

**Representative Judy Ann Buffmire** proposes to substitute the following bill:

**SALES TAX REFUND FOR QUALIFIED  
EMERGENCY FOOD AGENCIES**

2001 GENERAL SESSION

STATE OF UTAH

**Sponsor: Judy Ann Buffmire**

**This act modifies the Sales and Use Tax Act by allowing an association of governments created under the Interlocal Cooperation Act to claim a sales tax refund as a qualified emergency food agency. The act provides purposes for which sales tax refund monies may be used, provides that the State Community Services Office shall certify, monitor, and decertify qualified emergency food agencies for purposes of the sales tax refund, and makes technical changes. This act takes effect on July 1, 2001.**

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

**9-4-1404**, as enacted by Chapter 286, Laws of Utah 2000

**59-12-901**, as enacted by Chapter 264, Laws of Utah 1997

**59-12-902 (Effective 07/01/01)**, as last amended by Chapters 253, 325 and 325, Laws of Utah 2000

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

Section 1. Section **9-4-1404** is amended to read:

**9-4-1404. Duties of office.**

The office shall:

(1) coordinate state activities designed to reduce poverty;

(2) encourage entities in the private sector to participate in efforts to ameliorate poverty in the community;

(3) cooperate with agencies of local, state, and federal government in reducing poverty and



- 26 implementing community, social, and economic programs;
- 27 (4) receive and expend funds for the purposes outlined in this part;
- 28 (5) enter into contracts with and award grants to public and private nonprofit agencies and  
29 organizations;
- 30 (6) develop a state plan based on needs identified by community action agencies and  
31 community action statewide organizations;
- 32 (7) designate community action agencies to receive funds through the Community Services  
33 Block Grant program;
- 34 (8) fund community action agencies and community action statewide organizations;
- 35 (9) make rules in conjunction with the division pursuant to Title 63, Chapter 46a, Utah  
36 Administrative Rulemaking Act, to carry out the purposes of this part;
- 37 (10) provide assistance to local governments or private organizations for the purpose of  
38 establishing and operating a community action agency;
- 39 (11) provide technical assistance to community action agencies to improve program  
40 planning, program development, administration, and the mobilization of public and private  
41 resources;
- 42 (12) convene public meetings which provide citizens the opportunity to comment on  
43 public policies and programs to reduce poverty;
- 44 (13) advise the governor and Legislature of the nature and extent of poverty in the state  
45 and make recommendations concerning changes in state and federal policies and programs;
- 46 (14) encourage Utah's nonprofit humanitarian assistance agencies serving low-income  
47 persons by facilitating, coordinating, training, partnerships, and providing technical assistance in  
48 addressing Utah's low-income persons by enhancing management, improving service and program  
49 delivery, and preserving flexibility and local initiative;
- 50 (15) develop and implement management goals which fulfill the Community Services  
51 Block Grant mission, state requirements, and the mandates of federal legislation;
- 52 (16) prepare a Community Services Block Grant plan which contains provisions describing  
53 how the state will carry out the assurances of the Community Services Block Grant Act;
- 54 (17) act as the state agency responsible for the evaluation and improvement of emergency  
55 food assistance services in the state;
- 56 (18) monitor the impact of social policies on the emergency food network;

57 (19) provide training and technical assistance to all grantees to assist them in program  
 58 development and implementation, compliance with state and federal regulations, and reporting and  
 59 management information systems;

60 (20) certify, monitor, and decertify ~~[food pantries eligible for state]~~ qualified emergency  
 61 food agencies for purposes of the sales tax [rebates] refund under Section 59-12-902; and

62 (21) administer other programs to alleviate poverty assigned to the office.

63 Section 2. Section **59-12-901** is amended to read:

64 **59-12-901. Definitions.**

65 As used in this part:

66 (1) "Association of governments" means the following created under the authority of Title  
 67 11, Chapter 13, Interlocal Cooperation Act:

68 (a) an association of governments; or

69 (b) a regional council that acts as an association of governments.

70 ~~[(1)]~~ (2) "Consumer price index" is as described in Section (1)(f)(4), Internal Revenue  
 71 Code, and defined in Section (1)(f)(5), Internal Revenue Code.

72 ~~[(2)]~~ (3) "Pounds of food donated" means the aggregate number of pounds of food donated  
 73 to a qualified emergency food agency:

74 (a) on or after January 1, 1998; and

75 (b) for which sales or use tax was paid under Part 1, Tax Collection, by the person  
 76 donating the food.

77 ~~[(3)]~~ (4) "Qualified emergency food agency" means an organization that is:

78 (a) ~~[is]~~ (i) exempt from federal income taxation under Section 501(c)(3), Internal Revenue  
 79 Code; or

80 (ii) an association of governments;

81 (b) as part of its activities operates a program~~[-the]~~ that has as the program's primary  
 82 purpose [of which is] to:

83 (i) warehouse and distribute food to other agencies and organizations providing food to  
 84 low-income persons; or

85 (ii) provide food directly to low-income persons; and

86 (c) is certified to claim a refund by the ~~[Division of Community Development created in~~  
 87 ~~Section 9-4-201]~~ State Community Services Office in accordance with Section 9-4-1404.

88 Section 3. Section 59-12-902 (Effective 07/01/01) is amended to read:

89 **59-12-902 (Effective 07/01/01). Sales tax refund for qualified emergency food**  
90 **agencies -- Administration -- Rulemaking authority.**

91 (1) Beginning on January 1, 1998, a qualified emergency food agency may claim a sales  
92 tax refund as provided in this section on the pounds of food donated to the qualified emergency  
93 food agency.

94 (2) (a) Subject to the adjustments provided for in Subsection (2)(b), a qualified emergency  
95 food agency may claim a refund in an amount equal to the pounds of food donated to the qualified  
96 emergency food agency multiplied by:

97 (i) \$1.70; and

98 (ii) the sum of:

99 (A) 4.75%; and

100 (B) except as provided in Subsection (2)(c), the sum of the tax rates provided for in  
101 Subsection (2)(b).

102 (b) Tax rates authorized under the following apply to Subsection (2)(a)(ii)(B):

103 (i) the lowest tax rate imposed by a county, city, or town under Section 59-12-204, but  
104 only if all of the counties, cities, and towns in the state impose the tax under Section 59-12-204;

105 (ii) the lowest tax rate imposed by a county, city, or town under Section 59-12-205, but  
106 only if all of the counties, cities, and towns in the state impose the tax under Section 59-12-205;

107 (iii) the tax rate authorized by Section 59-12-501 or Section 59-12-1001, but only if all of  
108 the counties, cities, and towns in the state impose the tax:

109 (A) under Section 59-12-501; or

110 (B) under Section 59-12-1001;

111 (iv) the tax rate authorized by Section 59-12-502, but only if all of the counties, cities, and  
112 towns in the state impose the tax under Section 59-12-502;

113 (v) the tax rate authorized by Section 59-12-703, but only if all of the counties in the state  
114 impose the tax under Section 59-12-703; and

115 (vi) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the  
116 state impose the tax under Section 59-12-1102.

117 (c) Tax rates authorized under the following do not apply to Subsection (2)(a)(ii)(B):

118 (i) Subsection 59-12-103(2)(a)(i);

- 119 (ii) Subsection 59-12-103(2)(b)(i);
- 120 (iii) Subsection 59-12-103(2)(c)(i);
- 121 (iv) Section 59-12-301;
- 122 (v) Section 59-12-352;
- 123 (vi) Section 59-12-353;
- 124 (vii) Section 59-12-401;
- 125 (viii) Section 59-12-402;
- 126 (ix) Section 59-12-603;
- 127 (x) Section 59-12-802;
- 128 (xi) Section 59-12-804;
- 129 (xii) Section 59-12-1201; or
- 130 (xiii) Section 59-12-1302.

131 (d) Beginning on January 1, 1999, the commission shall annually adjust on or before the  
 132 second Monday of February the \$1.70 provided in Subsection (2)(a)(i) by a percentage equal to  
 133 the percentage difference between the food at home category of the Consumer Price Index for:

- 134 (i) the preceding calendar year; and
- 135 (ii) calendar year 1997.

136 (3) To claim a sales tax refund under this section, a qualified emergency food agency shall  
 137 file an application with the commission.

138 (4) A qualified emergency food agency may use amounts received as a sales tax refund  
 139 under this section only for a purpose related to:

- 140 (a) warehousing and distributing food to other agencies and organizations providing food  
 141 to low-income persons; or
- 142 (b) providing food directly to low-income persons.

143 ~~[(4)]~~ (5) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,  
 144 the commission may make rules providing procedures for implementing the sales tax refund under  
 145 this section, including:

- 146 ~~[(a) procedures for an organization to apply for recognition as a qualified emergency food~~  
 147 ~~agency;]~~
- 148 ~~[(b)]~~ (a) standards for determining and verifying the amount of the sales tax refund; and
- 149 ~~[(c)]~~ (b) procedures for a qualified emergency food agency to apply for a sales tax refund,

150 including the frequency with which a qualified emergency food agency may apply for a sales tax  
151 refund.

152 [~~5~~] (6) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,  
153 the Division of Community Development may establish rules providing for the certification of  
154 emergency food agencies to claim a refund under this part.

155 Section 4. **Effective date.**

156 This act takes effect on July 1, 2001.