

Senator Mike Dmitrich proposes the following substitute bill:

BASIC HUMAN NEEDS REFERENDUM ACT

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Mike Dmitrich

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

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

ENACTS:

59-12-1501, Utah Code Annotated 1953

59-12-1502, Utah Code Annotated 1953

59-12-1503, Utah Code Annotated 1953

59-12-1504, Utah Code Annotated 1953

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

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

Part 15. Basic Human Needs Referendum Act

59-12-1501. Title.

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

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

59-12-1502. Purpose statement.

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 and use tax of not more than 1/4% for not more than four years on all transactions taxable under
38 Section 59-12-103 in counties of the first class commencing in the year 2003. Funds derived from
39 the tax will be used to establish a permanent endowment to make annual grants to eligible agencies
40 in proportion to their proven needs, or in the alternative, any or all of the funds derived from an
41 ongoing 1/20% sales and use tax increase may be distributed each year to eligible agencies in
42 proportion 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 and use tax and any other
55 source; and

56 (b) make annual grants from distributable funds available to eligible agencies in proportion

57 to their proven needs as determined by the human services authority.

58 (3) "Permanent endowment" means the sum total of revenues realized from a county-wide
59 imposition of a sales and use tax of no more than 1/4% on all transactions taxable under Section
60 59-12-103 to be managed and administered by a human services authority.

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

62 **59-12-1504. Opinion question election -- Imposition of tax -- Uses of tax monies.**

63 (1) The legislative body of a county of the first class may, by a majority vote of all
64 members of the legislative body, submit an opinion question to the residents of that county so that
65 each registered voter of the county has an opportunity to express the resident's opinion on the
66 imposition of a local sales and use tax of no more than 1/4% for no more than four years on all
67 transactions taxable under Section 59-12-103, or in the alternative the imposition of an ongoing
68 local sales and use tax of 1/20% on transactions taxable under Section 59-12-103.

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, as provided in this
72 part by a majority vote of all members of the legislative body on the taxable transactions within
73 the county, including the cities and towns located within the county.

74 (3) A county imposing a tax under this part shall:

75 (a) except as provided in Subsection (4), impose the tax on the transactions described in
76 Subsection 59-12-103(1); and

77 (b) provide an effective date for the tax as provided in Subsection (5).

78 (4) Notwithstanding Subsection (3)(a), a county may not impose a tax under this part on:

79 (a) the sales and uses described in Section 59-12-104 to the extent the sales and uses are
80 exempt from taxation under Section 59-12-104; and

81 (b) any amounts paid or charged by a vendor that collects a tax under Subsection
82 59-12-107(1)(b).

83 (5) (a) If a county enacts or repeals a tax or changes the rate of a tax under this part, the
84 enactment, repeal, or change shall take effect:

85 (i) on the first day of a calendar quarter; and

86 (ii) after a 75-day period beginning on the date the commission receives notice meeting
87 the requirements of Subsection (5)(b) from the county.

- 88 (b) The notice described in Subsection (5)(a)(ii) shall state:
89 (i) that the county will enact or repeal a tax or change the rate of a tax under this part;
90 (ii) the statutory authority for the tax described in Subsection (5)(b)(i);
91 (iii) the effective date of the tax described in Subsection (5)(b)(i); and
92 (iv) if the county enacts the tax or changes the rate of the tax described in Subsection
93 (5)(b)(i), the new rate of the tax.
94 (6) The commission shall:
95 (a) except as provided in Subsection (6)(c), distribute the revenues generated by the tax
96 under this part to the human services authority created by the county imposing the tax;
97 (b) administer, collect, and enforce the tax authorized under this part pursuant to:
98 (i) the same procedures used to administer, collect, and enforce the sales and use tax under
99 Part 1, Tax Collection; and
100 (ii) Chapter 1, General Taxation Policies; and
101 (c) deduct from the distribution under Subsection (6)(a) an administrative charge for
102 collecting the tax as provided in Section 59-12-206.
103 (7) Taxes imposed under this part shall be:
104 (a) levied for a period of no more than four years at no more than a rate of 1/4%
105 commencing with the year 2003, if the county determines that a permanent endowment is to be
106 established; or
107 (b) levied permanently at a rate of 1/20% if the county determines that it wishes to make
108 annual distributions of all proceeds of the increased tax.