

UTAH STATE RAILROAD MUSEUM

AUTHORITY ACT

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Peter C. Knudson

House Sponsor: _____

LONG TITLE

General Description:

This bill creates the "Utah State Railroad Museum Authority."

Highlighted Provisions:

This bill:

▶ creates the "Utah State Railroad Museum Authority" as an independent body politic and corporate, establishes its membership, and provides operational procedures;

▶ provides for the powers and duties of the authority and its executive director;

▶ provides that the authority's financial obligations are not obligations of the state;

▶ provides that the authority is responsible for the maintenance of its properties;

▶ exempts the authority from the Funds Consolidation Act, Budgetary Procedures Act, Utah Procurement Code, Utah State Personnel Management Act, and the Department of Administrative Services; and

▶ exempts the authority and its operators from state sales and use tax.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2010.

Utah Code Sections Affected:

AMENDS:



28 59-12-104, as last amended by Laws of Utah 2009, Chapters 31, 203, 212, and 385

29 ENACTS:

30 9-3-501, Utah Code Annotated 1953

31 9-3-502, Utah Code Annotated 1953

32 9-3-503, Utah Code Annotated 1953

33 9-3-504, Utah Code Annotated 1953

34 9-3-505, Utah Code Annotated 1953

35 9-3-506, Utah Code Annotated 1953

36 9-3-507, Utah Code Annotated 1953

37 9-3-508, Utah Code Annotated 1953

38 9-3-509, Utah Code Annotated 1953

39 9-3-510, Utah Code Annotated 1953

40 9-3-511, Utah Code Annotated 1953



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

43 Section 1. Section 9-3-501 is enacted to read:

44 **Part 5. Utah State Railroad Museum Authority**

45 **9-3-501. Title.**

46 This part is known as the "Utah State Railroad Museum Authority."

47 Section 2. Section 9-3-502 is enacted to read:

48 **9-3-502. Creation -- Members -- Chair -- Powers -- Quorum -- Per diem and**
49 **expenses.**

50 (1) There is created an independent body politic and corporate known as the "Utah
51 State Railroad Museum Authority," hereafter referred to in this part as "the authority."

52 (2) The authority is composed of 11 members as follows:

53 (a) one member of the county legislative body of Weber County appointed by that
54 legislative body;

55 (b) two members of the county legislative body of Box Elder County appointed by that
56 legislative body;

57 (c) the executive director of the Department of Transportation or the director's
58 designee; and

- 59 (d) seven public members appointed by the governor, as follows:
60 (i) two individuals representing the tourism industry, one each from Weber and Box
61 Elder Counties;
62 (ii) one individual representing the public at large; and
63 (iii) four individuals representing railroad historic and heritage preservation
64 organizations active in Weber and Box Elder Counties, as follows:
65 (A) one individual representing the Railroad and Locomotive Historical Society
66 Golden Spike Chapter;
67 (B) one individual representing the Union Station Foundation;
68 (C) one individual representing the Golden Spike Heritage Foundation; and
69 (D) one individual representing the Golden Spike Historic Site.
70 (3) All members shall be residents of the state.
71 (4) (a) Except as required by Subsection (4)(b), the governor shall appoint the seven
72 public members for four-year terms beginning July 1.
73 (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the
74 time of appointment or reappointment, adjust the length of terms to ensure that the terms of
75 authority members appointed under Subsection (2)(d) are staggered so that approximately
76 one-half of the seven public members are appointed every two years.
77 (5) Any of the seven public members may be removed from office by the governor or
78 for cause by an affirmative vote of six members of the authority.
79 (6) When a vacancy occurs in the public membership for any reason, the governor shall
80 appoint a replacement for the unexpired term.
81 (7) Each public member shall hold office for the term of the member's appointment and
82 until a successor has been appointed and qualified.
83 (8) A public member is eligible for reappointment, but may not serve more than two
84 full consecutive terms.
85 (9) The governor shall appoint the chair of the authority from among its members.
86 (10) (a) The members shall elect from among their membership a vice chair and other
87 officers as they may determine.
88 (b) The officers serve as the executive committee for the authority.
89 (11) The powers of the authority are vested in its members.

90 (12) (a) Six members constitute a quorum for transaction of authority business.

91 (b) An affirmative vote of at least six members is necessary for an action to be taken
92 by the authority.

93 (13) (a) A member who is not a government employee receives no compensation or
94 benefits for the member's services, but may receive per diem and expenses incurred in the
95 performance of the member's official duties at rates established by the Division of Finance
96 under Sections 63A-3-106 and 63A-3-107.

97 (b) A state government officer or employee member who does not receive salary, per
98 diem, or expenses from the member's agency for the member's service may receive per diem
99 and expenses incurred in the performance of official duties from the authority at rates
100 established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

101 (c) A local government member who does not receive salary, per diem, or expenses for
102 the member's service from the entity that the member represents may receive per diem and
103 expenses incurred in the performance of the member's official duties at rates established by the
104 Division of Finance under Sections 63A-3-106 and 63A-3-107.

105 (d) A member may decline to receive per diem and expenses for the member's services.

106 Section 3. Section **9-3-503** is enacted to read:

107 **9-3-503. Executive director -- Powers and duties.**

108 (1) (a) The members of the authority shall appoint an executive director who is an
109 employee of the authority, but who is not a member of the authority.

110 (b) The executive director serves at the pleasure of the members and receives
111 compensation as set by the members and approved by the governor.

112 (2) The executive director shall:

113 (a) administer, manage, and direct the affairs and activities of the authority in
114 accordance with the policies, control, and direction of the members of the authority;

115 (b) approve all accounts for allowable expenses of the authority or of any of its
116 employees and expenses incidental to the operation of the authority;

117 (c) attend meetings of the authority;

118 (d) keep a record of the proceedings of the authority;

119 (e) maintain and be the custodian of all books, documents, and papers filed with the
120 authority;

121 (f) document and maintain records concerning ownership of all assets owned or under
122 the control of the authority; and

123 (g) perform other duties as directed by the members of the authority in carrying out the
124 purposes of this part.

125 Section 4. Section **9-3-504** is enacted to read:

126 **9-3-504. Member or employee -- Disclosure of interest.**

127 (1) A member or employee of the authority who has, will have, or later acquires an
128 interest, direct or indirect, in a transaction with the authority shall immediately disclose the
129 nature and extent of that interest in writing to the authority as soon as the individual has
130 knowledge of the actual or prospective interest.

131 (2) The disclosure shall be entered upon the minutes of the authority.

132 (3) After making the disclosure, the member or employee may participate in any action
133 by the authority authorizing the transaction.

134 Section 5. Section **9-3-505** is enacted to read:

135 **9-3-505. Officer or employee -- No forfeiture of office or employment.**

136 Notwithstanding any other provision of law, an officer or employee of this state does
137 not forfeit the office or employment with the state by reason of acceptance of membership on
138 the authority or service on it.

139 Section 6. Section **9-3-506** is enacted to read:

140 **9-3-506. Authority -- Powers.**

141 (1) The authority shall:

142 (a) facilitate or operate and maintain a scenic and historic railroad in and around Weber
143 and Box Elder Counties;

144 (b) facilitate or operate and maintain one or more railroad history museums in and
145 around Weber and Box Elder Counties;

146 (c) facilitate the restoration, preservation, and public display of railroad artifacts and
147 heritage in and around Weber and Box Elder Counties; and

148 (d) facilitate the restoration, preservation, and operation of historically significant
149 railroad related properties in and around Weber and Box Elder Counties for public benefit.

150 (2) The authority has perpetual succession as a body politic and corporate and may:

151 (a) adopt, amend, and repeal policies and procedures for the regulation of its affairs and

152 the conduct of its business;

153 (b) sue and be sued in its own name;

154 (c) maintain an office at a place or places it designates within the state;

155 (d) adopt, amend, and repeal bylaws and rules, consistent with this part, to carry into

156 effect the powers and purposes of the authority and the conduct of its business;

157 (e) purchase, lease, sell, and otherwise dispose of property and rights-of-way;

158 (f) employ experts and other professionals it considers necessary;

159 (g) employ and retain independent legal counsel;

160 (h) make and execute contracts and all other instruments necessary or convenient for
161 the performance of its duties under this part as described in Subsection (1);

162 (i) procure insurance for liability and against any loss in connection with its property
163 and other assets in amounts and from insurers it considers desirable;

164 (j) receive appropriations from the Legislature and receive other public moneys and
165 accept aid or contributions from any source of money, property, labor, or other things of value
166 to be held, used, and applied to carry out the purposes of this part, subject to the conditions
167 upon which the grants and contributions are made, including gifts or grants from a department,
168 agency, or instrumentality of the United States or of this state for any purpose consistent with
169 this part;

170 (k) enter into agreements with a department, agency, or instrumentality of the United
171 States or this state for the purpose of providing for the operation and maintenance of a scenic
172 railway in and around Weber and Box Elder Counties; and

173 (l) do any act necessary or convenient to the exercise of the powers granted to the
174 authority by this part.

175 (3) (a) All monies received by the authority under Subsection (2)(j) and from any other
176 source are for the exclusive use of the authority in the performance and exercise of its duties
177 under this part as described in Subsection (1).

178 (b) Monies received by the authority may not be used for any other purpose or by any
179 other entity.

180 Section 7. Section **9-3-507** is enacted to read:

181 **9-3-507. Notes, bonds, other obligation -- Not debt liability -- Expenses payable**
182 **from funds provided -- Agency without authority to incur liability on behalf of state.**

- 183 (1) (a) An obligation or liability of the authority does not constitute:
184 (i) a debt or liability of the state or of any of its political subdivisions; or
185 (ii) the loaning of credit of the state or of any of its political subdivisions.
186 (b) An obligation or liability of the authority is payable only from funds of the
187 authority.
188 (2) An obligation of the authority shall contain a statement to the effect:
189 (a) that the authority is obligated to pay the obligation solely from the revenues or other
190 funds of the authority;
191 (b) that neither the state nor its political subdivisions are obligated to pay it; and
192 (c) that neither the faith and credit nor the taxing power of the state or any of its
193 political subdivisions is pledged to the payment of the obligation.
194 (3) (a) Expenses incurred in carrying out this part are payable solely from funds of the
195 authority provided under this part.
196 (b) Nothing in this part authorizes the authority to incur indebtedness or liability on
197 behalf of or payable by the state or any of its political subdivisions.

198 Section 8. Section **9-3-508** is enacted to read:

199 **9-3-508. Relation to certain acts.**

200 (1) The authority is exempt from:

201 (a) Title 51, Chapter 5, Funds Consolidation Act;

202 (b) Title 63A, Chapter 1, Department of Administrative Services;

203 (c) Title 63G, Chapter 6, Utah Procurement Code;

204 (d) Title 63J, Chapter 1, Budgetary Procedures Act; and

205 (e) Title 67, Chapter 19, Utah State Personnel Management Act.

206 (2) The authority is subject to audit by the state auditor pursuant to Title 67, Chapter 3,
207 Auditor, and by the legislative auditor general pursuant to Section 36-12-15.

208 Section 9. Section **9-3-509** is enacted to read:

209 **9-3-509. Duty to maintain rails and operating equipment.**

210 (1) The authority shall maintain the rails, bed, right-of-way, and related property owned
211 by the authority upon which the authority's train operates in compliance with state and federal
212 statutes, rules, and regulations.

213 (2) The authority shall require any party from whom it leases or otherwise utilizes rails,

214 bed, right-of-way, motive power, rolling stock, and related property that the property be
215 delivered and maintained in compliance with state and federal statutes, rules, and regulations.

216 Section 10. Section **9-3-510** is enacted to read:

217 **9-3-510. Lease of rails or equipment from Department of Transportation and**
218 **Division of Parks and Recreation.**

219 The Department of Transportation and the Division of Parks and Recreation may jointly
220 lease the rails, bed, right-of-way, and related property for the operation of a scenic and historic
221 railroad in and around Weber and Box Elder Counties, for not more than \$1 per year to the
222 authority.

223 Section 11. Section **9-3-511** is enacted to read:

224 **9-3-511. Sales tax exemption.**

225 The authority and its operators are exempt from sales and use tax as provided in Section
226 59-12-104, in carrying out their duties and exercising their powers under this part.

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

228 **59-12-104. Exemptions.**

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

230 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
231 under Chapter 13, Motor and Special Fuel Tax Act;

232 (2) sales to the state, its institutions, and its political subdivisions; however, this
233 exemption does not apply to sales of:

234 (a) construction materials except:

235 (i) construction materials purchased by or on behalf of institutions of the public
236 education system as defined in Utah Constitution Article X, Section 2, provided the
237 construction materials are clearly identified and segregated and installed or converted to real
238 property which is owned by institutions of the public education system; and

239 (ii) construction materials purchased by the state, its institutions, or its political
240 subdivisions which are installed or converted to real property by employees of the state, its
241 institutions, or its political subdivisions; or

242 (b) tangible personal property in connection with the construction, operation,
243 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities
244 providing additional project capacity, as defined in Section 11-13-103;

- 245 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:
- 246 (i) the proceeds of each sale do not exceed \$1; and
- 247 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
- 248 the cost of the item described in Subsection (3)(b) as goods consumed; and
- 249 (b) Subsection (3)(a) applies to:
- 250 (i) food and food ingredients; or
- 251 (ii) prepared food;
- 252 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:
- 253 (i) alcoholic beverages;
- 254 (ii) food and food ingredients; or
- 255 (iii) prepared food;
- 256 (b) sales of tangible personal property or a product transferred electronically:
- 257 (i) to a passenger;
- 258 (ii) by a commercial airline carrier; and
- 259 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 260 (c) services related to Subsection (4)(a) or (b);
- 261 (5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts
- 262 and equipment:
- 263 (A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002
- 264 North American Industry Classification System of the federal Executive Office of the
- 265 President, Office of Management and Budget; and
- 266 (II) for:
- 267 (Aa) installation in an aircraft, including services relating to the installation of parts or
- 268 equipment in the aircraft;
- 269 (Bb) renovation of an aircraft; or
- 270 (Cc) repair of an aircraft; or
- 271 (B) for installation in an aircraft operated by a common carrier in interstate or foreign
- 272 commerce; or
- 273 (ii) beginning on October 1, 2008, sales of parts and equipment for installation in an
- 274 aircraft operated by a common carrier in interstate or foreign commerce; and
- 275 (b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,

276 a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a
277 refund:

278 (i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;

279 (ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;

280 (iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for
281 the sale prior to filing for the refund;

282 (iv) for sales and use taxes paid under this chapter on the sale;

283 (v) in accordance with Section 59-1-1410; and

284 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if
285 the person files for the refund on or before September 30, 2011;

286 (6) sales of commercials, motion picture films, prerecorded audio program tapes or
287 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture
288 exhibitor, distributor, or commercial television or radio broadcaster;

289 (7) (a) subject to Subsection (7)(b), sales of cleaning or washing of tangible personal
290 property if the cleaning or washing of the tangible personal property is not assisted cleaning or
291 washing of tangible personal property;

292 (b) if a seller that sells at the same business location assisted cleaning or washing of
293 tangible personal property and cleaning or washing of tangible personal property that is not
294 assisted cleaning or washing of tangible personal property, the exemption described in
295 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning
296 or washing of the tangible personal property; and

297 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,
298 Utah Administrative Rulemaking Act, the commission may make rules:

299 (i) governing the circumstances under which sales are at the same business location;
300 and

301 (ii) establishing the procedures and requirements for a seller to separately account for
302 sales of assisted cleaning or washing of tangible personal property;

303 (8) sales made to or by religious or charitable institutions in the conduct of their regular
304 religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are
305 fulfilled;

306 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of

307 this state if the vehicle is:

308 (a) not registered in this state; and

309 (b) (i) not used in this state; or

310 (ii) used in this state:

311 (A) if the vehicle is not used to conduct business, for a time period that does not
312 exceed the longer of:

313 (I) 30 days in any calendar year; or

314 (II) the time period necessary to transport the vehicle to the borders of this state; or

315 (B) if the vehicle is used to conduct business, for the time period necessary to transport
316 the vehicle to the borders of this state;

317 (10) (a) amounts paid for an item described in Subsection (10)(b) if:

318 (i) the item is intended for human use; and

319 (ii) (A) a prescription was issued for the item; or

320 (B) the item was purchased by a hospital or other medical facility; and

321 (b) (i) Subsection (10)(a) applies to:

322 (A) a drug;

323 (B) a syringe; or

324 (C) a stoma supply; and

325 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
326 commission may by rule define the terms:

327 (A) "syringe"; or

328 (B) "stoma supply";

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

331 (12) (a) sales of an item described in Subsection (12)(c) served by:

332 (i) the following if the item described in Subsection (12)(c) is not available to the
333 general public:

334 (A) a church; or

335 (B) a charitable institution;

336 (ii) an institution of higher education if:

337 (A) the item described in Subsection (12)(c) is not available to the general public; or

338 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan
339 offered by the institution of higher education; or

340 (b) sales of an item described in Subsection (12)(c) provided for a patient by:

341 (i) a medical facility; or

342 (ii) a nursing facility; and

343 (c) Subsections (12)(a) and (b) apply to:

344 (i) food and food ingredients;

345 (ii) prepared food; or

346 (iii) alcoholic beverages;

347 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
348 or a product transferred electronically by a person:

349 (i) regardless of the number of transactions involving the sale of that tangible personal
350 property or product transferred electronically by that person; and

351 (ii) not regularly engaged in the business of selling that type of tangible personal
352 property or product transferred electronically;

353 (b) this Subsection (13) does not apply if:

354 (i) the sale is one of a series of sales of a character to indicate that the person is
355 regularly engaged in the business of selling that type of tangible personal property or product
356 transferred electronically;

357 (ii) the person holds that person out as regularly engaged in the business of selling that
358 type of tangible personal property or product transferred electronically;

359 (iii) the person sells an item of tangible personal property or product transferred
360 electronically that the person purchased as a sale that is exempt under Subsection (25); or

361 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of
362 this state in which case the tax is based upon:

363 (A) the bill of sale or other written evidence of value of the vehicle or vessel being
364 sold; or

365 (B) in the absence of a bill of sale or other written evidence of value, the fair market
366 value of the vehicle or vessel being sold at the time of the sale as determined by the
367 commission; and

368 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

369 commission shall make rules establishing the circumstances under which:

370 (i) a person is regularly engaged in the business of selling a type of tangible personal
371 property or product transferred electronically;

372 (ii) a sale of tangible personal property or a product transferred electronically is one of
373 a series of sales of a character to indicate that a person is regularly engaged in the business of
374 selling that type of tangible personal property or product transferred electronically; or

375 (iii) a person holds that person out as regularly engaged in the business of selling a type
376 of tangible personal property or product transferred electronically;

377 (14) (a) except as provided in Subsection (14)(b), amounts paid or charged on or after
378 July 1, 2006, for a purchase or lease by a manufacturing facility except for a cogeneration
379 facility, for the following:

380 (i) machinery and equipment that:

381 (A) are used:

382 (I) for a manufacturing facility except for a manufacturing facility that is a scrap
383 recycler described in Subsection 59-12-102(52)(b):

384 (Aa) in the manufacturing process;

385 (Bb) to manufacture an item sold as tangible personal property; and

386 (Cc) beginning on July 1, 2009, in a manufacturing facility described in this Subsection
387 (14)(a)(i)(A)(I) in the state; or

388 (II) for a manufacturing facility that is a scrap recycler described in Subsection
389 59-12-102(52)(b):

390 (Aa) to process an item sold as tangible personal property; and

391 (Bb) beginning on July 1, 2009, in a manufacturing facility described in this Subsection
392 (14)(a)(i)(A)(II) in the state; and

393 (B) have an economic life of three or more years; and

394 (ii) normal operating repair or replacement parts that:

395 (A) have an economic life of three or more years; and

396 (B) are used:

397 (I) for a manufacturing facility except for a manufacturing facility that is a scrap
398 recycler described in Subsection 59-12-102(52)(b):

399 (Aa) in the manufacturing process; and

400 (Bb) in a manufacturing facility described in this Subsection (14)(a)(ii)(B)(I) in the
401 state; or

402 (II) for a manufacturing facility that is a scrap recycler described in Subsection
403 59-12-102(52)(b):

404 (Aa) to process an item sold as tangible personal property; and

405 (Bb) in a manufacturing facility described in this Subsection (14)(a)(ii)(B)(II) in the
406 state;

407 (b) amounts paid or charged on or after July 1, 2005, for a purchase or lease by a
408 manufacturing facility that is a cogeneration facility placed in service on or after May 1, 2006,
409 for the following:

410 (i) machinery and equipment that:

411 (A) are used:

412 (I) in the manufacturing process;

413 (II) to manufacture an item sold as tangible personal property; and

414 (III) beginning on July 1, 2009, in a manufacturing facility described in this Subsection
415 (14)(b) in the state; and

416 (B) have an economic life of three or more years; and

417 (ii) normal operating repair or replacement parts that:

418 (A) are used:

419 (I) in the manufacturing process; and

420 (II) in a manufacturing facility described in this Subsection (14)(b) in the state; and

421 (B) have an economic life of three or more years;

422 (c) amounts paid or charged for a purchase or lease made on or after January 1, 2008,

423 by an establishment described in NAICS Subsector 212, Mining (except Oil and Gas), or

424 NAICS Code 213113, Support Activities for Coal Mining, 213114, Support Activities for

425 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining,

426 of the 2002 North American Industry Classification System of the federal Executive Office of

427 the President, Office of Management and Budget:

428 (i) machinery and equipment that:

429 (A) are used:

430 (I) (Aa) in the production process, other than the production of real property; or

431 (Bb) in research and development; and
432 (II) beginning on July 1, 2009, in an establishment described in this Subsection (14)(c)
433 in the state; and
434 (B) have an economic life of three or more years; and
435 (ii) normal operating repair or replacement parts that:
436 (A) have an economic life of three or more years; and
437 (B) are used in:
438 (I) (Aa) the production process, except for the production of real property; and
439 (Bb) an establishment described in this Subsection (14)(c) in the state; or
440 (II) (Aa) research and development; and
441 (Bb) in an establishment described in this Subsection (14)(c) in the state;
442 (d) for purposes of this Subsection (14) and in accordance with Title 63G, Chapter 3,
443 Utah Administrative Rulemaking Act, the commission:
444 (i) shall by rule define the term "establishment"; and
445 (ii) may by rule define what constitutes:
446 (A) processing an item sold as tangible personal property;
447 (B) the production process, except for the production of real property; or
448 (C) research and development; and
449 (e) on or before October 1, 2011, and every five years after October 1, 2011, the
450 commission shall:
451 (i) review the exemptions described in this Subsection (14) and make
452 recommendations to the Revenue and Taxation Interim Committee concerning whether the
453 exemptions should be continued, modified, or repealed; and
454 (ii) include in its report:
455 (A) an estimate of the cost of the exemptions;
456 (B) the purpose and effectiveness of the exemptions; and
457 (C) the benefits of the exemptions to the state;
458 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:
459 (i) tooling;
460 (ii) special tooling;
461 (iii) support equipment;

462 (iv) special test equipment; or
463 (v) parts used in the repairs or renovations of tooling or equipment described in
464 Subsections (15)(a)(i) through (iv); and
465 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
466 (i) the tooling, equipment, or parts are used or consumed exclusively in the
467 performance of any aerospace or electronics industry contract with the United States
468 government or any subcontract under that contract; and
469 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
470 title to the tooling, equipment, or parts is vested in the United States government as evidenced
471 by:
472 (A) a government identification tag placed on the tooling, equipment, or parts; or
473 (B) listing on a government-approved property record if placing a government
474 identification tag on the tooling, equipment, or parts is impractical;
475 (16) sales of newspapers or newspaper subscriptions;
476 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a
477 product transferred electronically traded in as full or part payment of the purchase price, except
478 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,
479 trade-ins are limited to other vehicles only, and the tax is based upon:
480 (i) the bill of sale or other written evidence of value of the vehicle being sold and the
481 vehicle being traded in; or
482 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
483 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the
484 commission; and
485 (b) notwithstanding Subsection (17)(a), Subsection (17)(a) does not apply to the
486 following items of tangible personal property or products transferred electronically traded in as
487 full or part payment of the purchase price:
488 (i) money;
489 (ii) electricity;
490 (iii) water;
491 (iv) gas; or
492 (v) steam;

493 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property
494 or a product transferred electronically used or consumed primarily and directly in farming
495 operations, regardless of whether the tangible personal property or product transferred
496 electronically:

497 (A) becomes part of real estate; or

498 (B) is installed by a:

499 (I) farmer;

500 (II) contractor; or

501 (III) subcontractor; or

502 (ii) sales of parts used in the repairs or renovations of tangible personal property or a
503 product transferred electronically if the tangible personal property or product transferred
504 electronically is exempt under Subsection (18)(a)(i); and

505 (b) notwithstanding Subsection (18)(a), amounts paid or charged for the following are
506 subject to the taxes imposed by this chapter:

507 (i) (A) subject to Subsection (18)(b)(i)(B), the following if used in a manner that is
508 incidental to farming:

509 (I) machinery;

510 (II) equipment;

511 (III) materials; or

512 (IV) supplies; and

513 (B) tangible personal property that is considered to be used in a manner that is
514 incidental to farming includes:

515 (I) hand tools; or

516 (II) maintenance and janitorial equipment and supplies;

517 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product
518 transferred electronically if the tangible personal property or product transferred electronically
519 is used in an activity other than farming; and

520 (B) tangible personal property or a product transferred electronically that is considered
521 to be used in an activity other than farming includes:

522 (I) office equipment and supplies; or

523 (II) equipment and supplies used in:

- 524 (Aa) the sale or distribution of farm products;
- 525 (Bb) research; or
- 526 (Cc) transportation; or
- 527 (iii) a vehicle required to be registered by the laws of this state during the period
- 528 ending two years after the date of the vehicle's purchase;
- 529 (19) sales of hay;
- 530 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or
- 531 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
- 532 garden, farm, or other agricultural produce is sold by:
- 533 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
- 534 agricultural produce;
- 535 (b) an employee of the producer described in Subsection (20)(a); or
- 536 (c) a member of the immediate family of the producer described in Subsection (20)(a);
- 537 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued
- 538 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
- 539 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
- 540 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
- 541 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
- 542 manufacturer, processor, wholesaler, or retailer;
- 543 (23) a product stored in the state for resale;
- 544 (24) (a) purchases of a product if:
- 545 (i) the product is:
- 546 (A) purchased outside of this state;
- 547 (B) brought into this state:
- 548 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
- 549 (II) by a nonresident person who is not living or working in this state at the time of the
- 550 purchase;
- 551 (C) used for the personal use or enjoyment of the nonresident person described in
- 552 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and
- 553 (D) not used in conducting business in this state; and
- 554 (ii) for:

- 555 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of
556 the product for a purpose for which the product is designed occurs outside of this state;
- 557 (B) a boat, the boat is registered outside of this state; or
- 558 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered
559 outside of this state;
- 560 (b) the exemption provided for in Subsection (24)(a) does not apply to:
- 561 (i) a lease or rental of a product; or
- 562 (ii) a sale of a vehicle exempt under Subsection (33); and
- 563 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
564 purposes of Subsection (24)(a), the commission may by rule define what constitutes the
565 following:
- 566 (i) conducting business in this state if that phrase has the same meaning in this
567 Subsection (24) as in Subsection (63);
- 568 (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)
569 as in Subsection (63); or
- 570 (iii) a purpose for which a product is designed if that phrase has the same meaning in
571 this Subsection (24) as in Subsection (63);
- 572 (25) a product purchased for resale in this state, in the regular course of business, either
573 in its original form or as an ingredient or component part of a manufactured or compounded
574 product;
- 575 (26) a product upon which a sales or use tax was paid to some other state, or one of its
576 subdivisions, except that the state shall be paid any difference between the tax paid and the tax
577 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if
578 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax
579 Act;
- 580 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a
581 person for use in compounding a service taxable under the subsections;
- 582 (28) purchases made in accordance with the special supplemental nutrition program for
583 women, infants, and children established in 42 U.S.C. Sec. 1786;
- 584 (29) beginning on July 1, 1999, through June 30, 2014, sales or leases of rolls, rollers,
585 refractory brick, electric motors, or other replacement parts used in the furnaces, mills, or ovens

586 of a steel mill described in SIC Code 3312 of the 1987 Standard Industrial Classification
587 Manual of the federal Executive Office of the President, Office of Management and Budget;
588 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
589 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:
590 (a) not registered in this state; and
591 (b) (i) not used in this state; or
592 (ii) used in this state:
593 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a
594 time period that does not exceed the longer of:
595 (I) 30 days in any calendar year; or
596 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to
597 the borders of this state; or
598 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time
599 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this
600 state;
601 (31) sales of aircraft manufactured in Utah;
602 (32) amounts paid for the purchase of telecommunications service for purposes of
603 providing telecommunications service;
604 (33) sales, leases, or uses of the following:
605 (a) a vehicle by an authorized carrier; or
606 (b) tangible personal property that is installed on a vehicle:
607 (i) sold or leased to or used by an authorized carrier; and
608 (ii) before the vehicle is placed in service for the first time;
609 (34) (a) 45% of the sales price of any new manufactured home; and
610 (b) 100% of the sales price of any used manufactured home;
611 (35) sales relating to schools and fundraising sales;
612 (36) sales or rentals of durable medical equipment if:
613 (a) a person presents a prescription for the durable medical equipment; and
614 (b) the durable medical equipment is used for home use only;
615 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
616 Section 72-11-102; and

617 (b) the commission shall by rule determine the method for calculating sales exempt
618 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;
619 (38) sales to a ski resort of:
620 (a) snowmaking equipment;
621 (b) ski slope grooming equipment;
622 (c) passenger ropeways as defined in Section 72-11-102; or
623 (d) parts used in the repairs or renovations of equipment or passenger ropeways
624 described in Subsections (38)(a) through (c);
625 (39) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;
626 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
627 amusement, entertainment, or recreation an unassisted amusement device as defined in Section
628 59-12-102;
629 (b) if a seller that sells or rents at the same business location the right to use or operate
630 for amusement, entertainment, or recreation one or more unassisted amusement devices and
631 one or more assisted amusement devices, the exemption described in Subsection (40)(a)
632 applies if the seller separately accounts for the sales or rentals of the right to use or operate for
633 amusement, entertainment, or recreation for the assisted amusement devices; and
634 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,
635 Utah Administrative Rulemaking Act, the commission may make rules:
636 (i) governing the circumstances under which sales are at the same business location;
637 and
638 (ii) establishing the procedures and requirements for a seller to separately account for
639 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for
640 assisted amusement devices;
641 (41) (a) sales of photocopies by:
642 (i) a governmental entity; or
643 (ii) an entity within the state system of public education, including:
644 (A) a school; or
645 (B) the State Board of Education; or
646 (b) sales of publications by a governmental entity;
647 (42) amounts paid for admission to an athletic event at an institution of higher

648 education that is subject to the provisions of Title IX of the Education Amendments of 1972,
649 20 U.S.C. Sec. 1681 et seq.;

650 (43) (a) sales made to or by:

651 (i) an area agency on aging; or

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

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

654 (44) sales or leases of semiconductor fabricating, processing, research, or development

655 materials regardless of whether the semiconductor fabricating, processing, research, or

656 development materials:

657 (a) actually come into contact with a semiconductor; or

658 (b) ultimately become incorporated into real property;

659 (45) an amount paid by or charged to a purchaser for accommodations and services

660 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section

661 59-12-104.2;

662 (46) beginning on September 1, 2001, the lease or use of a vehicle issued a temporary

663 sports event registration certificate in accordance with Section 41-3-306 for the event period

664 specified on the temporary sports event registration certificate;

665 (47) sales or uses of electricity, if the sales or uses are:

666 (a) made under a tariff adopted by the Public Service Commission of Utah only for
667 purchase of electricity produced from a new wind, geothermal, biomass, or solar power energy

668 source, as designated in the tariff by the Public Service Commission of Utah; and

669 (b) for an amount of electricity that is:

670 (i) unrelated to the amount of electricity used by the person purchasing the electricity

671 under the tariff described in Subsection (47)(a); and

672 (ii) equivalent to the number of kilowatthours specified in the tariff described in

673 Subsection (47)(a) that may be purchased under the tariff described in Subsection (47)(a);

674 (48) sales or rentals of mobility enhancing equipment if a person presents a

675 prescription for the mobility enhancing equipment;

676 (49) sales of water in a:

677 (a) pipe;

678 (b) conduit;

- 679 (c) ditch; or
- 680 (d) reservoir;
- 681 (50) sales of currency or coinage that constitute legal tender of the United States or of a
- 682 foreign nation;
- 683 (51) (a) sales of an item described in Subsection (51)(b) if the item:
- 684 (i) does not constitute legal tender of any nation; and
- 685 (ii) has a gold, silver, or platinum content of 80% or more; and
- 686 (b) Subsection (51)(a) applies to a gold, silver, or platinum:
- 687 (i) ingot;
- 688 (ii) bar;
- 689 (iii) medallion; or
- 690 (iv) decorative coin;
- 691 (52) amounts paid on a sale-leaseback transaction;
- 692 (53) sales of a prosthetic device:
- 693 (a) for use on or in a human; and
- 694 (b) (i) for which a prescription is required; or
- 695 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
- 696 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
- 697 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery
- 698 or equipment is primarily used in the production or postproduction of the following media for
- 699 commercial distribution:
- 700 (i) a motion picture;
- 701 (ii) a television program;
- 702 (iii) a movie made for television;
- 703 (iv) a music video;
- 704 (v) a commercial;
- 705 (vi) a documentary; or
- 706 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
- 707 commission by administrative rule made in accordance with Subsection (54)(d); or
- 708 (b) notwithstanding Subsection (54)(a), purchases, leases, or rentals of machinery or
- 709 equipment by an establishment described in Subsection (54)(c) that is used for the production

710 or postproduction of the following are subject to the taxes imposed by this chapter:

711 (i) a live musical performance;

712 (ii) a live news program; or

713 (iii) a live sporting event;

714 (c) the following establishments listed in the 1997 North American Industry

715 Classification System of the federal Executive Office of the President, Office of Management

716 and Budget, apply to Subsections (54)(a) and (b):

717 (i) NAICS Code 512110; or

718 (ii) NAICS Code 51219; and

719 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

720 commission may by rule:

721 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);

722 or

723 (ii) define:

724 (A) "commercial distribution";

725 (B) "live musical performance";

726 (C) "live news program"; or

727 (D) "live sporting event";

728 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004 but on

729 or before June 30, 2019, of machinery or equipment that:

730 (i) is leased or purchased for or by a facility that:

731 (A) is a renewable energy production facility;

732 (B) is located in the state; and

733 (C) (I) becomes operational on or after July 1, 2004; or

734 (II) has its generation capacity increased by one or more megawatts on or after July 1,

735 2004 as a result of the use of the machinery or equipment;

736 (ii) has an economic life of five or more years; and

737 (iii) is used to make the facility or the increase in capacity of the facility described in

738 Subsection (55)(a)(i) operational up to the point of interconnection with an existing

739 transmission grid including:

740 (A) a wind turbine;

- 741 (B) generating equipment;
- 742 (C) a control and monitoring system;
- 743 (D) a power line;
- 744 (E) substation equipment;
- 745 (F) lighting;
- 746 (G) fencing;
- 747 (H) pipes; or
- 748 (I) other equipment used for locating a power line or pole; and
- 749 (b) this Subsection (55) does not apply to:
 - 750 (i) machinery or equipment used in construction of:
 - 751 (A) a new renewable energy production facility; or
 - 752 (B) the increase in the capacity of a renewable energy production facility;
 - 753 (ii) contracted services required for construction and routine maintenance activities;
- 754 and
 - 755 (iii) unless the machinery or equipment is used or acquired for an increase in capacity
 - 756 of the facility described in Subsection (55)(a)(i)(C)(II), machinery or equipment used or
 - 757 acquired after:
 - 758 (A) the renewable energy production facility described in Subsection (55)(a)(i) is
 - 759 operational as described in Subsection (55)(a)(iii); or
 - 760 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described
 - 761 in Subsection (55)(a)(iii);
 - 762 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004 but on
 - 763 or before June 30, 2019, of machinery or equipment that:
 - 764 (i) is leased or purchased for or by a facility that:
 - 765 (A) is a waste energy production facility;
 - 766 (B) is located in the state; and
 - 767 (C) (I) becomes operational on or after July 1, 2004; or
 - 768 (II) has its generation capacity increased by one or more megawatts on or after July 1,
 - 769 2004 as a result of the use of the machinery or equipment;
 - 770 (ii) has an economic life of five or more years; and
 - 771 (iii) is used to make the facility or the increase in capacity of the facility described in

772 Subsection (56)(a)(i) operational up to the point of interconnection with an existing
773 transmission grid including:

- 774 (A) generating equipment;
- 775 (B) a control and monitoring system;
- 776 (C) a power line;
- 777 (D) substation equipment;
- 778 (E) lighting;
- 779 (F) fencing;
- 780 (G) pipes; or
- 781 (H) other equipment used for locating a power line or pole; and

782 (b) this Subsection (56) does not apply to:

- 783 (i) machinery or equipment used in construction of:
 - 784 (A) a new waste energy facility; or
 - 785 (B) the increase in the capacity of a waste energy facility;
- 786 (ii) contracted services required for construction and routine maintenance activities;

787 and

- 788 (iii) unless the machinery or equipment is used or acquired for an increase in capacity
789 described in Subsection (56)(a)(i)(C)(II), machinery or equipment used or acquired after:
 - 790 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as
791 described in Subsection (56)(a)(iii); or
 - 792 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described
793 in Subsection (56)(a)(iii);

794 (57) (a) leases of five or more years or purchases made on or after July 1, 2004 but on
795 or before June 30, 2019, of machinery or equipment that:

- 796 (i) is leased or purchased for or by a facility that:
 - 797 (A) is located in the state;
 - 798 (B) produces fuel from biomass energy including:
 - 799 (I) methanol; or
 - 800 (II) ethanol; and
 - 801 (C) (I) becomes operational on or after July 1, 2004; or
 - 802 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004 as

803 a result of the installation of the machinery or equipment;

804 (ii) has an economic life of five or more years; and

805 (iii) is installed on the facility described in Subsection (57)(a)(i);

806 (b) this Subsection (57) does not apply to:

807 (i) machinery or equipment used in construction of:

808 (A) a new facility described in Subsection (57)(a)(i); or

809 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or

810 (ii) contracted services required for construction and routine maintenance activities;

811 and

812 (iii) unless the machinery or equipment is used or acquired for an increase in capacity

813 described in Subsection (57)(a)(i)(C)(II), machinery or equipment used or acquired after:

814 (A) the facility described in Subsection (57)(a)(i) is operational; or

815 (B) the increased capacity described in Subsection (57)(a)(i) is operational;

816 (58) (a) subject to Subsection (58)(b) or (c), sales of tangible personal property or a

817 product transferred electronically to a person within this state if that tangible personal property

818 or product transferred electronically is subsequently shipped outside the state and incorporated

819 pursuant to contract into and becomes a part of real property located outside of this state;

820 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other

821 state or political entity to which the tangible personal property is shipped imposes a sales, use,

822 gross receipts, or other similar transaction excise tax on the transaction against which the other

823 state or political entity allows a credit for sales and use taxes imposed by this chapter; and

824 (c) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,

825 a person may claim the exemption allowed by this Subsection (58) for a sale by filing for a

826 refund:

827 (i) if the sale is made on or after July 1, 2004, but on or before June 30, 2008;

828 (ii) as if this Subsection (58) as in effect on July 1, 2008, were in effect on the day on

829 which the sale is made;

830 (iii) if the person did not claim the exemption allowed by this Subsection (58) for the

831 sale prior to filing for the refund;

832 (iv) for sales and use taxes paid under this chapter on the sale;

833 (v) in accordance with Section 59-1-1410; and

834 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if
835 the person files for the refund on or before June 30, 2011;

836 (59) purchases:

837 (a) of one or more of the following items in printed or electronic format:

838 (i) a list containing information that includes one or more:

839 (A) names; or

840 (B) addresses; or

841 (ii) a database containing information that includes one or more:

842 (A) names; or

843 (B) addresses; and

844 (b) used to send direct mail;

845 (60) redemptions or repurchases of a product by a person if that product was:

846 (a) delivered to a pawnbroker as part of a pawn transaction; and

847 (b) redeemed or repurchased within the time period established in a written agreement

848 between the person and the pawnbroker for redeeming or repurchasing the product;

849 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:

850 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;

851 and

852 (ii) has a useful economic life of one or more years; and

853 (b) the following apply to Subsection (61)(a):

854 (i) telecommunications enabling or facilitating equipment, machinery, or software;

855 (ii) telecommunications equipment, machinery, or software required for 911 service;

856 (iii) telecommunications maintenance or repair equipment, machinery, or software;

857 (iv) telecommunications switching or routing equipment, machinery, or software; or

858 (v) telecommunications transmission equipment, machinery, or software;

859 (62) (a) beginning on July 1, 2006, and ending on June 30, 2016, purchases of tangible

860 personal property or a product transferred electronically that are used in the research and

861 development of coal-to-liquids, oil shale, or tar sands technology; and

862 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

863 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes

864 purchases of tangible personal property or a product transferred electronically that are used in

865 the research and development of coal-to-liquids, oil shale, and tar sands technology;

866 (63) (a) purchases of tangible personal property or a product transferred electronically

867 if:

868 (i) the tangible personal property or product transferred electronically is:

869 (A) purchased outside of this state;

870 (B) brought into this state at any time after the purchase described in Subsection

871 (63)(a)(i)(A); and

872 (C) used in conducting business in this state; and

873 (ii) for:

874 (A) tangible personal property or a product transferred electronically other than the

875 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property

876 for a purpose for which the property is designed occurs outside of this state; or

877 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered

878 outside of this state;

879 (b) the exemption provided for in Subsection (63)(a) does not apply to:

880 (i) a lease or rental of tangible personal property or a product transferred electronically;

881 or

882 (ii) a sale of a vehicle exempt under Subsection (33); and

883 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for

884 purposes of Subsection (63)(a), the commission may by rule define what constitutes the

885 following:

886 (i) conducting business in this state if that phrase has the same meaning in this

887 Subsection (63) as in Subsection (24);

888 (ii) the first use of tangible personal property or a product transferred electronically if

889 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or

890 (iii) a purpose for which tangible personal property or a product transferred

891 electronically is designed if that phrase has the same meaning in this Subsection (63) as in

892 Subsection (24);

893 (64) sales of disposable home medical equipment or supplies if:

894 (a) a person presents a prescription for the disposable home medical equipment or

895 supplies;

896 (b) the disposable home medical equipment or supplies are used exclusively by the
897 person to whom the prescription described in Subsection (64)(a) is issued; and

898 (c) the disposable home medical equipment and supplies are listed as eligible for
899 payment under:

900 (i) Title XVIII, federal Social Security Act; or

901 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

902 (65) sales:

903 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit

904 District Act; or

905 (b) of tangible personal property to a subcontractor of a public transit district, if the
906 tangible personal property is:

907 (i) clearly identified; and

908 (ii) installed or converted to real property owned by the public transit district;

909 (66) sales of construction materials:

910 (a) purchased on or after July 1, 2010;

911 (b) purchased by, on behalf of, or for the benefit of an international airport:

912 (i) located within a county of the first class; and

913 (ii) that has a United States customs office on its premises; and

914 (c) if the construction materials are:

915 (i) clearly identified;

916 (ii) segregated; and

917 (iii) installed or converted to real property:

918 (A) owned or operated by the international airport described in Subsection (66)(b); and

919 (B) located at the international airport described in Subsection (66)(b);

920 (67) sales of construction materials:

921 (a) purchased on or after July 1, 2008;

922 (b) purchased by, on behalf of, or for the benefit of a new airport:

923 (i) located within a county of the second class; and

924 (ii) that is owned or operated by a city in which an airline as defined in Section

925 59-2-102 is headquartered; and

926 (c) if the construction materials are:

- 927 (i) clearly identified;
- 928 (ii) segregated; and
- 929 (iii) installed or converted to real property:
- 930 (A) owned or operated by the new airport described in Subsection (67)(b);
- 931 (B) located at the new airport described in Subsection (67)(b); and
- 932 (C) as part of the construction of the new airport described in Subsection (67)(b); ~~and~~
- 933 (68) sales of fuel to a common carrier that is a railroad for use in a locomotive
- 934 engine[-]; and
- 935 (69) sales:
- 936 (a) to and by the Utah State Railroad Museum Authority under Title 9, Chapter 3, Part
- 937 5, Utah State Railroad Museum Authority; or
- 938 (b) of tangible personal property to a subcontractor of the authority, if the tangible
- 939 personal property is:
- 940 (i) clearly identifiable; and
- 941 (ii) installed or converted to real property owned by the authority.
- 942 Section 13. **Effective date.**
- 943 This bill takes effect on July 1, 2010.

Legislative Review Note
as of 2-5-10 11:47 AM

Office of Legislative Research and General Counsel