9-6-201]~~ In a county of the first class, the Division of Arts and
219 Museums created in Section 9-6-201 shall appoint two of the seven members of
220 the advisory board under Subsection (6)(a).

221 [~~(3)~~] (7) (a) Except as provided in Subsection [~~(3)(b)~~] (7)(b), to be eligible to receive
222 money collected by the county under this part, a botanical organization, cultural
223 organization, zoological organization, and zoological facility located within a county
224 of the first class shall, every year:

225 (i) calculate its average annual operating expenses based upon audited operating
226 expenses for three preceding fiscal years; and

227 (ii) submit to the appropriate county legislative body:

228 (A) a verified audit of annual operating expenses for each of those three preceding
229 fiscal years; and

230 (B) the average annual operating expenses as calculated under Subsection [~~(3)(a)(i)~~]
231 (7)(a)(i).

232 (b) The county legislative body may waive the operating expenses reporting

233 requirements under Subsection [~~(3)~~(a)] (7)(a) for organizations described in
 234 Subsection [~~(1)~~(d)] (1)(d).

235 [~~(4)~~] (8) When calculating average annual operating expenses as described in Subsection [~~(3)~~]
 236 (7), each botanical organization, cultural organization, and zoological organization shall
 237 use the same three-year fiscal period as determined by the county legislative body.

238 [~~(5)~~] (9) (a) By July 1 of each year, the county legislative body of a first class county
 239 may index the threshold amount in Subsections (1)(c) and (d).

240 (b) Any change under Subsection [~~(5)~~(a)] (9)(a) shall be rounded off to the nearest \$100.

241 [~~(6)~~] (10) (a) In a county except for a county of the first class, the county legislative body
 242 shall by ordinance provide for the distribution of the entire amount of the [~~revenues~~]
 243 revenue generated by the tax imposed by this section:

244 (i) as provided in this Subsection [~~(6)~~] (10); and
 245 (ii) as stated in the opinion question described in Subsection 59-12-703(1).

246 (b) [~~Pursuant to~~] In accordance with an interlocal agreement established in accordance
 247 with Title 11, Chapter 13, Interlocal Cooperation Act, a county described in
 248 Subsection [~~(6)~~(a)] (10)(a) may distribute to a city, town, or political subdivision
 249 within the county [~~revenues~~] revenue generated by a tax under this part.

250 (c) The [~~revenues~~] revenue distributed under Subsection [~~(6)~~(a)] (10)(a) or (b) shall be
 251 used for one or more organizations or facilities defined in Section 59-12-702
 252 regardless of whether the [~~revenues are~~] revenue is distributed:

253 (i) directly by the county described in Subsection [~~(6)~~(a)] (10)(a) to be used for an
 254 organization or facility defined in Section 59-12-702; or
 255 (ii) in accordance with an interlocal agreement described in Subsection [~~(6)~~(b)] (10)(b).

256 [~~(7)~~] (11) A county legislative body may retain up to 1.5% of the proceeds from a tax under
 257 this part for the cost of administering this part.

258 [~~(8)~~] (12) The commission shall retain and deposit an administrative charge in accordance
 259 with Section 59-1-306 from the [~~revenues~~] revenue the commission collects from a tax
 260 under this part.

261 Section 3. **Effective date.**
 262 This bill takes effect on January 1, 2025.