

**GRANTS TO RURAL HOSPITALS -
OVERSIGHT RESPONSIBILITIES**

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Merlynn T. Newbold

Senate Sponsor: _____

LONG TITLE

General Description:

This bill directs the State Tax Commission rather than the Department of Health to distribute the money from the Rural Health Care Facilities Fund to local governments.

Highlighted Provisions:

This bill:

- ▶ moves the authority to distribute funds from the Rural Health Care Facilities Fund from the Department of Health to the State Tax Commission; and
- ▶ makes conforming amendments.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-1-210, as last amended by Laws of Utah 2007, Chapter 288

RENUMBERS AND AMENDS:

59-12-808, (Renumbered from 26-9-4, as enacted by Laws of Utah 2007, Chapter 288)

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



28 Section 1. Section **59-1-210** is amended to read:

29 **59-1-210. General powers and duties.**

30 The powers and duties of the commission are as follows:

31 (1) to sue and be sued in its own name;

32 (2) to adopt rules and policies consistent with the Constitution and laws of this state to
33 govern the commission, executive director, division directors, and commission employees in
34 the performance of their duties;

35 (3) to adopt rules and policies consistent with the Constitution and laws of the state, to
36 govern county boards and officers in the performance of any duty relating to assessment,
37 equalization, and collection of taxes;

38 (4) to prescribe the use of forms relating to the assessment of property for state or local
39 taxation, the equalization of those assessments, the reporting of property or income for state or
40 local taxation purposes, or for the computation of those taxes and the reporting of any
41 information, statistics, or data required by the commission;

42 (5) to administer and supervise the tax laws of the state;

43 (6) to prepare and maintain from year to year a complete record of all lands subject to
44 taxation in this state, and all machinery used in mining and all property or surface
45 improvements upon or appurtenant to mines or mining claims;

46 (7) to exercise general supervision over assessors and county boards of equalization
47 including the authority to enforce Section 59-2-303.1, and over other county officers in the
48 performance of their duties relating to the assessment of property and collection of taxes, so
49 that all assessments of property are just and equal, according to fair market value, and that the
50 tax burden is distributed without favor or discrimination;

51 (8) to reconvene any county board of equalization which, when reconvened, may only
52 address business approved by the commission and extend the time for which any county board
53 of equalization may sit for the equalization of assessments;

54 (9) to confer with, advise, and direct county treasurers, assessors, and other county
55 officers in matters relating to the assessment and equalization of property for taxation and the
56 collection of taxes;

57 (10) to provide for and hold annually at such time and place as may be convenient a
58 district or state convention of county assessors, auditors, and other county officers to consider

59 and discuss matters relative to taxation, uniformity of valuation, and changes in the law relative
60 to taxation and methods of assessment, to which county assessors and other officers called to
61 attend shall attend at county expense;

62 (11) to direct proceedings, actions, and prosecutions to enforce the laws relating to the
63 penalties, liabilities, and punishments of public officers, persons, and officers or agents of
64 corporations for failure or neglect to comply with the statutes governing the reporting,
65 assessment, and taxation of property;

66 (12) to cause complaints to be made in the proper court seeking removal from office of
67 assessors, auditors, members of county boards, and other assessing, taxing, or disbursing
68 officers, who are guilty of official misconduct or neglect of duty;

69 (13) to require county attorneys to immediately institute and prosecute actions and
70 proceedings in respect to penalties, forfeitures, removals, and punishments for violations of the
71 laws relating to the assessment and taxation of property in their respective counties;

72 (14) to require any person to furnish any information required by the commission to
73 ascertain the value and the relative burden borne by all kinds of property in the state, and to
74 require from all state and local officers any information necessary for the proper discharge of
75 the duties of the commission;

76 (15) to examine all records relating to the valuation of property of any person;

77 (16) to subpoena witnesses to appear and give testimony and produce records relating
78 to any matter before the commission;

79 (17) to cause depositions of witnesses to be taken as in civil actions at the request of
80 the commission or any party to any matter or proceeding before the commission;

81 (18) to authorize any member or employee of the commission to administer oaths and
82 affirmations in any matter or proceeding relating to the exercise of the powers and duties of the
83 commission;

84 (19) to visit periodically each county of the state, to investigate and direct the work and
85 methods of local assessors and other officials in the assessment, equalization, and taxation of
86 property, and to ascertain whether the law requiring the assessment of all property not exempt
87 from taxation, and the collection of taxes, have been properly administered and enforced;

88 (20) to carefully examine all cases where evasion or violation of the laws for
89 assessment and taxation of property is alleged, to ascertain whether existing laws are defective

90 or improperly administered;

91 (21) to furnish to the governor from time to time such assistance and information as the
92 governor requires;

93 (22) to transmit to the governor and to each member of the Legislature
94 recommendations as to legislation which will correct or eliminate defects in the operation of
95 the tax laws and will equalize the burden of taxation within the state;

96 (23) to correct any error in any assessment made by it at any time before the tax is due
97 and report the correction to the county auditor, who shall enter the corrected assessment upon
98 the assessment roll;

99 (24) to compile and publish statistics relating to taxation in the state and prepare and
100 submit an annual budget to the governor for inclusion in the state budget to be submitted to the
101 Legislature;

102 (25) to perform any further duties imposed by law, and exercise all powers necessary in
103 the performance of its duties;

104 (26) to adopt a schedule of fees assessed for services provided by the commission,
105 unless otherwise provided by statute. The fee shall be reasonable and fair, and shall reflect the
106 cost of services provided. Each fee established in this manner shall be submitted to and
107 approved by the Legislature as part of the commission's annual appropriations request. The
108 commission may not charge or collect any fee proposed in this manner without approval by the
109 Legislature; and

110 (27) to comply with the procedures and requirements of Title 63, Chapter 46b,
111 Administrative Procedures Act, in its adjudicative proceedings[~~;~~ and].

112 [~~(28) to provide data to the executive director of the Department of Health for purposes~~
113 ~~of the distributions required by Section 26-9-4.~~]

114 Section 2. Section **59-12-808**, which is renumbered from Section 26-9-4 is renumbered
115 and amended to read:

116 ~~[26-9-4].~~ **59-12-808. Rural Health Care Facilities Fund -- Source of revenues**
117 **-- Interest -- Distribution of revenues -- Expenditure of revenues -- Unexpended revenues**
118 **lapse into the General Fund.**

119 (1) As used in this section:

120 [~~(a) "Emergency medical services" is as defined in Section 26-8a-102.~~]

- 121 ~~[(b) "Federally qualified health center" is as defined in 42 U.S.C. Sec. 1395x.]~~
 122 ~~[(c) (a) "Fiscal year" means a one-year period beginning on July 1 of each year.~~
 123 ~~[(d) "Freestanding urgent care center" is as defined in Section 59-12-801.]~~
 124 ~~[(e) (b) "Fund" means the Rural Health Care Facilities Fund created by this section.~~
 125 ~~[(f) "Nursing care facility" is as defined in Section 26-21-2.]~~
 126 ~~[(g) "Rural city hospital" is as defined in Section 59-12-801.]~~
 127 ~~[(h) "Rural county health care facility" is as defined in Section 59-12-801.]~~
 128 ~~[(i) "Rural county hospital" is as defined in Section 59-12-801.]~~
 129 ~~[(j) "Rural county nursing care facility" is as defined in Section 59-12-801.]~~
 130 ~~[(k) "Rural emergency medical services" is as defined in Section 59-12-801.]~~
 131 ~~[(l) "Rural health clinic" is as defined in 42 U.S.C. Sec. 1395x.]~~

132 (2) There is created a restricted special revenue fund known as the Rural Health Care
 133 Facilities Fund.

134 (3) (a) The fund shall be funded by amounts appropriated by the Legislature.

135 (b) Any interest earned on the fund shall be deposited into the General Fund.

136 (4) Subject to Subsection (5), the ~~[executive director]~~ commission shall for a fiscal
 137 year distribute monies deposited into the fund to each:

138 (a) county legislative body of a county that, on January 1, 2007, ~~[imposes]~~ imposed a
 139 tax in accordance with Section 59-12-802; or

140 (b) city legislative body of a city that, on January 1, 2007, ~~[imposes]~~ imposed a tax in
 141 accordance with Section 59-12-804.

142 (5) (a) For purposes of the distribution required by Subsection (4), ~~[the executive~~
 143 ~~director]~~ the commission shall:

144 (i) estimate for each county and city described in Subsection (4) the amount by which
 145 the revenues collected from the taxes imposed under Sections 59-12-802 and 59-12-804 for
 146 fiscal year 2005-06 would have been reduced had:

147 (A) the amendments made by Laws of Utah 2007, Chapter 288, Sections 25 and 26, to
 148 Sections 59-12-802 and 59-12-804 been in effect for fiscal year 2005-06; and

149 (B) each county and city described in Subsection (4) imposed the tax under Sections
 150 59-12-802 and 59-12-804 for the entire fiscal year 2005-06;

151 (ii) calculate a percentage for each county and city described in Subsection (4) by

152 dividing the amount estimated for each county and city in accordance with Subsection (5)(a)(i)
153 by \$555,000; and

154 (iii) distribute to each county and city described in Subsection (4) an amount equal to
155 the product of:

156 (A) the percentage calculated in accordance with Subsection (5)(a)(ii); and

157 (B) the amount appropriated by the Legislature to the fund for the fiscal year.

158 (b) The ~~[executive director]~~ commission shall make the estimations, calculations, and
159 distributions required by Subsection (5)(a) on the basis of data ~~[provided to the executive~~
160 ~~director]~~ collected by the ~~[State Tax Commission]~~ commission.

161 (6) (a) Subject to Subsection (6)(b), a county legislative body shall distribute the
162 monies the county legislative body receives in accordance with Subsection (5):

163 (i) for a county of the third, fourth, or fifth class, to fund rural county health care
164 facilities in that county; and

165 (ii) for a county of the sixth class, to fund:

166 (A) emergency medical services in that county;

167 (B) federally qualified health centers in that county;

168 (C) freestanding urgent care centers in that county;

169 (D) rural county health care facilities in that county;

170 (E) rural health clinics in that county; or

171 (F) a combination of Subsections (6)(a)(ii)(A) through (E).

172 (b) A county legislative body shall distribute a percentage of the monies the county
173 legislative body receives in accordance with Subsection (5) to each center, clinic, facility, or
174 service described in Subsection (6)(a) equal to the same percentage that the county legislative
175 body distributes to that center, clinic, facility, or service in accordance with Section 59-12-803
176 for the calendar year ending on the December 31 immediately preceding the first day of the
177 fiscal year for which the county legislative body receives the distribution in accordance with
178 Subsection (5).

179 (c) A center, clinic, facility, or service that receives a distribution in accordance with
180 this Subsection (6) shall expend that distribution for the same purposes for which monies
181 generated by a tax under Section 59-12-802 may be expended.

182 (7) (a) Subject to Subsection (7)(b), a city legislative body shall distribute the monies

183 the city legislative body receives in accordance with Subsection (5) to fund rural city hospitals
184 in that city.

185 (b) A city legislative body shall distribute a percentage of the monies the city
186 legislative body receives in accordance with Subsection (5) to each rural city hospital described
187 in Subsection (7)(a) equal to the same percentage that the city legislative body distributes to
188 that rural city hospital in accordance with Section 59-12-805 for the calendar year ending on
189 the December 31 immediately preceding the first day of the fiscal year for which the city
190 legislative body receives the distribution in accordance with Subsection (5).

191 (c) A rural city hospital that receives a distribution in accordance with this Subsection
192 (7) shall expend that distribution for the same purposes for which monies generated by a tax
193 under Section 59-12-804 may be expended.

194 (8) Any monies remaining in the Rural Health Care Facilities Fund at the end of a
195 fiscal year after the [~~executive director~~] State Tax Commission makes the distributions required
196 by this section shall lapse into the General Fund.

Legislative Review Note
as of 12-20-07 11:17 AM

Office of Legislative Research and General Counsel

H.B. 281 - Grants to Rural Hospitals - Oversight Responsibilities

Fiscal Note

2008 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
