

1                                   **REGISTRATION AND TAXATION OF**  
2                                   **VEHICLES FOR SPORTS EVENTS**

3                                   2001 FIRST SPECIAL SESSION

4                                   STATE OF UTAH

5                                   **Sponsor: John W. Hickman**

6 **This act modifies provisions related to Motor Vehicles and Revenue and Taxation to address**  
7 **the issuance of temporary permits or temporary sports event registration certificates by the**  
8 **Motor Vehicle Enforcement Division or a motor vehicle dealer, and to address the**  
9 **suspension or revocation of the authority of a motor vehicle dealer to issue a temporary**  
10 **permit or a temporary sports event registration certificate. The act requires the Motor**  
11 **Vehicle Enforcement Division to impose fees for issuing a temporary permit or a temporary**  
12 **sports event registration certificate, and provides that the fees may be used as dedicated**  
13 **credits toward the costs incurred in issuing temporary permits and temporary sports event**  
14 **registration certificates. The act subjects a motor vehicle issued a temporary sports event**  
15 **registration certificate to a \$5 uniform fee in lieu of property taxes, addresses the imposition**  
16 **of property taxes and uniform fees on tangible personal property, and provides a sales and**  
17 **use tax exemption for the lease or use of a motor vehicle issued a temporary sports event**  
18 **registration certificate. The act makes technical changes.**

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

20 AMENDS:

21           **41-1a-202**, as last amended by Chapter 245, Laws of Utah 1998

22           **41-3-304**, as renumbered and amended by Chapter 234, Laws of Utah 1992

23           **59-2-405**, as last amended by Chapter 322, Laws of Utah 1998

24           **59-2-405.1**, as enacted by Chapter 322, Laws of Utah 1998

25           **59-12-104**, as last amended by Chapters 170, 243 and 262, Laws of Utah 2001

26 ENACTS:

27           **41-3-306**, Utah Code Annotated 1953



28           **41-3-603**, Utah Code Annotated 1953

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

30           Section 1. Section **41-1a-202** is amended to read:

31           **41-1a-202. Definitions -- Vehicles exempt from registration -- Registration of vehicles**  
32 **after establishing residency.**

33           (1) In this section:

34           (a) "Domicile" means the place:

35           (i) where an individual has a fixed permanent home and principal establishment;

36           (ii) to which the individual if absent, intends to return; and

37           (iii) in which the individual and his family voluntarily reside, not for a special or  
38 temporary purpose, but with the intention of making a permanent home.

39           (b) (i) "Resident" means any of the following:

40           (A) an individual who:

41           (I) has established a domicile in this state;

42           (II) regardless of domicile, remains in this state for an aggregate period of six months or  
43 more during any calendar year;

44           (III) engages in a trade, profession, or occupation in this state or who accepts employment  
45 in other than seasonal work in this state and who does not commute into the state;

46           (IV) declares himself to be a resident of this state for the purpose of obtaining a driver  
47 license or motor vehicle registration; or

48           (V) declares himself a resident of Utah to obtain privileges not ordinarily extended to  
49 nonresidents, including going to school, or placing children in school without paying nonresident  
50 tuition or fees;

51           (B) any individual, partnership, limited liability company, firm, corporation, association,  
52 or other entity that:

53           (I) maintains a main office, branch office, or warehouse facility in this state and that bases  
54 and operates a motor vehicle in this state; or

55           (II) operates a motor vehicle in intrastate transportation for other than seasonal work.

56           (ii) "Resident" does not include any of the following:

57           (A) a member of the military temporarily stationed in Utah; and

58           (B) an out-of-state student, as classified by the institution of higher education, enrolled

59 with the equivalent of seven or more quarter hours, regardless of whether the student engages in  
60 a trade, profession, or occupation in this state or accepts employment in this state.

61 (2) Registration under this chapter is not required for any:

62 (a) vehicle registered in another state and owned by a nonresident of the state or operating  
63 under a temporary registration permit issued by the division or a dealer authorized by this chapter,  
64 driven or moved upon a highway in conformance with the provisions of this chapter relating to  
65 manufacturers, transporters, dealers, lien holders, or interstate vehicles;

66 (b) vehicle driven or moved upon a highway only for the purpose of crossing the highway  
67 from one property to another;

68 (c) implement of husbandry, whether of a type otherwise subject to registration or not, that  
69 is only incidentally operated or moved upon a highway;

70 (d) special mobile equipment;

71 (e) vehicle owned or leased by the federal government;

72 (f) motor vehicle not designed, used, or maintained for the transportation of passengers  
73 for hire or for the transportation of property if the motor vehicle is registered in another state and  
74 is owned and operated by a nonresident of this state;

75 (g) vehicle or combination of vehicles designed, used, or maintained for the transportation  
76 of persons for hire or for the transportation of property if the vehicle or combination of vehicles  
77 is registered in another state and is owned and operated by a nonresident of this state and if the  
78 vehicle or combination of vehicles has a gross laden weight of 26,000 pounds or less;

79 (h) trailer of 750 pounds or less unladen weight and not designed, used, and maintained  
80 for hire for the transportation of property or person;

81 (i) manufactured home or mobile home;

82 (j) off-highway vehicle currently registered under Section 41-22-3 if the off-highway  
83 vehicle is:

84 (i) being towed;

85 (ii) operated on a street or highway designated as open to off-highway vehicle use; or

86 (iii) operated in the manner prescribed in Section 41-22-10.3;

87 (k) off-highway implement of husbandry operated in the manner prescribed in Subsections  
88 41-22-5.5(3) through (5);

89 (l) modular and prebuilt homes conforming to the uniform building code and presently

90 regulated by the United States Department of Housing and Urban Development that are not  
91 constructed on a permanent chassis;

92 (m) electric assisted bicycles defined under Section 41-6-1; or

93 (n) motor assisted scooters defined under Section 41-6-1.

94 (3) Unless otherwise exempted under Subsection (2), registration under this chapter is  
95 required for any motor vehicle, combination of vehicles, trailer, semitrailer, or vintage vehicle  
96 within 60 days of the owner establishing residency in this state.

97 (4) A motor vehicle that is registered under Section 41-3-306 is exempt from the  
98 registration requirements of this part for the time period that the registration under Section  
99 41-3-306 is valid.

100 Section 2. Section **41-3-304** is amended to read:

101 **41-3-304. Temporary permits -- Temporary sports event registration certificate --**  
102 **Suspension or revocation of dealer's authority to issue -- Return of temporary permits to**  
103 **division -- Refunds -- Appeal.**

104 (1) The division may suspend or revoke [~~the privilege of issuing~~] a dealer's authority to  
105 issue a temporary [permits when it] permit or a temporary sports event registration certificate under  
106 this part if the division determines the dealer has failed to comply with this chapter or with any  
107 rules made by the [~~administrator~~] commission under [~~Section 41-3-302~~] this part.

108 (2) (a) Suspension or revocation of authority to issue a temporary [permits] permit or a  
109 temporary sports event registration certificate takes effect immediately upon written notification  
110 to the [~~licensee~~] dealer by the division.

111 (b) Upon notification, the [~~licensee~~] dealer shall immediately return all temporary permits  
112 to the division.

113 (c) [~~H~~] Subject to Subsection (2)(d), if the authority to issue a temporary permit under  
114 Section 41-3-302 is revoked or suspended for more than 30 days, the dealer may apply for a refund  
115 of the money paid to the division only for [aH] temporary permits described in Section 41-3-302  
116 that are returned prior to issuance.

117 (d) [~~Permits~~] Temporary permits being returned may not have ever been issued, written  
118 on, or separated from their stubs, and shall be in useable condition.

119 [~~(3) Failure to return the permits or to continue issuing them after the authority is~~  
120 ~~suspended or revoked is a violation of this chapter and grounds for automatic suspension of a~~

121 dealer's license.]

122 (3) If the division suspends or revokes a dealer's authority to issue a temporary permit or  
 123 a temporary sports event registration certificate as provided in this section, each of the following  
 124 is a violation of this chapter and grounds for automatic suspension of the dealer's license:

125 (a) failure to return a temporary permit to the division as provided in this section; or

126 (b) issuing a:

127 (i) temporary permit; or

128 (ii) temporary sports event registration certificate.

129 (4) (a) [~~If a licensee desires to~~] A dealer may appeal the division's suspension or  
 130 revocation[~~, he shall file~~] by filing a written appeal with the administrator within ten days of the  
 131 suspension or revocation.

132 (b) Upon receiving the [~~licensee's~~] dealer's written appeal, the administrator shall set a  
 133 hearing for not more than 20 days from the date the written appeal is received.

134 [~~(c) The licensee may not continue to issue or possess any temporary permits while his~~  
 135 ~~authority is suspended or revoked.~~]

136 [~~(d) The~~] (c) A hearing [and subsequent] or appeal [process are] under this section shall  
 137 be conducted in accordance with Title 63, Chapter 46b, Administrative Procedures Act.

138 Section 3. Section **41-3-306** is enacted to read:

139 **41-3-306. Temporary sports event registration -- Definitions -- Expiration -- Fees --**  
 140 **Rulemaking authority.**

141 (1) As used in this section:

142 (a) "Distributor-provided vehicle" means a motor vehicle:

143 (i) that has never been titled or registered in any state; and

144 (ii) the use of which is donated by a distributor licensed under Part 2, Licensing, through  
 145 a dealer licensed under Part 2, Licensing.

146 (b) (i) "Event period" means a time period:

147 (A) during which a sports event takes place;

148 (B) not to exceed 180 consecutive calendar days; and

149 (C) specified by the division on a temporary sports event registration certificate.

150 (ii) "Event period" may include one or more of the following time periods if the division  
 151 determines that good cause exists for including the time period within the event period:

152 (A) a reasonable time period before a sports event as determined by the division; or

153 (B) a reasonable time period after a sports event as determined by the division.

154 (c) (i) Notwithstanding Section 41-3-102 and except as provided in Subsection (1)(c)(ii),

155 "motor vehicle" means a motor vehicle that is subject to the uniform fee imposed by Section

156 59-2-405.1.

157 (ii) "Motor vehicle" does not include a state-assessed commercial vehicle as defined in

158 Section 59-2-102.

159 (d) (i) "Sports event" means an amateur or professional:

160 (A) sports:

161 (I) game;

162 (II) race; or

163 (III) contest; or

164 (B) athletic:

165 (I) game;

166 (II) race; or

167 (III) contest.

168 (ii) "Sports event" includes a game, race, or contest described in Subsection (1)(d)(i) that  
169 is:

170 (A) an independent game, race, or contest; or

171 (B) a part of another event or activity regardless of whether the other event or activity is  
172 an event or activity relating to sports or athletics.

173 (e) "Temporary sports event registration certificate" means a motor vehicle certificate of  
174 registration issued by the division to a dealer in accordance with this section.

175 (2) Beginning on September 1, 2001, the division may register a motor vehicle for an event  
176 period by issuing to a dealer licensed under Part 2, Licensing, a temporary sports event registration  
177 certificate if the division determines that:

178 (a) the motor vehicle is a distributor-provided vehicle;

179 (b) the motor vehicle will be used for a sports event within the state during the event  
180 period; and

181 (c) the dealer provides the division an application stating:

182 (i) the person to whom the distributor is donating use of the motor vehicle;

- 183 (ii) the motor vehicle identification number;  
184 (iii) the motor vehicle:  
185 (A) make;  
186 (B) model; and  
187 (C) year;  
188 (iv) the name of the sports event;  
189 (v) the beginning date and ending date of the sports event; and  
190 (vi) any other information the division requires.  
191 (3) If the division issues a temporary sports event registration certificate to a dealer  
192 licensed under Part 2, Licensing:  
193 (a) the division:  
194 (i) shall specify the event period on the temporary sports event registration certificate; and  
195 (ii) may specify any other information on the temporary sports event registration certificate  
196 as determined by the division; and  
197 (b) the dealer shall for each motor vehicle for which the division issues a temporary sports  
198 event registration certificate:  
199 (i) pay the:  
200 (A) registration fees required by Chapter 1a, Part 12, Fee and Tax Requirements; and  
201 (B) uniform fee required by Section 59-2-405.1; and  
202 (ii) place the temporary sports event registration certificate in the rear license plate holder  
203 of the motor vehicle.  
204 (4) A temporary sports event registration certificate issued by the division under this  
205 section is valid for the event period specified on the temporary sports event registration certificate.  
206 (5) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
207 commission may make rules:  
208 (a) specifying the information to be provided to the division by a dealer or a person using  
209 a distributor-provided vehicle in connection with the issuance of a temporary sports event  
210 registration certificate;  
211 (b) specifying the form for a temporary sports event registration certificate; or  
212 (c) defining the terms:  
213 (i) "reasonable time period before a sports event"; and

214 (ii) "reasonable time period after a sports event."

215 Section 4. Section **41-3-603** is enacted to read:

216 **41-3-603. Fees for temporary permits and temporary sports event registration**  
217 **certificates -- Dedicated credits -- Use of fees.**

218 (1) A dealer shall pay to the division a fee of \$6 for each of the following the division  
219 issues to the dealer:

220 (a) a temporary permit under Section 41-3-302; or

221 (b) a temporary sports event registration certificate under Section 41-3-306.

222 (2) The division may use fees collected under Subsection (1) as dedicated credits to be  
223 used toward the costs of the division.

224 Section 5. Section **59-2-405** is amended to read:

225 **59-2-405. Uniform fee on tangible personal property required to be registered with**  
226 **the state.**

227 (1) The property described in Subsection (2), except Subsections (2)(b)(ii) and (iii), is  
228 exempt from ad valorem property taxes pursuant to Utah Constitution Article XIII, Section 14.

229 (2) (a) Except as provided in Subsection (2)(b), there is levied [~~an annual~~] as provided in  
230 this part a statewide uniform fee in lieu of the ad valorem tax on:

231 (i) motor vehicles required to be registered with the state that weigh 12,001 pounds or  
232 more;

233 (ii) motorcycles as defined in Section 41-1a-102 that are required to be registered with the  
234 state;

235 [~~(ii)~~] (iii) watercraft required to be registered with the state;

236 [~~(iii)~~] (iv) recreational vehicles required to be registered with the state; and

237 [~~(iv)~~] (v) all other tangible personal property required to be registered with the state before  
238 it is used on a public highway, on a public waterway, on public land, or in the air.

239 (b) The following personal property is exempt from the statewide uniform fee imposed by  
240 this section:

241 (i) aircraft;

242 (ii) vintage vehicles as defined in Section 41-21-1;

243 (iii) state-assessed commercial vehicles; [~~and~~]

244 (iv) tangible personal property subject to a uniform fee imposed by Section 59-2-405.1;



245 and

246 [~~(iv)~~] (v) personal property that is exempt from state or county ad valorem property taxes  
247 under the laws of this state or of the federal government.

248 (3) Beginning on January 1, 1999, the uniform fee is 1.5% of the fair market value of the  
249 personal property, as established by the commission.

250 (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is brought  
251 into the state and is required to be registered in Utah shall, as a condition of registration, be subject  
252 to the uniform fee unless all property taxes or uniform fees imposed by the state of origin have  
253 been paid for the current calendar year.

254 (5) (a) The revenues collected in each county from the uniform fee shall be distributed by  
255 the county to each taxing entity in which the property described in Subsection (2) is located in the  
256 same proportion in which revenue collected from ad valorem real property tax is distributed.

257 (b) Each taxing entity shall distribute the revenues received under Subsection (5)(a) in the  
258 same proportion in which revenue collected from ad valorem real property tax is distributed.

259 (6) Appeals of the valuation of the tangible personal property described in Subsection (2)  
260 shall be filed pursuant to Section 59-2-1005.

261 Section 6. Section **59-2-405.1** is amended to read:

262 **59-2-405.1. Uniform fee on tangible personal property weighing 12,000 pounds or**  
263 **less.**

264 (1) The property described in Subsection (2), except Subsection (2)(b)(ii), is exempt from  
265 ad valorem property taxes pursuant to Utah Constitution Article XIII, Section 14.

266 (2) (a) Except as provided in Subsection (2)(b), there is levied [~~an annual~~] as provided in  
267 this part a statewide uniform fee in lieu of the ad valorem tax on:

268 (i) motor vehicles as defined in Section 41-1a-102 that:

269 (A) are required to be registered with the state [that]; and

270 (B) weigh 12,000 pounds or less; and

271 (ii) state-assessed commercial vehicles required to be registered with the state that weigh  
272 12,000 pounds or less.

273 (b) The following personal property is exempt from the statewide uniform fee imposed by  
274 this section:

275 (i) aircraft;

276 (ii) vintage vehicles as defined in Section 41-21-1; [and]  
277 (iii) tangible personal property subject to the uniform fee imposed by Section 59-2-405;

278 and

279 [(iii)] (iv) tangible personal property that is exempt from state or county ad valorem  
280 property taxes under the laws of this state or of the federal government.

281 (3) [~~Beginning~~] (a) Except as provided in Subsection (3)(b), beginning on January 1, 1999,  
282 the uniform fee [under Subsection (2)] for purposes of this section is as follows:

Age of Vehicle	Uniform Fee
12 or more years	\$10
9 or more years but less than 12 years	\$50
6 or more years but less than 9 years	\$80
3 or more years but less than 6 years	\$110
Less than 3 years	\$150

289 (b) Notwithstanding Subsection (3)(a), beginning on September 1, 2001, for a motor  
290 vehicle issued a temporary sports event registration certificate in accordance with Section  
291 41-3-306, the uniform fee for purposes of this section is \$5 for the event period specified on the  
292 temporary sports event registration certificate regardless of the age of the motor vehicle.

293 (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is brought  
294 into the state and is required to be registered in Utah shall, as a condition of registration, be subject  
295 to the uniform fee unless all property taxes or uniform fees imposed by the state of origin have  
296 been paid for the current calendar year.

297 (5) (a) The revenues collected in each county from the uniform fee shall be distributed by  
298 the county to each taxing entity in which the property described in Subsection (2) is located in the  
299 same proportion in which revenue collected from ad valorem real property tax is distributed.

300 (b) Each taxing entity shall distribute the revenues received under Subsection (5)(a) in the  
301 same proportion in which revenue collected from ad valorem real property tax is distributed.

302 (6) Appeals of the valuation of the tangible personal property described in Subsection (2)  
303 shall be filed pursuant to Section 59-2-1005.

304 Section 7. Section **59-12-104** is amended to read:

305 **59-12-104. Exemptions.**

306 The following sales and uses are exempt from the taxes imposed by this chapter:

- 307 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax  
308 under Chapter 13, Motor and Special Fuel Tax Act;
- 309 (2) sales to the state, its institutions, and its political subdivisions; however, this exemption  
310 does not apply to sales of construction materials except:
- 311 (a) construction materials purchased by or on behalf of institutions of the public education  
312 system as defined in Utah Constitution Article X, Section 2, provided the construction materials  
313 are clearly identified and segregated and installed or converted to real property which is owned by  
314 institutions of the public education system; and
- 315 (b) construction materials purchased by the state, its institutions, or its political  
316 subdivisions which are installed or converted to real property by employees of the state, its  
317 institutions, or its political subdivisions;
- 318 (3) sales of food, beverage, and dairy products from vending machines in which the  
319 proceeds of each sale do not exceed \$1 if the vendor or operator of the vending machine reports  
320 an amount equal to 150% of the cost of items as goods consumed;
- 321 (4) sales of food, beverage, dairy products, similar confections, and related services to  
322 commercial airline carriers for in-flight consumption;
- 323 (5) sales of parts and equipment installed in aircraft operated by common carriers in  
324 interstate or foreign commerce;
- 325 (6) sales of commercials, motion picture films, prerecorded audio program tapes or  
326 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture  
327 exhibitor, distributor, or commercial television or radio broadcaster;
- 328 (7) sales of cleaning or washing of tangible personal property by a coin-operated laundry  
329 or dry cleaning machine;
- 330 (8) (a) except as provided in Subsection (8)(b), sales made to or by religious or charitable  
331 institutions in the conduct of their regular religious or charitable functions and activities, if the  
332 requirements of Section 59-12-104.1 are fulfilled;
- 333 (b) the exemption provided for in Subsection (8)(a) does not apply to the following sales,  
334 uses, leases, or rentals relating to the Olympic Winter Games of 2002 made to or by an  
335 organization exempt from federal income taxation under Section 501(c)(3), Internal Revenue  
336 Code:
- 337 (i) retail sales of Olympic merchandise;

338 (ii) except as provided in Subsection (51), admissions or user fees described in Subsection  
339 59-12-103(1)(f);

340 (iii) sales of accommodations and services as provided in Subsection 59-12-103(1)(i),  
341 except for accommodations and services:

342 (A) paid for in full by the Salt Lake Organizing Committee for the Olympic Winter Games  
343 of 2002;

344 (B) exclusively used by:

345 (I) an officer, a trustee, or an employee of the Salt Lake Organizing Committee for the  
346 Olympic Winter Games of 2002; or

347 (II) a volunteer supervised by the Salt Lake Organizing Committee for the Olympic Winter  
348 Games of 2002; and

349 (C) for which the Salt Lake Organizing Committee for the Olympic Winter Games of 2002  
350 does not receive reimbursement; or

351 (iv) a lease or rental of a vehicle as defined in Section 41-1a-102, except for a lease or  
352 rental of a vehicle:

353 (A) paid for in full by the Salt Lake Organizing Committee for the Olympic Winter Games  
354 of 2002;

355 (B) exclusively used by:

356 (I) an officer, a trustee, or an employee of the Salt Lake Organizing Committee for the  
357 Olympic Winter Games of 2002; or

358 (II) a volunteer supervised by the Salt Lake Organizing Committee for the Olympic Winter  
359 Games of 2002; and

360 (C) for which the Salt Lake Organizing Committee for the Olympic Winter Games of 2002  
361 does not receive reimbursement;

362 (9) sales of vehicles of a type required to be registered under the motor vehicle laws of this  
363 state which are made to bona fide nonresidents of this state and are not afterwards registered or  
364 used in this state except as necessary to transport them to the borders of this state;

365 (10) sales of medicine;

366 (11) sales or use of property, materials, or services used in the construction of or  
367 incorporated in pollution control facilities allowed by Sections 19-2-123 through 19-2-127;

368 (12) (a) sales of meals served by:

- 369 (i) the following if the meals are not available to the general public:
- 370 (A) a church; or
- 371 (B) a charitable institution;
- 372 (ii) an institution of higher education if:
- 373 (A) the meals are not available to the general public; or
- 374 (B) the meals are prepaid as part of a student meal plan offered by the institution of higher
- 375 education; or
- 376 (b) inpatient meals provided at:
- 377 (i) a medical facility; or
- 378 (ii) a nursing facility;
- 379 (13) isolated or occasional sales by persons not regularly engaged in business, except the
- 380 sale of vehicles or vessels required to be titled or registered under the laws of this state in which
- 381 case the tax is based upon:
- 382 (a) the bill of sale or other written evidence of value of the vehicle or vessel being sold;
- 383 or
- 384 (b) in the absence of a bill of sale or other written evidence of value, the then existing fair
- 385 market value of the vehicle or vessel being sold as determined by the commission;
- 386 (14) (a) the following purchases or leases by a manufacturer on or after July 1, 1995:
- 387 (i) machinery and equipment:
- 388 (A) used in the manufacturing process;
- 389 (B) having an economic life of three or more years; and
- 390 (C) used:
- 391 (I) to manufacture an item sold as tangible personal property; and
- 392 (II) in new or expanding operations in a manufacturing facility in the state; and
- 393 (ii) subject to the provisions of Subsection (14)(b), normal operating replacements that:
- 394 (A) have an economic life of three or more years;
- 395 (B) are used in the manufacturing process in a manufacturing facility in the state;
- 396 (C) are used to replace or adapt an existing machine to extend the normal estimated useful
- 397 life of the machine; and
- 398 (D) do not include repairs and maintenance;
- 399 (b) the rates for the exemption under Subsection (14)(a)(ii) are as follows:

400 (i) beginning July 1, 1996, through June 30, 1997, 30% of the sale or lease described in  
401 Subsection (14)(a)(ii) is exempt;

402 (ii) beginning July 1, 1997, through June 30, 1998, 60% of the sale or lease described in  
403 Subsection (14)(a)(ii) is exempt; and

404 (iii) beginning July 1, 1998, 100% of the sale or lease described in Subsection (14)(a)(ii)  
405 is exempt;

406 (c) for purposes of this Subsection (14), the commission shall by rule define the terms  
407 "new or expanding operations" and "establishment"; and

408 (d) on or before October 1, 1991, and every five years after October 1, 1991, the  
409 commission shall:

410 (i) review the exemptions described in Subsection (14)(a) and make recommendations to  
411 the Revenue and Taxation Interim Committee concerning whether the exemptions should be  
412 continued, modified, or repealed; and

413 (ii) include in its report:

414 (A) the cost of the exemptions;

415 (B) the purpose and effectiveness of the exemptions; and

416 (C) the benefits of the exemptions to the state;

417 (15) sales of tooling, special tooling, support equipment, and special test equipment used  
418 or consumed exclusively in the performance of any aerospace or electronics industry contract with  
419 the United States government or any subcontract under that contract, but only if, under the terms  
420 of that contract or subcontract, title to the tooling and equipment is vested in the United States  
421 government as evidenced by a government identification tag placed on the tooling and equipment  
422 or by listing on a government-approved property record if a tag is impractical;

423 (16) intrastate movements of:

424 (a) freight by common carriers; and

425 (b) passengers:

426 (i) by taxicabs as described in SIC Code 4121 of the 1987 Standard Industrial  
427 Classification Manual of the federal Executive Office of the President, Office of Management and  
428 Budget; or

429 (ii) transported by an establishment described in SIC Code 4111 of the 1987 Standard  
430 Industrial Classification Manual of the federal Executive Office of the President, Office of

431 Management and Budget, if the transportation originates and terminates within a county of the  
432 first, second, or third class;

433 (17) sales of newspapers or newspaper subscriptions;

434 (18) tangible personal property, other than money, traded in as full or part payment of the  
435 purchase price, except that for purposes of calculating sales or use tax upon vehicles not sold by  
436 a vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:

437 (a) the bill of sale or other written evidence of value of the vehicle being sold and the  
438 vehicle being traded in; or

439 (b) in the absence of a bill of sale or other written evidence of value, the then existing fair  
440 market value of the vehicle being sold and the vehicle being traded in, as determined by the  
441 commission;

442 (19) sprays and insecticides used to control insects, diseases, and weeds for commercial  
443 production of fruits, vegetables, feeds, seeds, and animal products, but not those sprays and  
444 insecticides used in the processing of the products;

445 (20) (a) sales of tangible personal property used or consumed primarily and directly in  
446 farming operations, including sales of irrigation equipment and supplies used for agricultural  
447 production purposes, whether or not they become part of real estate and whether or not installed  
448 by farmer, contractor, or subcontractor, but not sales of:

449 (i) machinery, equipment, materials, and supplies used in a manner that is incidental to  
450 farming, such as hand tools with a unit purchase price not in excess of \$250, and maintenance and  
451 janitorial equipment and supplies;

452 (ii) tangible personal property used in any activities other than farming, such as office  
453 equipment and supplies, equipment and supplies used in sales or distribution of farm products, in  
454 research, or in transportation; or

455 (iii) any vehicle required to be registered by the laws of this state, without regard to the use  
456 to which the vehicle is put;

457 (b) sales of hay;

458 (21) exclusive sale of locally grown seasonal crops, seedling plants, or garden, farm, or  
459 other agricultural produce if sold by a producer during the harvest season;

460 (22) purchases of food as defined in 7 U.S.C. Sec. 2012(g) under the Food Stamp Program,  
461 7 U.S.C. Sec. 2011 et seq.;

462 (23) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,  
463 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor, wholesaler,  
464 or retailer for use in packaging tangible personal property to be sold by that manufacturer,  
465 processor, wholesaler, or retailer;

466 (24) property stored in the state for resale;

467 (25) property brought into the state by a nonresident for his or her own personal use or  
468 enjoyment while within the state, except property purchased for use in Utah by a nonresident living  
469 and working in Utah at the time of purchase;

470 (26) property purchased for resale in this state, in the regular course of business, either in  
471 its original form or as an ingredient or component part of a manufactured or compounded product;

472 (27) property upon which a sales or use tax was paid to some other state, or one of its  
473 subdivisions, except that the state shall be paid any difference between the tax paid and the tax  
474 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if the  
475 tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax Act;

476 (28) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person  
477 for use in compounding a service taxable under the subsections;

478 (29) purchases of supplemental foods as defined in 42 U.S.C. Sec. 1786(b)(14) under the  
479 special supplemental nutrition program for women, infants, and children established in 42 U.S.C.  
480 Sec. 1786;

481 (30) beginning on July 1, 1999, through June 30, 2004, sales or leases of rolls, rollers,  
482 refractory brick, electric motors, or other replacement parts used in the furnaces, mills, or ovens  
483 of a steel mill described in SIC Code 3312 of the 1987 Standard Industrial Classification Manual  
484 of the federal Executive Office of the President, Office of Management and Budget;

485 (31) sales of boats of a type required to be registered under Title 73, Chapter 18, State  
486 Boating Act, boat trailers, and outboard motors which are made to bona fide nonresidents of this  
487 state and are not thereafter registered or used in this state except as necessary to transport them to  
488 the borders of this state;

489 (32) sales of tangible personal property to persons within this state that is subsequently  
490 shipped outside the state and incorporated pursuant to contract into and becomes a part of real  
491 property located outside of this state, except to the extent that the other state or political entity  
492 imposes a sales, use, gross receipts, or other similar transaction excise tax on it against which the



- 493 other state or political entity allows a credit for taxes imposed by this chapter;
- 494 (33) sales of aircraft manufactured in Utah if sold for delivery and use outside Utah where
- 495 a sales or use tax is not imposed, even if the title is passed in Utah;
- 496 (34) amounts paid for the purchase of telephone service for purposes of providing
- 497 telephone service;
- 498 (35) fares charged to persons transported directly by a public transit district created under
- 499 the authority of Title 17A, Chapter 2, Part 10, Utah Public Transit District Act;
- 500 (36) sales or leases of vehicles to, or use of vehicles by an authorized carrier;
- 501 (37) (a) 45% of the sales price of any new manufactured home; and
- 502 (b) 100% of the sales price of any used manufactured home;
- 503 (38) sales relating to schools and fundraising sales;
- 504 (39) sales or rentals of home medical equipment and supplies;
- 505 (40) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
- 506 Section 72-11-102; and
- 507 (b) the commission shall by rule determine the method for calculating sales exempt under
- 508 Subsection (40)(a) that are not separately metered and accounted for in utility billings;
- 509 (41) sales to a ski resort of:
- 510 (a) snowmaking equipment;
- 511 (b) ski slope grooming equipment; and
- 512 (c) passenger ropeways as defined in Section 72-11-102;
- 513 (42) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;
- 514 (43) sales or rentals of the right to use or operate for amusement, entertainment, or
- 515 recreation a coin-operated amusement device as defined in Section 59-12-102;
- 516 (44) sales of cleaning or washing of tangible personal property by a coin-operated car wash
- 517 machine;
- 518 (45) sales by the state or a political subdivision of the state, except state institutions of
- 519 higher education as defined in Section 53B-3-102, of:
- 520 (a) photocopies; or
- 521 (b) other copies of records held or maintained by the state or a political subdivision of the
- 522 state; and
- 523 (46) (a) amounts paid:

524 (i) to a person providing intrastate transportation to an employer's employee to or from the  
525 employee's primary place of employment;

526 (ii) by an:

527 (A) employee; or

528 (B) employer; and

529 (iii) pursuant to a written contract between:

530 (A) the employer; and

531 (B) (I) the employee; or

532 (II) a person providing transportation to the employer's employee; and

533 (b) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
534 commission may for purposes of Subsection (46)(a) make rules defining what constitutes an  
535 employee's primary place of employment;

536 (47) amounts paid for admission to an athletic event at an institution of higher education  
537 that is subject to the provisions of Title IX of the Education Amendments of 1972, 20 U.S.C. Sec.  
538 1681 et seq.;

539 (48) sales of telephone service charged to a prepaid telephone calling card;

540 (49) (a) sales of hearing aids; and

541 (b) sales of hearing aid accessories;

542 (50) (a) sales made to or by:

543 (i) an area agency on aging; or

544 (ii) a senior citizen center owned by a county, city, or town; or

545 (b) sales made by a senior citizen center that contracts with an area agency on aging;

546 (51) (a) beginning on July 1, 2000, through June 30, 2002, amounts paid or charged as  
547 admission or user fees described in Subsection 59-12-103(1)(f) relating to the Olympic Winter  
548 Games of 2002 if the amounts paid or charged are established by the Salt Lake Organizing  
549 Committee for the Olympic Winter Games of 2002 in accordance with requirements of the  
550 International Olympic Committee; and

551 (b) the State Olympic Officer and the Salt Lake Organizing Committee for the Olympic  
552 Winter Games of 2002 shall make at least two reports during the 2000 interim:

553 (i) to the:

554 (A) Olympic Coordination Committee; and

- 555 (B) Revenue and Taxation Interim Committee; and  
556 (ii) regarding the status of:
- 557 (A) agreements relating to the funding of public safety services for the Olympic Winter  
558 Games of 2002;
- 559 (B) agreements relating to the funding of services, other than public safety services, for  
560 the Olympic Winter Games of 2002;
- 561 (C) other agreements relating to the Olympic Winter Games of 2002 as requested by the  
562 Olympic Coordination Committee or the Revenue and Taxation Interim Committee;
- 563 (D) other issues as requested by the Olympic Coordination Committee or the Revenue and  
564 Taxation Interim Committee; or
- 565 (E) a combination of Subsections (51)(b)(ii)(A) through (D);
- 566 (52) (a) beginning on July 1, 2001, through June 30, 2004, and subject to Subsection  
567 (52)(b), a sale or lease of semiconductor fabricating or processing materials regardless of whether  
568 the semiconductor fabricating or processing materials:
- 569 (i) actually come into contact with a semiconductor; or  
570 (ii) ultimately become incorporated into real property;
- 571 (b) (i) beginning on July 1, 2001, through June 30, 2002, 10% of the sale or lease  
572 described in Subsection (52)(a) is exempt;
- 573 (ii) beginning on July 1, 2002, through June 30, 2003, 50% of the sale or lease described  
574 in Subsection (52)(a) is exempt; and
- 575 (iii) beginning on July 1, 2003, through June 30, 2004, the entire amount of the sale or  
576 lease described in Subsection (52)(a) is exempt; and
- 577 (c) each year on or before the November interim meeting, the Revenue and Taxation  
578 Interim Committee shall:
- 579 (i) review the exemption described in this Subsection (52) and make recommendations  
580 concerning whether the exemption should be continued, modified, or repealed; and  
581 (ii) include in the review under this Subsection (52)(c):
- 582 (A) the cost of the exemption;  
583 (B) the purpose and effectiveness of the exemption; and  
584 (C) the benefits of the exemption to the state; [and]
- 585 (53) an amount paid by or charged to a purchaser for accommodations and services

586 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section  
587 59-12-104.2[-]; or  
588 (54) beginning on September 1, 2001, the lease or use of a vehicle issued a temporary  
589 sports event registration certificate in accordance with Section 41-3-306 for the event period  
590 specified on the temporary sports event registration certificate.

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**Legislative Review Note**  
**as of 6-20-01 12:45 PM**

This legislation provides for the temporary registration of certain motor vehicles used for a sports event, and addresses the sales and use taxation and imposition of uniform fees in lieu of property taxes ("uniform fees") on these motor vehicles. The legislation raises issues related to the classification of property, such as whether Utah Constitution Article XIII, Section 14, which requires "uniform statewide fees or uniform statewide rates of assessment or levy," allows the Legislature to classify property and impose different uniform fees on each class of property. Utah courts have not yet ruled on the issue of whether legislative classification of property is permissible under Utah Constitution Article XIII, Section 14, and arguments may be made for and against the constitutionality of the power of the Legislature to make such classifications.

**Office of Legislative Research and General Counsel**

**Committee Note**

The Revenue and Taxation Interim Committee recommended this bill.