

1 **BASIC HUMAN NEEDS REFERENDUM ACT**

2 2002 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: Mike Dmitrich**

5 **This act modifies the Sales and Use Tax Act to enact the Basic Human Needs Referendum**
6 **Act. The act enacts provisions related to the authorization of opinion question elections in**
7 **counties of the first class on the imposition of a sales tax for funding the establishment of a**
8 **permanent endowment to make annual grants to private, non-profit, human services**
9 **agencies which provide basic human needs assistance to prevent homelessness and to**
10 **rehabilitate the homeless and impoverished. The act provides in the alternative for direct**
11 **funding of eligible agencies from sales tax proceeds. The act defines terms.**

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

13 ENACTS:

14 **59-12-1501**, Utah Code Annotated 1953

15 **59-12-1502**, Utah Code Annotated 1953

16 **59-12-1503**, Utah Code Annotated 1953

17 **59-12-1504**, Utah Code Annotated 1953

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

19 Section 1. Section **59-12-1501** is enacted to read:

20 **Part 15. Basic Human Needs Referendum Act**

21 **59-12-1501. Title.**

22 This part is known as the "Basic Human Needs Referendum Act."

23 Section 2. Section **59-12-1502** is enacted to read:

24 **59-12-1502. Purpose statement.**

25 The Legislature finds and declares that:

26 (1) Private non-profit agencies which provide basic human needs assistance are essential
27 to prevention of homelessness and the rehabilitation of the homeless and impoverished to



28 self-sufficiency, a permanent home, and respected, productive citizenship.

29 (2) Counties of Utah are mandated to provide human welfare services to their indigents.

30 (3) Utah has provided and intends to continue the financial support of private non-profit
31 human services agencies of this state.

32 (4) The support of these human services agencies by the state and counties has not been
33 sufficient to assure the continuing existence and growth of their service capacities.

34 (5) Without jeopardizing the state's or counties' ongoing support of these agencies, the
35 Legislature intends to permit counties of the first class of the state to enhance public financial
36 support of the counties' private non-profit human service agencies through the imposition of a sales
37 tax of not more than 1/4% for not more than four years on all taxable retail sales, services, and
38 purchases in counties of the first class commencing in the year 2003. Funds derived from the tax
39 will be used to establish a permanent endowment to make annual grants to eligible agencies in
40 proportion to their proven needs, or in the alternative, any or all of the funds derived from an
41 ongoing 1/20% sales tax increase may be distributed each year to eligible agencies in proportion
42 to their proven needs, commencing in the year 2003.

43 Section 3. Section **59-12-1503** is enacted to read:

44 **59-12-1503. Definitions.**

45 As used in this part:

46 (1) "Eligible agencies" means individual, private, non-profit agencies which provide
47 assistance to the homeless and impoverished in the form of housing, food, physical or mental
48 health care, or any basic need related to homelessness and poverty or to the prevention of
49 homelessness and poverty as determined by the human services authority.

50 (2) "Human services authority" means an administrative body created by a county to
51 include in membership a majority of elected and appointed county officials and a minority of
52 representatives of the coordinating council of human services agencies, the United Way, and the
53 chamber of commerce, which authority shall:

54 (a) manage available funds derived from the increased sales tax and any other source; and

55 (b) make annual grants from distributable funds available to eligible agencies in proportion
56 to their proven needs as determined by the human services authority.

57 (3) "Permanent endowment" means the sum total of revenues realized from a county-wide
58 imposition of a tax of no more than 1/4% on all retail sales, services, and purchases subject to sales

59 tax to be managed and administered by a human services authority.

60 Section 4. Section **59-12-1504** is enacted to read:

61 **59-12-1504. Opinion question election -- Imposition of tax -- Uses of tax monies.**

62 (1) The legislative body of a county of the first class may, by a majority vote of all
63 members of the legislative body, submit an opinion question to the residents of that county so that
64 each registered voter of the county has an opportunity to express the resident's opinion on the
65 imposition of a local sales and use tax of no more than 1/4% for no more than four years on all
66 retail sales, services, and purchases subject to sales tax, or in the alternative the imposition of an
67 ongoing local sales and use tax of 1/20% on all retail sales, services, and purchases subject to sales
68 tax.

69 (2) If the county legislative body determines that a majority of the county's registered
70 voters voting on the imposition of the tax have voted in favor of the imposition of the tax as
71 described in Subsection (1), the county legislative body may impose the tax by a majority vote of
72 all members of the legislative body on the transactions within the county, including the cities and
73 towns located within the county.

74 (3) The monies generated from any tax imposed under this part shall be distributed to and
75 managed by the human services authority.

76 (4) Taxes imposed under this part shall be:

77 (a) levied at the same time and collected in the same manner as provided in Title 59,
78 Chapter 12, Part 2, Local Sales and Use Tax Act;

79 (b) levied for a period of no more than four years at no more than 1/4% commencing with
80 the year 2003, if the county determines that a permanent endowment is to be established; or

81 (c) levied permanently at 1/20% if the county determines that it wishes to make annual
82 distributions of all proceeds of the increased tax,

Legislative Review Note

as of 2-5-02 3:36 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel