

**Representative Wayne A. Harper** proposes the following substitute bill:

**RESTRUCTURING OF THE DEPARTMENT OF COMMUNITY**

**AND CULTURE**

2011 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

Senate Sponsor: \_\_\_\_\_

---

---

**LONG TITLE**

**General Description:**

This bill provides a mechanism for the restructuring of the Department of Community and Culture and distributes and transitions certain of its powers, duties, functions, and programs to other governmental departments and agencies.

**Highlighted Provisions:**

This bill:

- ▶ provides a mechanism for the restructuring of the Department of Community and Culture and the transitioning of certain powers, duties, functions, and programs;
- ▶ moves the Utah Science Center Authority, the Heber Valley Historic Railroad Authority, and the Utah State Railroad Museum Authority to Title 63H, Independent State Entities;
- ▶ moves the Bond Volume Cap Allocation program to the Governor's Office of Economic Development;
- ▶ moves the responsibility for the Commission on National and Community Service Act to the Office of the Lieutenant Governor; and
- ▶ makes certain technical changes.

**Money Appropriated in this Bill:**



26 None

27 **Other Special Clauses:**

28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **41-1a-422**, as last amended by Laws of Utah 2010, Chapters 139, 166, 369, and 379

32 **59-12-104**, as last amended by Laws of Utah 2010, Chapters 88, 209, and 364

33 **63A-5-306**, as last amended by Laws of Utah 2010, Chapter 343

34 **63E-1-102**, as last amended by Laws of Utah 2010, Chapters 152 and 364

35 **63I-1-209**, as last amended by Laws of Utah 2010, Chapter 364

36 **63I-1-263**, as last amended by Laws of Utah 2010, Chapters 319 and 358

37 **63I-1-267**, as last amended by Laws of Utah 2010, Chapter 319

38 **63I-4-102**, as last amended by Laws of Utah 2010, Chapters 152, 353, and 364

39 **63J-7-102**, as last amended by Laws of Utah 2010, Chapters 152, 364, and 370

40 **63M-1-201**, as renumbered and amended by Laws of Utah 2008, Chapter 382

41 **63M-7-301**, as last amended by Laws of Utah 2010, Chapter 39

42 RENUMBERS AND AMENDS:

43 **63H-3-101**, (Renumbered from 9-3-401, as enacted by Laws of Utah 1993, Chapter  
44 309)

45 **63H-3-102**, (Renumbered from 9-3-402, as last amended by Laws of Utah 2001,  
46 Chapter 151)

47 **63H-3-103**, (Renumbered from 9-3-403, as last amended by Laws of Utah 2010,  
48 Chapter 286)

49 **63H-3-104**, (Renumbered from 9-3-404, as enacted by Laws of Utah 1993, Chapter  
50 309)

51 **63H-3-105**, (Renumbered from 9-3-405, as enacted by Laws of Utah 1993, Chapter  
52 309)

53 **63H-3-106**, (Renumbered from 9-3-406, as enacted by Laws of Utah 1993, Chapter  
54 309)

55 **63H-3-107**, (Renumbered from 9-3-407, as last amended by Laws of Utah 2010,  
56 Chapter 378)

57           **63H-3-108**, (Renumbered from 9-3-409, as last amended by Laws of Utah 2009, First  
58 Special Session, Chapter 5)

59           **63H-3-109**, (Renumbered from 9-3-410, as last amended by Laws of Utah 2010,  
60 Chapter 324)

61           **63H-3-110**, (Renumbered from 9-3-411, as enacted by Laws of Utah 1993, Chapter  
62 309)

63           **63H-4-101**, (Renumbered from 9-3-501, as enacted by Laws of Utah 2010, Chapter  
64 364)

65           **63H-4-102**, (Renumbered from 9-3-502, as enacted by Laws of Utah 2010, Chapter  
66 364)

67           **63H-4-103**, (Renumbered from 9-3-503, as enacted by Laws of Utah 2010, Chapter  
68 364)

69           **63H-4-104**, (Renumbered from 9-3-504, as enacted by Laws of Utah 2010, Chapter  
70 364)

71           **63H-4-105**, (Renumbered from 9-3-505, as enacted by Laws of Utah 2010, Chapter  
72 364)

73           **63H-4-106**, (Renumbered from 9-3-506, as enacted by Laws of Utah 2010, Chapter  
74 364)

75           **63H-4-107**, (Renumbered from 9-3-507, as enacted by Laws of Utah 2010, Chapter  
76 364)

77           **63H-4-108**, (Renumbered from 9-3-508, as enacted by Laws of Utah 2010, Chapter  
78 364)

79           **63H-4-109**, (Renumbered from 9-3-509, as enacted by Laws of Utah 2010, Chapter  
80 364)

81           **63H-4-110**, (Renumbered from 9-3-510, as enacted by Laws of Utah 2010, Chapter  
82 364)

83           **63H-4-111**, (Renumbered from 9-3-511, as enacted by Laws of Utah 2010, Chapter  
84 364)

85           **63H-5-101**, (Renumbered from 9-3-601, as enacted by Laws of Utah 2010, Chapter  
86 152)

87           **63H-5-102**, (Renumbered from 9-3-602, as enacted by Laws of Utah 2010, Chapter

88 152)  
89 **63H-5-103**, (Renumbered from 9-3-603, as enacted by Laws of Utah 2010, Chapter  
90 152)  
91 **63H-5-104**, (Renumbered from 9-3-604, as enacted by Laws of Utah 2010, Chapter  
92 152)  
93 **63H-5-105**, (Renumbered from 9-3-605, as enacted by Laws of Utah 2010, Chapter  
94 152)  
95 **63H-5-106**, (Renumbered from 9-3-606, as enacted by Laws of Utah 2010, Chapter  
96 152)  
97 **63H-5-107**, (Renumbered from 9-3-607, as enacted by Laws of Utah 2010, Chapter  
98 152)  
99 **63H-5-108**, (Renumbered from 9-3-608, as enacted by Laws of Utah 2010, Chapter  
100 152)  
101 **63H-5-109**, (Renumbered from 9-3-609, as enacted by Laws of Utah 2010, Chapter  
102 152)  
103 **63H-5-110**, (Renumbered from 9-3-610, as enacted by Laws of Utah 2010, Chapter  
104 152)  
105 **63H-6-101**, (Renumbered from 9-4-1101, as enacted by Laws of Utah 1995, Chapter  
106 260)  
107 **63H-6-102**, (Renumbered from 9-4-1102, as enacted by Laws of Utah 1995, Chapter  
108 260)  
109 **63H-6-103**, (Renumbered from 9-4-1103, as last amended by Laws of Utah 2008,  
110 Chapter 382)  
111 **63H-6-104**, (Renumbered from 9-4-1104, as last amended by Laws of Utah 2002,  
112 Chapter 176)  
113 **63H-6-105**, (Renumbered from 9-4-1105, as enacted by Laws of Utah 1995, Chapter  
114 260)  
115 **63H-6-106**, (Renumbered from 9-4-1106, as enacted by Laws of Utah 1995, Chapter  
116 260)  
117 **63H-6-107**, (Renumbered from 9-4-1107, as enacted by Laws of Utah 1995, Chapter  
118 260)

119           **63M-1-2901**, (Renumbered from 9-4-501, as enacted by Laws of Utah 1992, Chapter  
120 287)  
121           **63M-1-2902**, (Renumbered from 9-4-502, as enacted by Laws of Utah 1992, Chapter  
122 287)  
123           **63M-1-2903**, (Renumbered from 9-4-503, as last amended by Laws of Utah 2010,  
124 Chapter 286)  
125           **63M-1-2904**, (Renumbered from 9-4-504, as last amended by Laws of Utah 1997,  
126 Chapter 192)  
127           **63M-1-2905**, (Renumbered from 9-4-505, as last amended by Laws of Utah 2004,  
128 Chapter 90)  
129           **63M-1-2906**, (Renumbered from 9-4-506, as last amended by Laws of Utah 2000,  
130 Chapter 95)  
131           **63M-1-2907**, (Renumbered from 9-4-507, as enacted by Laws of Utah 1992, Chapter  
132 287)  
133           **63M-1-2908**, (Renumbered from 9-4-508, as last amended by Laws of Utah 2005,  
134 Chapter 170)  
135           **63M-1-2909**, (Renumbered from 9-4-509, as last amended by Laws of Utah 2008,  
136 Chapter 382)  
137           **67-1a-201**, (Renumbered from 9-1-801, as enacted by Laws of Utah 1994, Chapter 119)  
138           **67-1a-202**, (Renumbered from 9-1-802, as last amended by Laws of Utah 1996,  
139 Chapter 242)  
140           **67-1a-203**, (Renumbered from 9-1-803, as last amended by Laws of Utah 2010,  
141 Chapter 286)  
142           **67-1a-204**, (Renumbered from 9-1-805, as enacted by Laws of Utah 1994, Chapter 119)  
143           **67-1a-205**, (Renumbered from 9-1-806, as enacted by Laws of Utah 1994, Chapter 119)  
144           **67-1a-206**, (Renumbered from 9-1-807, as enacted by Laws of Utah 1994, Chapter 119)  
145           **67-1a-207**, (Renumbered from 9-1-808, as enacted by Laws of Utah 1994, Chapter 119)  
146           **67-1a-208**, (Renumbered from 9-1-809, as last amended by Laws of Utah 2009,  
147 Chapter 59)  
148           **67-1a-209**, (Renumbered from 9-1-810, as last amended by Laws of Utah 2004,  
149 Chapter 18)

150 67-1a-210, (Renumbered from 9-1-811, as enacted by Laws of Utah 1994, Chapter 119)

151 67-1a-301, (Renumbered from 9-17-101, as enacted by Laws of Utah 2010, Chapter

152 166)

153 67-1a-302, (Renumbered from 9-17-102, as enacted by Laws of Utah 2010, Chapter

154 166)

155 **Uncodified Material Affected:**

156 ENACTS UNCODIFIED MATERIAL



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

159 Section 1. Section 41-1a-422 is amended to read:

160 **41-1a-422. Support special group license plates -- Contributor -- Voluntary**  
161 **contribution collection procedures.**

162 (1) As used in this section:

163 (a) (i) Except as provided in Subsection (1)(a)(ii), "contributor" means a person who  
164 has donated or in whose name at least \$25 has been donated to:

165 (A) a scholastic scholarship fund of a single named institution;

166 (B) the Department of Veterans' Affairs for veterans' programs;

167 (C) the Division of Wildlife Resources for the Wildlife Resources Account created in  
168 Section 23-14-13, for conservation of wildlife and the enhancement, preservation, protection,  
169 access, and management of wildlife habitat;

170 (D) the Department of Agriculture and Food for the benefit of conservation districts;

171 (E) the Division of Parks and Recreation for the benefit of snowmobile programs;

172 (F) the Guardian Ad Litem Services Account and the Children's Museum of Utah, with  
173 the donation evenly divided between the two;

174 (G) the Boy Scouts of America for the benefit of a Utah Boy Scouts of America  
175 council as specified by the contributor;

176 (H) No More Homeless Pets in Utah for distribution to organizations or individuals  
177 that provide spay and neuter programs that subsidize the sterilization of domestic animals;

178 (I) the Utah Alliance of Boys and Girls Clubs, Inc. to provide and enhance youth  
179 development programs;

180 (J) the Utah Association of Public School Foundations to support public education;

181 (K) the Utah Housing Opportunity Restricted Account created in Section 61-2-204 to  
182 assist people who have severe housing needs;

183 (L) the Public Safety Honoring Heroes Restricted Account created in Section 53-1-118  
184 to support the families of fallen Utah Highway Patrol troopers and other Department of Public  
185 Safety employees;

186 (M) the Division of Parks and Recreation for distribution to organizations that provide  
187 support for Zion National Park;

188 (N) the Firefighter Support Restricted Account created in Section 53-7-109 to support  
189 firefighter organizations;

190 (O) the Share the Road Bicycle Support Restricted Account created in Section  
191 72-2-127 to support bicycle operation and safety awareness programs;

192 (P) the Cancer Research Restricted Account created in Section 26-21a-302 to support  
193 cancer research programs;

194 (Q) Autism Awareness Restricted Account created in Section 53A-1-304 to support  
195 autism awareness programs; or

196 (R) Humanitarian Service and Educational and Cultural Exchange Restricted Account  
197 created in Section [~~9-17-102~~] 67-1a-302 to support humanitarian service and educational and  
198 cultural programs.

199 (ii) (A) For a veterans' special group license plate, "contributor" means a person who  
200 has donated or in whose name at least a \$25 donation at the time of application and \$10 annual  
201 donation thereafter has been made.

202 (B) For a Utah Housing Opportunity special group license plate, "contributor" means a  
203 person who:

204 (I) has donated or in whose name at least \$30 has been donated at the time of  
205 application and annually after the time of application; and

206 (II) is a member of a trade organization for real estate licensees that has more than  
207 15,000 Utah members.

208 (C) For an Honoring Heroes special group license plate, "contributor" means a person  
209 who has donated or in whose name at least \$35 has been donated at the time of application and  
210 annually thereafter.

211 (D) For a firefighter support special group license plate, "contributor" means a person

212 who:

213 (I) has donated or in whose name at least \$15 has been donated at the time of  
214 application and annually after the time of application; and

215 (II) is a currently employed, volunteer, or retired firefighter.

216 (E) For a cancer research special group license plate, "contributor" means a person who  
217 has donated or in whose name at least \$35 has been donated at the time of application and  
218 annually after the time of application.

219 (b) "Institution" means a state institution of higher education as defined under Section  
220 53B-3-102 or a private institution of higher education in the state accredited by a regional or  
221 national accrediting agency recognized by the United States Department of Education.

222 (2) (a) An applicant for original or renewal collegiate special group license plates under  
223 Subsection (1)(a)(i) must be a contributor to the institution named in the application and  
224 present the original contribution verification form under Subsection (2)(b) or make a  
225 contribution to the division at the time of application under Subsection (3).

226 (b) An institution with a support special group license plate shall issue to a contributor  
227 a verification form designed by the commission containing:

228 (i) the name of the contributor;

229 (ii) the institution to which a donation was made;

230 (iii) the date of the donation; and

231 (iv) an attestation that the donation was for a scholastic scholarship.

232 (c) The state auditor may audit each institution to verify that the moneys collected by  
233 the institutions from contributors are used for scholastic scholarships.

234 (d) After an applicant has been issued collegiate license plates or renewal decals, the  
235 commission shall charge the institution whose plate was issued, a fee determined in accordance  
236 with Section 63J-1-504 for management and administrative expenses incurred in issuing and  
237 renewing the collegiate license plates.

238 (e) If the contribution is made at the time of application, the contribution shall be  
239 collected, treated, and deposited as provided under Subsection (3).

240 (3) (a) An applicant for original or renewal support special group license plates under  
241 this section must be a contributor to the sponsoring organization associated with the license  
242 plate.

- 243 (b) This contribution shall be:
- 244 (i) unless collected by the named institution under Subsection (2), collected by the
- 245 division;
- 246 (ii) considered a voluntary contribution for the funding of the activities specified under
- 247 this section and not a motor vehicle registration fee;
- 248 (iii) deposited into the appropriate account less actual administrative costs associated
- 249 with issuing the license plates; and
- 250 (iv) for a firefighter special group license plate, deposited into the appropriate account
- 251 less:
- 252 (A) the costs of reordering firefighter special group license plate decals; and
- 253 (B) the costs of replacing recognition special group license plates with new license
- 254 plates under Subsection 41-1a-1211(13).
- 255 (c) The donation described in Subsection (1)(a) must be made in the 12 months prior to
- 256 registration or renewal of registration.
- 257 (d) The donation described in Subsection (1)(a) shall be a one-time donation made to
- 258 the division when issuing original:
- 259 (i) snowmobile license plates; or
- 260 (ii) conservation license plates.
- 261 (4) Veterans' license plates shall display one of the symbols representing the Army,
- 262 Navy, Air Force, Marines, Coast Guard, or American Legion.

263 Section 2. Section **59-12-104** is amended to read:

264 **59-12-104. Exemptions.**

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

- 266 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
- 267 under Chapter 13, Motor and Special Fuel Tax Act;
- 268 (2) sales to the state, its institutions, and its political subdivisions; however, this
- 269 exemption does not apply to sales of:
- 270 (a) construction materials except:
- 271 (i) construction materials purchased by or on behalf of institutions of the public
- 272 education system as defined in Utah Constitution Article X, Section 2, provided the
- 273 construction materials are clearly identified and segregated and installed or converted to real

274 property which is owned by institutions of the public education system; and  
275 (ii) construction materials purchased by the state, its institutions, or its political  
276 subdivisions which are installed or converted to real property by employees of the state, its  
277 institutions, or its political subdivisions; or  
278 (b) tangible personal property in connection with the construction, operation,  
279 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities  
280 providing additional project capacity, as defined in Section 11-13-103;  
281 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:  
282 (i) the proceeds of each sale do not exceed \$1; and  
283 (ii) the seller or operator of the vending machine reports an amount equal to 150% of  
284 the cost of the item described in Subsection (3)(b) as goods consumed; and  
285 (b) Subsection (3)(a) applies to:  
286 (i) food and food ingredients; or  
287 (ii) prepared food;  
288 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:  
289 (i) alcoholic beverages;  
290 (ii) food and food ingredients; or  
291 (iii) prepared food;  
292 (b) sales of tangible personal property or a product transferred electronically:  
293 (i) to a passenger;  
294 (ii) by a commercial airline carrier; and  
295 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or  
296 (c) services related to Subsection (4)(a) or (b);  
297 (5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts  
298 and equipment:  
299 (A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002  
300 North American Industry Classification System of the federal Executive Office of the  
301 President, Office of Management and Budget; and  
302 (II) for:  
303 (Aa) installation in an aircraft, including services relating to the installation of parts or  
304 equipment in the aircraft;

- 305 (Bb) renovation of an aircraft; or  
306 (Cc) repair of an aircraft; or  
307 (B) for installation in an aircraft operated by a common carrier in interstate or foreign  
308 commerce; or  
309 (ii) beginning on October 1, 2008, sales of parts and equipment for installation in an  
310 aircraft operated by a common carrier in interstate or foreign commerce; and  
311 (b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,  
312 a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a  
313 refund:  
314 (i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;  
315 (ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;  
316 (iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for  
317 the sale prior to filing for the refund;  
318 (iv) for sales and use taxes paid under this chapter on the sale;  
319 (v) in accordance with Section 59-1-1410; and  
320 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if  
321 the person files for the refund on or before September 30, 2011;  
322 (6) sales of commercials, motion picture films, prerecorded audio program tapes or  
323 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture  
324 exhibitor, distributor, or commercial television or radio broadcaster;  
325 (7) (a) subject to Subsection (7)(b), sales of cleaning or washing of tangible personal  
326 property if the cleaning or washing of the tangible personal property is not assisted cleaning or  
327 washing of tangible personal property;  
328 (b) if a seller that sells at the same business location assisted cleaning or washing of  
329 tangible personal property and cleaning or washing of tangible personal property that is not  
330 assisted cleaning or washing of tangible personal property, the exemption described in  
331 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning  
332 or washing of the tangible personal property; and  
333 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,  
334 Utah Administrative Rulemaking Act, the commission may make rules:  
335 (i) governing the circumstances under which sales are at the same business location;

336 and

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

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

342 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of  
343 this state if the vehicle is:

344 (a) not registered in this state; and

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

346 (ii) used in this state:

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

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

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

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

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

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

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

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

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

358 (A) a drug;

359 (B) a syringe; or

360 (C) a stoma supply; and

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

363 (A) "syringe"; or

364 (B) "stoma supply";

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

- 367 (12) (a) sales of an item described in Subsection (12)(c) served by:
- 368 (i) the following if the item described in Subsection (12)(c) is not available to the
- 369 general public:
- 370 (A) a church; or
- 371 (B) a charitable institution;
- 372 (ii) an institution of higher education if:
- 373 (A) the item described in Subsection (12)(c) is not available to the general public; or
- 374 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan
- 375 offered by the institution of higher education; or
- 376 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 377 (i) a medical facility; or
- 378 (ii) a nursing facility; and
- 379 (c) Subsections (12)(a) and (b) apply to:
- 380 (i) food and food ingredients;
- 381 (ii) prepared food; or
- 382 (iii) alcoholic beverages;
- 383 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
- 384 or a product transferred electronically by a person:
- 385 (i) regardless of the number of transactions involving the sale of that tangible personal
- 386 property or product transferred electronically by that person; and
- 387 (ii) not regularly engaged in the business of selling that type of tangible personal
- 388 property or product transferred electronically;
- 389 (b) this Subsection (13) does not apply if:
- 390 (i) the sale is one of a series of sales of a character to indicate that the person is
- 391 regularly engaged in the business of selling that type of tangible personal property or product
- 392 transferred electronically;
- 393 (ii) the person holds that person out as regularly engaged in the business of selling that
- 394 type of tangible personal property or product transferred electronically;
- 395 (iii) the person sells an item of tangible personal property or product transferred
- 396 electronically that the person purchased as a sale that is exempt under Subsection (25); or
- 397 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of

398 this state in which case the tax is based upon:

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

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

404 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
405 commission shall make rules establishing the circumstances under which:

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

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

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

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

416 (i) machinery and equipment that:

417 (A) are used:

418 (I) for a manufacturing facility except for a manufacturing facility that is a scrap  
419 recycler described in Subsection 59-12-102(54)(b):

420 (Aa) in the manufacturing process;

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

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

424 (II) for a manufacturing facility that is a scrap recycler described in Subsection  
425 59-12-102(54)(b):

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

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

429 (B) have an economic life of three or more years; and  
430 (ii) normal operating repair or replacement parts that:  
431 (A) have an economic life of three or more years; and  
432 (B) are used:  
433 (I) for a manufacturing facility except for a manufacturing facility that is a scrap  
434 recycler described in Subsection 59-12-102(54)(b):  
435 (Aa) in the manufacturing process; and  
436 (Bb) in a manufacturing facility described in this Subsection (14)(a)(ii)(B)(I) in the  
437 state; or  
438 (II) for a manufacturing facility that is a scrap recycler described in Subsection  
439 59-12-102(54)(b):  
440 (Aa) to process an item sold as tangible personal property; and  
441 (Bb) in a manufacturing facility described in this Subsection (14)(a)(ii)(B)(II) in the  
442 state;  
443 (b) amounts paid or charged on or after July 1, 2005, for a purchase or lease by a  
444 manufacturing facility that is a cogeneration facility placed in service on or after May 1, 2006,  
445 of the following:  
446 (i) machinery and equipment that:  
447 (A) are used:  
448 (I) in the manufacturing process;  
449 (II) to manufacture an item sold as tangible personal property; and  
450 (III) beginning on July 1, 2009, in a manufacturing facility described in this Subsection  
451 (14)(b) in the state; and  
452 (B) have an economic life of three or more years; and  
453 (ii) normal operating repair or replacement parts that:  
454 (A) are used:  
455 (I) in the manufacturing process; and  
456 (II) in a manufacturing facility described in this Subsection (14)(b) in the state; and  
457 (B) have an economic life of three or more years;  
458 (c) amounts paid or charged for a purchase or lease made on or after January 1, 2008,  
459 by an establishment described in NAICS Subsector 212, Mining (except Oil and Gas), or

460 NAICS Code 213113, Support Activities for Coal Mining, 213114, Support Activities for  
461 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining,  
462 of the 2002 North American Industry Classification System of the federal Executive Office of  
463 the President, Office of Management and Budget, of the following:

464 (i) machinery and equipment that:

465 (A) are used:

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

467 (Bb) in research and development; and

468 (II) beginning on July 1, 2009, in an establishment described in this Subsection (14)(c)

469 in the state; and

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

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

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

473 (B) are used in:

474 (I) (Aa) the production process, except for the production of real property; and

475 (Bb) an establishment described in this Subsection (14)(c) in the state; or

476 (II) (Aa) research and development; and

477 (Bb) in an establishment described in this Subsection (14)(c) in the state;

478 (d) (i) amounts paid or charged for a purchase or lease made on or after July 1, 2010,

479 but on or before June 30, 2014, by an establishment described in NAICS Code 518112, Web

480 Search Portals, of the 2002 North American Industry Classification System of the federal

481 Executive Office of the President, Office of Management and Budget, of the following:

482 (A) machinery and equipment that:

483 (I) are used in the operation of the web search portal;

484 (II) have an economic life of three or more years; and

485 (III) are used in a new or expanding establishment described in this Subsection (14)(d)

486 in the state; and

487 (B) normal operating repair or replacement parts that:

488 (I) are used in the operation of the web search portal;

489 (II) have an economic life of three or more years; and

490 (III) are used in a new or expanding establishment described in this Subsection (14)(d)

491 in the state; or

492 (ii) amounts paid or charged for a purchase or lease made on or after July 1, 2014, by

493 an establishment described in NAICS Code 518112, Web Search Portals, of the 2002 North

494 American Industry Classification System of the federal Executive Office of the President,

495 Office of Management and Budget, of the following:

496 (A) machinery and equipment that:

497 (I) are used in the operation of the web search portal; and

498 (II) have an economic life of three or more years; and

499 (B) normal operating repair or replacement parts that:

500 (I) are used in the operation of the web search portal; and

501 (II) have an economic life of three or more years;

502 (e) for purposes of this Subsection (14) and in accordance with Title 63G, Chapter 3,

503 Utah Administrative Rulemaking Act, the commission:

504 (i) shall by rule define the term "establishment"; and

505 (ii) may by rule define what constitutes:

506 (A) processing an item sold as tangible personal property;

507 (B) the production process, except for the production of real property;

508 (C) research and development; or

509 (D) a new or expanding establishment described in Subsection (14)(d) in the state; and

510 (f) on or before October 1, 2011, and every five years after October 1, 2011, the

511 commission shall:

512 (i) review the exemptions described in this Subsection (14) and make

513 recommendations to the Revenue and Taxation Interim Committee concerning whether the

514 exemptions should be continued, modified, or repealed; and

515 (ii) include in its report:

516 (A) an estimate of the cost of the exemptions;

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

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

519 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:

520 (i) tooling;

521 (ii) special tooling;

522 (iii) support equipment;  
523 (iv) special test equipment; or  
524 (v) parts used in the repairs or renovations of tooling or equipment described in  
525 Subsections (15)(a)(i) through (iv); and  
526 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:  
527 (i) the tooling, equipment, or parts are used or consumed exclusively in the  
528 performance of any aerospace or electronics industry contract with the United States  
529 government or any subcontract under that contract; and  
530 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),  
531 title to the tooling, equipment, or parts is vested in the United States government as evidenced  
532 by:  
533 (A) a government identification tag placed on the tooling, equipment, or parts; or  
534 (B) listing on a government-approved property record if placing a government  
535 identification tag on the tooling, equipment, or parts is impractical;  
536 (16) sales of newspapers or newspaper subscriptions;  
537 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a  
538 product transferred electronically traded in as full or part payment of the purchase price, except  
539 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,  
540 trade-ins are limited to other vehicles only, and the tax is based upon:  
541 (i) the bill of sale or other written evidence of value of the vehicle being sold and the  
542 vehicle being traded in; or  
543 (ii) in the absence of a bill of sale or other written evidence of value, the then existing  
544 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the  
545 commission; and  
546 (b) notwithstanding Subsection (17)(a), Subsection (17)(a) does not apply to the  
547 following items of tangible personal property or products transferred electronically traded in as  
548 full or part payment of the purchase price:  
549 (i) money;  
550 (ii) electricity;  
551 (iii) water;  
552 (iv) gas; or

553 (v) steam;

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

558 (A) becomes part of real estate; or

559 (B) is installed by a:

560 (I) farmer;

561 (II) contractor; or

562 (III) subcontractor; or

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

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

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

570 (I) machinery;

571 (II) equipment;

572 (III) materials; or

573 (IV) supplies; and

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

576 (I) hand tools; or

577 (II) maintenance and janitorial equipment and supplies;

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

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

583 (I) office equipment and supplies; or

584 (II) equipment and supplies used in:  
585 (Aa) the sale or distribution of farm products;  
586 (Bb) research; or  
587 (Cc) transportation; or  
588 (iii) a vehicle required to be registered by the laws of this state during the period  
589 ending two years after the date of the vehicle's purchase;  
590 (19) sales of hay;  
591 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or  
592 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or  
593 garden, farm, or other agricultural produce is sold by:  
594 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other  
595 agricultural produce;  
596 (b) an employee of the producer described in Subsection (20)(a); or  
597 (c) a member of the immediate family of the producer described in Subsection (20)(a);  
598 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued  
599 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

600 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,  
601 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,  
602 wholesaler, or retailer for use in packaging tangible personal property to be sold by that  
603 manufacturer, processor, wholesaler, or retailer;

604 (23) a product stored in the state for resale;

605 (24) (a) purchases of a product if:  
606 (i) the product is:  
607 (A) purchased outside of this state;  
608 (B) brought into this state:  
609 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and  
610 (II) by a nonresident person who is not living or working in this state at the time of the  
611 purchase;

612 (C) used for the personal use or enjoyment of the nonresident person described in  
613 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and  
614 (D) not used in conducting business in this state; and

615 (ii) for:

616 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of  
617 the product for a purpose for which the product is designed occurs outside of this state;

618 (B) a boat, the boat is registered outside of this state; or

619 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered  
620 outside of this state;

621 (b) the exemption provided for in Subsection (24)(a) does not apply to:

622 (i) a lease or rental of a product; or

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

624 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
625 purposes of Subsection (24)(a), the commission may by rule define what constitutes the  
626 following:

627 (i) conducting business in this state if that phrase has the same meaning in this  
628 Subsection (24) as in Subsection (63);

629 (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)  
630 as in Subsection (63); or

631 (iii) a purpose for which a product is designed if that phrase has the same meaning in  
632 this Subsection (24) as in Subsection (63);

633 (25) a product purchased for resale in this state, in the regular course of business, either  
634 in its original form or as an ingredient or component part of a manufactured or compounded  
635 product;

636 (26) a product upon which a sales or use tax was paid to some other state, or one of its  
637 subdivisions, except that the state shall be paid any difference between the tax paid and the tax  
638 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if  
639 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax  
640 Act;

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

643 (28) purchases made in accordance with the special supplemental nutrition program for  
644 women, infants, and children established in 42 U.S.C. Sec. 1786;

645 (29) beginning on July 1, 1999, through June 30, 2014, sales or leases of rolls, rollers,

646 refractory brick, electric motors, or other replacement parts used in the furnaces, mills, or ovens  
647 of a steel mill described in SIC Code 3312 of the 1987 Standard Industrial Classification

648 Manual of the federal Executive Office of the President, Office of Management and Budget;

649 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State  
650 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:

651 (a) not registered in this state; and

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

653 (ii) used in this state:

654 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a  
655 time period that does not exceed the longer of:

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

657 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to  
658 the borders of this state; or

659 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time  
660 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this  
661 state;

662 (31) sales of aircraft manufactured in Utah;

663 (32) amounts paid for the purchase of telecommunications service for purposes of  
664 providing telecommunications service;

665 (33) sales, leases, or uses of the following:

666 (a) a vehicle by an authorized carrier; or

667 (b) tangible personal property that is installed on a vehicle:

668 (i) sold or leased to or used by an authorized carrier; and

669 (ii) before the vehicle is placed in service for the first time;

670 (34) (a) 45% of the sales price of any new manufactured home; and

671 (b) 100% of the sales price of any used manufactured home;

672 (35) sales relating to schools and fundraising sales;

673 (36) sales or rentals of durable medical equipment if:

674 (a) a person presents a prescription for the durable medical equipment; and

675 (b) the durable medical equipment is used for home use only;

676 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in

677 Section 72-11-102; and

678 (b) the commission shall by rule determine the method for calculating sales exempt  
679 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;

680 (38) sales to a ski resort of:

681 (a) snowmaking equipment;

682 (b) ski slope grooming equipment;

683 (c) passenger ropeways as defined in Section 72-11-102; or

684 (d) parts used in the repairs or renovations of equipment or passenger ropeways

685 described in Subsections (38)(a) through (c);

686 (39) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;

687 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for  
688 amusement, entertainment, or recreation an unassisted amusement device as defined in Section  
689 59-12-102;

690 (b) if a seller that sells or rents at the same business location the right to use or operate  
691 for amusement, entertainment, or recreation one or more unassisted amusement devices and  
692 one or more assisted amusement devices, the exemption described in Subsection (40)(a)  
693 applies if the seller separately accounts for the sales or rentals of the right to use or operate for  
694 amusement, entertainment, or recreation for the assisted amusement devices; and

695 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,  
696 Utah Administrative Rulemaking Act, the commission may make rules:

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

699 (ii) establishing the procedures and requirements for a seller to separately account for  
700 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for  
701 assisted amusement devices;

702 (41) (a) sales of photocopies by:

703 (i) a governmental entity; or

704 (ii) an entity within the state system of public education, including:

705 (A) a school; or

706 (B) the State Board of Education; or

707 (b) sales of publications by a governmental entity;

708 (42) amounts paid for admission to an athletic event at an institution of higher  
709 education that is subject to the provisions of Title IX of the Education Amendments of 1972,  
710 20 U.S.C. Sec. 1681 et seq.;

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

712 (i) an area agency on aging; or

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

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

715 (44) sales or leases of semiconductor fabricating, processing, research, or development  
716 materials regardless of whether the semiconductor fabricating, processing, research, or  
717 development materials:

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

719 (b) ultimately become incorporated into real property;

720 (45) an amount paid by or charged to a purchaser for accommodations and services  
721 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section  
722 59-12-104.2;

723 (46) beginning on September 1, 2001, the lease or use of a vehicle issued a temporary  
724 sports event registration certificate in accordance with Section 41-3-306 for the event period  
725 specified on the temporary sports event registration certificate;

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

727 (a) made under a tariff adopted by the Public Service Commission of Utah only for  
728 purchase of electricity produced from a new wind, geothermal, biomass, or solar power energy  
729 source, as designated in the tariff by the Public Service Commission of Utah; and

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

731 (i) unrelated to the amount of electricity used by the person purchasing the electricity  
732 under the tariff described in Subsection (47)(a); and

733 (ii) equivalent to the number of kilowatthours specified in the tariff described in  
734 Subsection (47)(a) that may be purchased under the tariff described in Subsection (47)(a);

735 (48) sales or rentals of mobility enhancing equipment if a person presents a  
736 prescription for the mobility enhancing equipment;

737 (49) sales of water in a:

738 (a) pipe;

- 739 (b) conduit;
- 740 (c) ditch; or
- 741 (d) reservoir;
- 742 (50) sales of currency or coinage that constitute legal tender of the United States or of a
- 743 foreign nation;
- 744 (51) (a) sales of an item described in Subsection (51)(b) if the item:
- 745 (i) does not constitute legal tender of any nation; and
- 746 (ii) has a gold, silver, or platinum content of 80% or more; and
- 747 (b) Subsection (51)(a) applies to a gold, silver, or platinum:
- 748 (i) ingot;
- 749 (ii) bar;
- 750 (iii) medallion; or
- 751 (iv) decorative coin;
- 752 (52) amounts paid on a sale-leaseback transaction;
- 753 (53) sales of a prosthetic device:
- 754 (a) for use on or in a human; and
- 755 (b) (i) for which a prescription is required; or
- 756 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
- 757 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
- 758 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery
- 759 or equipment is primarily used in the production or postproduction of the following media for
- 760 commercial distribution:
- 761 (i) a motion picture;
- 762 (ii) a television program;
- 763 (iii) a movie made for television;
- 764 (iv) a music video;
- 765 (v) a commercial;
- 766 (vi) a documentary; or
- 767 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
- 768 commission by administrative rule made in accordance with Subsection (54)(d); or
- 769 (b) notwithstanding Subsection (54)(a), purchases, leases, or rentals of machinery or

770 equipment by an establishment described in Subsection (54)(c) that is used for the production  
771 or postproduction of the following are subject to the taxes imposed by this chapter:

772 (i) a live musical performance;

773 (ii) a live news program; or

774 (iii) a live sporting event;

775 (c) the following establishments listed in the 1997 North American Industry  
776 Classification System of the federal Executive Office of the President, Office of Management  
777 and Budget, apply to Subsections (54)(a) and (b):

778 (i) NAICS Code 512110; or

779 (ii) NAICS Code 51219; and

780 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
781 commission may by rule:

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

783 or

784 (ii) define:

785 (A) "commercial distribution";

786 (B) "live musical performance";

787 (C) "live news program"; or

788 (D) "live sporting event";

789 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004 but on  
790 or before June 30, 2019, of machinery or equipment that:

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

792 (A) is a renewable energy production facility;

793 (B) is located in the state; and

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

795 (II) has its generation capacity increased by one or more megawatts on or after July 1,  
796 2004 as a result of the use of the machinery or equipment;

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

798 (iii) is used to make the facility or the increase in capacity of the facility described in  
799 Subsection (55)(a)(i) operational up to the point of interconnection with an existing

800 transmission grid including:

- 801 (A) a wind turbine;
- 802 (B) generating equipment;
- 803 (C) a control and monitoring system;
- 804 (D) a power line;
- 805 (E) substation equipment;
- 806 (F) lighting;
- 807 (G) fencing;
- 808 (H) pipes; or
- 809 (I) other equipment used for locating a power line or pole; and
- 810 (b) this Subsection (55) does not apply to:
  - 811 (i) machinery or equipment used in construction of:
    - 812 (A) a new renewable energy production facility; or
    - 813 (B) the increase in the capacity of a renewable energy production facility;
  - 814 (ii) contracted services required for construction and routine maintenance activities;
- 815 and
  - 816 (iii) unless the machinery or equipment is used or acquired for an increase in capacity
  - 817 of the facility described in Subsection (55)(a)(i)(C)(II), machinery or equipment used or
  - 818 acquired after:
    - 819 (A) the renewable energy production facility described in Subsection (55)(a)(i) is
    - 820 operational as described in Subsection (55)(a)(iii); or
    - 821 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described
    - 822 in Subsection (55)(a)(iii);
  - 823 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004 but on
  - 824 or before June 30, 2019, of machinery or equipment that:
    - 825 (i) is leased or purchased for or by a facility that:
      - 826 (A) is a waste energy production facility;
      - 827 (B) is located in the state; and
      - 828 (C) (I) becomes operational on or after July 1, 2004; or
      - 829 (II) has its generation capacity increased by one or more megawatts on or after July 1,
      - 830 2004 as a result of the use of the machinery or equipment;
    - 831 (ii) has an economic life of five or more years; and

832 (iii) is used to make the facility or the increase in capacity of the facility described in  
833 Subsection (56)(a)(i) operational up to the point of interconnection with an existing  
834 transmission grid including:

- 835 (A) generating equipment;
- 836 (B) a control and monitoring system;
- 837 (C) a power line;
- 838 (D) substation equipment;
- 839 (E) lighting;
- 840 (F) fencing;
- 841 (G) pipes; or
- 842 (H) other equipment used for locating a power line or pole; and

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

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

- 845 (A) a new waste energy facility; or
- 846 (B) the increase in the capacity of a waste energy facility;

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

848 and

849 (iii) unless the machinery or equipment is used or acquired for an increase in capacity  
850 described in Subsection (56)(a)(i)(C)(II), machinery or equipment used or acquired after:

851 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as  
852 described in Subsection (56)(a)(iii); or

853 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described  
854 in Subsection (56)(a)(iii);

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

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

- 858 (A) is located in the state;
- 859 (B) produces fuel from biomass energy including:

- 860 (I) methanol; or
- 861 (II) ethanol; and

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

863 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004 as  
864 a result of the installation of the machinery or equipment;

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

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

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

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

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

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

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

872 and

873 (iii) unless the machinery or equipment is used or acquired for an increase in capacity  
874 described in Subsection (57)(a)(i)(C)(II), machinery or equipment used or acquired after:

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

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

877 (58) (a) subject to Subsection (58)(b) or (c), sales of tangible personal property or a  
878 product transferred electronically to a person within this state if that tangible personal property  
879 or product transferred electronically is subsequently shipped outside the state and incorporated  
880 pursuant to contract into and becomes a part of real property located outside of this state;

881 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other  
882 state or political entity to which the tangible personal property is shipped imposes a sales, use,  
883 gross receipts, or other similar transaction excise tax on the transaction against which the other  
884 state or political entity allows a credit for sales and use taxes imposed by this chapter; and

885 (c) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,  
886 a person may claim the exemption allowed by this Subsection (58) for a sale by filing for a  
887 refund:

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

889 (ii) as if this Subsection (58) as in effect on July 1, 2008, were in effect on the day on  
890 which the sale is made;

891 (iii) if the person did not claim the exemption allowed by this Subsection (58) for the  
892 sale prior to filing for the refund;

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

894 (v) in accordance with Section 59-1-1410; and  
895 (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if  
896 the person files for the refund on or before June 30, 2011;

897 (59) purchases:  
898 (a) of one or more of the following items in printed or electronic format:  
899 (i) a list containing information that includes one or more:  
900 (A) names; or  
901 (B) addresses; or  
902 (ii) a database containing information that includes one or more:  
903 (A) names; or  
904 (B) addresses; and  
905 (b) used to send direct mail;

906 (60) redemptions or repurchases of a product by a person if that product was:  
907 (a) delivered to a pawnbroker as part of a pawn transaction; and  
908 (b) redeemed or repurchased within the time period established in a written agreement  
909 between the person and the pawnbroker for redeeming or repurchasing the product;

910 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:  
911 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;  
912 and  
913 (ii) has a useful economic life of one or more years; and  
914 (b) the following apply to Subsection (61)(a):  
915 (i) telecommunications enabling or facilitating equipment, machinery, or software;  
916 (ii) telecommunications equipment, machinery, or software required for 911 service;  
917 (iii) telecommunications maintenance or repair equipment, machinery, or software;  
918 (iv) telecommunications switching or routing equipment, machinery, or software; or  
919 (v) telecommunications transmission equipment, machinery, or software;

920 (62) (a) beginning on July 1, 2006, and ending on June 30, 2016, purchases of tangible  
921 personal property or a product transferred electronically that are used in the research and  
922 development of coal-to-liquids, oil shale, or tar sands technology; and  
923 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
924 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes

925 purchases of tangible personal property or a product transferred electronically that are used in  
926 the research and development of coal-to-liquids, oil shale, and tar sands technology;

927 (63) (a) purchases of tangible personal property or a product transferred electronically  
928 if:

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

930 (A) purchased outside of this state;

931 (B) brought into this state at any time after the purchase described in Subsection  
932 (63)(a)(i)(A); and

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

934 (ii) for:

935 (A) tangible personal property or a product transferred electronically other than the  
936 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property  
937 for a purpose for which the property is designed occurs outside of this state; or

938 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered  
939 outside of this state;

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

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

942 or

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

944 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for  
945 purposes of Subsection (63)(a), the commission may by rule define what constitutes the  
946 following:

947 (i) conducting business in this state if that phrase has the same meaning in this  
948 Subsection (63) as in Subsection (24);

949 (ii) the first use of tangible personal property or a product transferred electronically if  
950 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or

951 (iii) a purpose for which tangible personal property or a product transferred  
952 electronically is designed if that phrase has the same meaning in this Subsection (63) as in  
953 Subsection (24);

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

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

956 supplies;

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

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

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

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

963 (65) sales:

964 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit  
965 District Act; or

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

968 (i) clearly identified; and

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

970 (66) sales of construction materials:

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

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

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

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

975 (c) if the construction materials are:

976 (i) clearly identified;

977 (ii) segregated; and

978 (iii) installed or converted to real property:

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

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

981 (67) sales of construction materials:

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

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

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

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

986 59-2-102 is headquartered; and

987 (c) if the construction materials are:  
 988 (i) clearly identified;  
 989 (ii) segregated; and  
 990 (iii) installed or converted to real property:  
 991 (A) owned or operated by the new airport described in Subsection (67)(b);  
 992 (B) located at the new airport described in Subsection (67)(b); and  
 993 (C) as part of the construction of the new airport described in Subsection (67)(b);  
 994 (68) sales of fuel to a common carrier that is a railroad for use in a locomotive engine;  
 995 (69) purchases and sales described in Section [~~9-3-511~~] 63H-4-111; and  
 996 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and  
 997 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of  
 998 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration  
 999 lists a state or country other than this state as the location of registry of the fixed wing turbine  
 1000 powered aircraft; or

1001 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul  
 1002 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of  
 1003 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration  
 1004 lists a state or country other than this state as the location of registry of the fixed wing turbine  
 1005 powered aircraft.

1006 Section 3. Section **63A-5-306** is amended to read:

1007 **63A-5-306. Leasing of state fair park -- Lease -- Terms -- Demolition of facilities**  
 1008 **-- Limits on debt or obligations.**

1009 (1) As used in this section:

1010 (a) "Corporation" means the Utah State Fair Corporation created in Section [~~9-4-1103~~]  
 1011 63H-6-103.

1012 (b) "Division" means the Division of Facilities Construction and Management.

1013 (c) "State fair park" means the property and buildings owned by the state located at 155  
 1014 North 1000 West, Salt Lake City, Utah.

1015 (2) The division:

1016 (a) may lease the state fair park to the corporation for a period not to exceed 50 years:

1017 (i) subject to the corporation satisfying the requirements of Subsection (5)(b)(i); and

1018 (ii) except that on June 30, 2017, that portion of the state fair park known as the White  
1019 Ball Field located on the south side of North Temple Street shall revert to the division and not  
1020 be a part of any continuing lease agreement between the division and the corporation, unless  
1021 otherwise agreed upon by the division and the corporation prior to June 30, 2017;

1022 (b) shall ensure that any lease entered into under Subsection (2)(a):

1023 (i) defines which party is responsible for repairs and maintenance to the grounds and  
1024 buildings;

1025 (ii) defines any restrictions on the use of the property or buildings, including the  
1026 construction of any new buildings or facilities at the state fair park;

1027 (iii) requires that for each year under the lease the corporation holds a state fair meeting  
1028 the requirements of Subsection [~~9-4-1103~~] 63H-6-103(5)(a)(vi); and

1029 (iv) provides for the renegotiation or termination of the lease if the corporation:

1030 (A) no longer operates as an independent public nonprofit corporation as provided in  
1031 Title [~~9~~] 63H, Chapter [~~4~~] 6, [~~Part 11~~], Utah State Fair Corporation Act; or

1032 (B) engages in any activity inconsistent with Title [~~9~~] 63H, Chapter [~~4~~] 6, [~~Part 11~~],  
1033 Utah State Fair Corporation Act;

1034 (c) may:

1035 (i) require that any lease entered into under Subsection (2)(a) grants the division the  
1036 right to unilaterally terminate the lease at its discretion; and

1037 (ii) provide a process to determine compensation, if any, the division shall pay the  
1038 corporation for termination of the lease under Subsection (2)(c)(i); and

1039 (d) if the lease described in Subsection (2)(a) is amended or renewed after the effective  
1040 date of this act and except as provided in Subsection (3), shall require the corporation under the  
1041 lease to:

1042 (i) obtain the approval of the State Building Board before demolishing a facility at the  
1043 state fair park; and

1044 (ii) include the approval requirement described in Subsection (2)(d)(i) in any sublease  
1045 entered into, renewed, or amended after the effective date of this act.

1046 (3) (a) The approval required under Subsection (2)(d) does not apply to a facility  
1047 demolished in accordance with a contract entered into but not amended before the effective  
1048 date of this act.

1049 (b) Notwithstanding Subsection (3)(a), before a facility described in Subsection (3)(a)  
1050 is demolished, the corporation shall notify the division concerning any demolishing of the  
1051 facility.

1052 (4) The State Building Board shall notify the state historic preservation office of any  
1053 State Building Board meeting at which consideration will be given to a proposal to demolish  
1054 facilities at the state fair park.

1055 (5) (a) Notwithstanding Subsection (2), the division may review and adjust the amount  
1056 of any payments made by the corporation under the lease every three years beginning July 1,  
1057 2000.

1058 (b) (i) The division may lease the state fair park to the corporation for a period not to  
1059 exceed 50 years, if the corporation demonstrates to the satisfaction of the division that the lease  
1060 period will result in significant capital improvements at the state fair park by a private or public  
1061 entity.

1062 (ii) The corporation may enter into a sublease of up to 50 years, subject to satisfying  
1063 the requirements of Subsections (2)(d)(i) and (5)(b)(i).

1064 (6) The state shall assume the responsibilities of the corporation under any contract that  
1065 is in effect on the day a lease between the division and the corporation terminates if:

1066 (a) the contract is for the lease or construction of a building or facility at the state park;  
1067 and

1068 (b) the lease between the division and the corporation is terminated in accordance with  
1069 Subsection (2)(b)(iv).

1070 (7) (a) Payments made by the corporation under a lease with the division shall be  
1071 deposited into the Capital Project Fund.

1072 (b) If, in accordance with Subsection (5), the payments made by the corporation under  
1073 a lease with the division are increased from the amount paid on July 1, 1997, the lease  
1074 payments made by the division shall be dedicated to capital improvements at the state fair park  
1075 unless, as part of the capital budget, the Legislature directs that the money be used for other  
1076 capital improvements.

1077 (8) (a) A debt or obligation contracted by the corporation is a debt or obligation of the  
1078 corporation.

1079 (b) The state is not liable for and assumes no legal or moral responsibility for any debt

1080 or obligation described in Subsection (8)(a), unless the Legislature through statute or an  
1081 appropriation act specifically:

- 1082 (i) authorizes the corporation to contract for that debt or obligation; and
- 1083 (ii) accepts liability for or assumes responsibility for the debt or obligation.

1084 Section 4. Section **63E-1-102** is amended to read:

1085 **63E-1-102. Definitions.**

1086 As used in this title:

1087 (1) "Authorizing statute" means the statute creating an entity as an independent entity.

1088 (2) "Committee" means the Retirement and Independent Entities Committee created in  
1089 Section 63E-1-201.

1090 (3) "Independent corporation" means a corporation incorporated in accordance with  
1091 Chapter 2, Independent Corporations Act.

1092 (4) (a) "Independent entity" means an entity having a public purpose relating to the  
1093 state or its citizens that is individually created by the state or is given by the state the right to  
1094 exist and conduct its affairs as an:

1095 (i) independent state agency; or

1096 (ii) independent corporation.

1097 (b) "Independent entity" includes the:

1098 (i) Dairy Commission created in Title 4, Chapter 22, Dairy Promotion Act;

1099 (ii) Heber Valley Railroad Authority created in [~~Title 9, Chapter 3, Part 5,~~] Title 63H,  
1100 Chapter 4, Heber Valley Historic Railroad Authority;

1101 (iii) Utah State Railroad Museum Authority created in [~~Title 9, Chapter 3, Part 6~~] Title  
1102 63H, Chapter 5, Utah State Railroad Museum Authority;

1103 (iv) Utah Science Center Authority created in [~~Title 9, Chapter 3, Part 4~~] Title 63H,  
1104 Chapter 3, Utah Science Center Authority;

1105 (v) Utah Housing Corporation created in Title 9, Chapter 4, Part 9, Utah Housing  
1106 Corporation Act;

1107 (vi) Utah State Fair Corporation created in [~~Title 9, Chapter 4, Part 11~~] Title 63H,  
1108 Chapter 6, Utah State Fair Corporation Act;

1109 (vii) Workers' Compensation Fund created in Title 31A, Chapter 33, Workers'  
1110 Compensation Fund;

- 1111 (viii) Utah State Retirement Office created in Title 49, Chapter 11, Utah State  
1112 Retirement Systems Administration;
- 1113 (ix) School and Institutional Trust Lands Administration created in Title 53C, Chapter  
1114 1, Part 2, School and Institutional Trust Lands Administration;
- 1115 (x) Utah Communications Agency Network created in Title 63C, Chapter 7, Utah  
1116 Communications Agency Network Act;
- 1117 (xi) Utah Generated Renewable Energy Electricity Network Authority created in Title  
1118 63H, Chapter 2, Utah Generated Renewable Energy Electricity Network Authority Act; and
- 1119 (xii) Utah Capital Investment Corporation created in Title 63M, Chapter 1, Part 12,  
1120 Utah Venture Capital Enhancement Act.
- 1121 (c) Notwithstanding this Subsection (4), "independent entity" does not include:
- 1122 (i) the Public Service Commission of Utah created in Section 54-1-1;
- 1123 (ii) an institution within the state system of higher education;
- 1124 (iii) a city, county, or town;
- 1125 (iv) a local school district;
- 1126 (v) a local district under Title 17B, Limited Purpose Local Government Entities - Local  
1127 Districts; or
- 1128 (vi) a special service district under Title 17D, Chapter 1, Special Service District Act.
- 1129 (5) "Independent state agency" means an entity that is created by the state, but is  
1130 independent of the governor's direct supervisory control.
- 1131 (6) "Money held in trust" means money maintained for the benefit of:
- 1132 (a) one or more private individuals, including public employees;
- 1133 (b) one or more public or private entities; or
- 1134 (c) the owners of a quasi-public corporation.
- 1135 (7) "Public corporation" means an artificial person, public in ownership, individually  
1136 created by the state as a body politic and corporate for the administration of a public purpose  
1137 relating to the state or its citizens.
- 1138 (8) "Quasi-public corporation" means an artificial person, private in ownership,  
1139 individually created as a corporation by the state which has accepted from the state the grant of  
1140 a franchise or contract involving the performance of a public purpose relating to the state or its  
1141 citizens.

1142 Section 5. Section **63H-3-101**, which is renumbered from Section 9-3-401 is  
1143 renumbered and amended to read:

1144 **CHAPTER 3. UTAH SCIENCE CENTER AUTHORITY**

1145 **[9-3-401]. 63H-3-101. Short title.**

1146 This [part] chapter is known as the "Utah Science Center Authority."

1147 Section 6. Section **63H-3-102**, which is renumbered from Section 9-3-402 is  
1148 renumbered and amended to read:

1149 **[9-3-402]. 63H-3-102. Legislative findings -- State purpose.**

1150 (1) The Legislature finds and declares that:

1151 (a) a Utah Science Center Authority can promote science, Utah's effort in high  
1152 technology, engineering, the arts, culture, Utah's unique origins, and can enhance tourism and  
1153 provide a valuable educational forum, and other benefits for Utah's citizens; and

1154 (b) fostering the development of science, arts, tourism, culture, and educational  
1155 facilities is a state purpose affecting the welfare of all state citizens and the growth of the  
1156 economy statewide.

1157 (2) It is therefore the purpose of this [part] chapter that the state provide a means to  
1158 foster the development of science, technology, engineering, arts, tourism, cultural, and  
1159 educational facilities in order to further the welfare of the citizens of the state and its economic  
1160 growth.

1161 Section 7. Section **63H-3-103**, which is renumbered from Section 9-3-403 is  
1162 renumbered and amended to read:

1163 **[9-3-403]. 63H-3-103. Creation -- Members -- Chair -- Powers -- Quorum --**  
1164 **Per diem and expenses.**

1165 (1) There is created an independent state agency and a body politic and corporate  
1166 known as the "Utah Science Center Authority."

1167 (2) (a) The authority [~~shall be~~] is composed of 13 members.

1168 (b) The governor shall appoint:

1169 (i) three members representing the informal science and arts community that could  
1170 include members from the board of directors of the Hansen Planetarium, the Hogle Zoo, the  
1171 Children's Museum of Utah, the Utah Museum of Natural History, and other related museums,  
1172 centers, and agencies;

- 1173 (ii) one member of the State Board of Education;
- 1174 (iii) one member of the Division of Housing and Community Development of the  
1175 Department of Community and Culture;
- 1176 (iv) one member of the Board of Tourism Development;
- 1177 (v) one member of the State Board of Regents; and
- 1178 (vi) three public members representing Utah industry, the diverse regions of the state,  
1179 and the public at large.
- 1180 (c) The county legislative body of Salt Lake County shall appoint one member to  
1181 represent Salt Lake County.
- 1182 (d) The mayor of Salt Lake City shall appoint one member to represent Salt Lake City  
1183 Corporation.
- 1184 (e) The State Science Advisor or the advisor's designee is also a member of the  
1185 authority.
- 1186 (f) In appointing the three public members, the governor shall ensure that there is  
1187 representation from the science, technology, and business communities.
- 1188 (3) All members shall be residents of Utah.
- 1189 (4) Each member ~~[shall be]~~ is appointed for four-year terms beginning July 1 of the  
1190 year appointed.
- 1191 (5) (a) Except as required by Subsection (5)(b), as terms of current authority members  
1192 expire, the governor shall appoint each new member or reappointed member to a four-year  
1193 term.
- 1194 (b) Notwithstanding the requirements of Subsection (5)(a), the governor shall, at the  
1195 time of appointment or reappointment, adjust the length of terms to ensure that the terms of  
1196 authority members are staggered so that approximately half of the authority is appointed every  
1197 two years.
- 1198 (6) A member may be removed from office by the governor or for cause by an  
1199 affirmative vote of nine members of the authority.
- 1200 (7) When a vacancy occurs in the membership for any reason, the replacement ~~[shall~~  
1201 ~~be]~~ is appointed by the governor for the unexpired term.
- 1202 (8) Each public member shall hold office for the term of ~~[his]~~ the member's  
1203 appointment and until the member's successor has been appointed and qualified.

1204 (9) A public member is eligible for reappointment, but may not serve more than two  
1205 full consecutive terms.

1206 (10) The governor shall appoint the chair of the authority from among its members.

1207 (11) The members shall elect from among their number a vice chair and other officers  
1208 they may determine.

1209 (12) The chair and vice chair ~~shall be~~ are elected for two-year terms.

1210 (13) The powers of the authority ~~shall be~~ are vested in its members.

1211 (14) Seven members constitute a quorum for transaction of authority business.

1212 (15) A member may not receive compensation or benefits for the member's service, but  
1213 may receive per diem and travel expenses in accordance with:

1214 (a) Section 63A-3-106;

1215 (b) Section 63A-3-107; and

1216 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and  
1217 63A-3-107.

1218 Section 8. Section **63H-3-104**, which is renumbered from Section 9-3-404 is  
1219 renumbered and amended to read:

1220 ~~[9-3-404].~~ **63H-3-104. Executive director -- Powers and duties.**

1221 (1) (a) The members shall appoint an executive director who shall be an employee of  
1222 the authority, but who may not be a member of the authority~~[-, and who shall serve].~~

1223 (b) The executive director serves at the pleasure of the members and ~~[receive]~~ receives  
1224 compensation as set by the members and approved by the governor.

1225 (2) The executive director shall:

1226 (a) administer, manage, and direct the affairs and activities of the authority in  
1227 accordance with the policies, control, and direction of the members;

1228 (b) approve all accounts for allowable expenses of the authority or of any of its  
1229 employees and expenses incidental to the operation of the authority;

1230 (c) attend the meetings of the authority;

1231 (d) keep a record of the proceedings of the authority;

1232 (e) maintain and be custodian of all books, documents, and papers filed with the  
1233 authority; and

1234 (f) perform other duties as directed by the members in carrying out the purposes of this

1235 part.

1236 Section 9. Section **63H-3-105**, which is renumbered from Section 9-3-405 is  
1237 renumbered and amended to read:

1238 ~~[9-3-405].~~ **63H-3-105. Member or employee -- Disclosure of interest.**

1239 ~~[Any]~~ (1) A member or employee of the authority who has, will have, or later acquires  
1240 an interest, direct or indirect, in ~~[any]~~ a transaction with the authority shall immediately  
1241 disclose the nature and extent of that interest in writing to the authority as soon as the member  
1242 has knowledge of the actual or prospective interest.

1243 (2) This disclosure shall be entered upon the minutes of the authority.

1244 (3) Upon this disclosure that member or employee may participate in any action by the  
1245 authority authorizing the transaction.

1246 Section 10. Section **63H-3-106**, which is renumbered from Section 9-3-406 is  
1247 renumbered and amended to read:

1248 ~~[9-3-406].~~ **63H-3-106. Officer or employee -- No forfeiture of office or**  
1249 **employment.**

1250 Notwithstanding the provisions of any other law, ~~[no]~~ an officer or employee of this  
1251 state ~~[shall be deemed to have forfeited or shall forfeit his]~~ does not forfeit an office of or  
1252 employment within the state by reason of ~~[his]~~ the person's acceptance of membership on the  
1253 authority or ~~[his]~~ service on it.

1254 Section 11. Section **63H-3-107**, which is renumbered from Section 9-3-407 is  
1255 renumbered and amended to read:

1256 ~~[9-3-407].~~ **63H-3-107. Authority -- Powers.**

1257 (1) (a) The authority shall create, operate, and maintain a center that ~~[shall promote]~~  
1258 promotes the purposes described in Section ~~[9-3-402]~~ 63H-3-102.

1259 (b) The center shall:

1260 (i) have an extensive outreach program that serves all regions of the state; and

1261 (ii) collaborate and coordinate with education, arts, technology, and engineering  
1262 entities, including schools and industries.

1263 (2) The authority has perpetual succession as a body politic and corporate and may:

1264 (a) adopt, amend, and repeal rules, policies, and procedures for the regulation of its  
1265 affairs and the conduct of its business;

- 1266 (b) sue and be sued in its own name;
- 1267 (c) maintain an office at ~~[any]~~ a place ~~[or places]~~ within this state it ~~[may designate]~~  
1268 designates;
- 1269 (d) adopt, amend, and repeal bylaws and rules, not inconsistent with this ~~[part]~~ chapter,  
1270 to carry into effect the powers and purposes of the authority and the conduct of its business;
- 1271 (e) purchase, lease, sell, and otherwise dispose of property and rights-of-way;
- 1272 (f) employ experts, advisory groups, and other professionals it considers necessary;
- 1273 (g) employ and retain independent legal counsel;
- 1274 (h) make and execute contracts and all other instruments necessary or convenient for  
1275 the performance of its duties and the exercise of its duties under this ~~[part]~~ chapter to create,  
1276 operate, and maintain a Science Center in Utah;
- 1277 (i) procure insurance for liability and against any loss in connection with its property  
1278 and other assets in amounts and from insurers it considers desirable;
- 1279 (j) borrow money, receive ~~[appropriation]~~ appropriations from the Legislature, and  
1280 receive other public money and accept aid or contributions from any source of money,  
1281 property, labor, or other things of value to be held, used, and applied to carry out the purposes  
1282 of this ~~[part]~~ chapter subject to the conditions upon which the grants and contributions are  
1283 made, including gifts or grants from any department, agency, or instrumentality of the United  
1284 States or of this state for any purpose consistent with this ~~[part]~~ chapter;
- 1285 (k) enter into agreements with any department, agency, or instrumentality or political  
1286 subdivision of the United States or this state for the purpose of providing for the creation,  
1287 operation, and maintenance of a Science Center in Utah; and
- 1288 (l) to do any act necessary or convenient to the exercise of the powers granted by this  
1289 ~~[part]~~ chapter.
- 1290 (3) (a) All money received by the authority under Subsection (2)(j) and from any other  
1291 source ~~[shall be]~~ is for the exclusive use of the authority to create, operate, maintain, improve,  
1292 and provide for a Science Center in Utah.
- 1293 (b) The money received by the authority may not be used for any other purpose or by  
1294 any other entity.
- 1295 Section 12. Section **63H-3-108**, which is renumbered from Section 9-3-409 is  
1296 renumbered and amended to read:

1297            ~~[9-3-409]~~.    **63H-3-108**. **Actions on validity or enforceability of bonds -- Time**  
1298 **for bringing action.**

1299            (1) In ~~[any]~~ a suit, action, or proceeding involving the validity or enforceability of  
1300 ~~[any]~~ a bond issued under this chapter or the security for them, ~~[any such]~~ the bond reciting in  
1301 substance that it has been issued by the authority in connection with the Utah Science Center  
1302 ~~[shall be]~~ is conclusively considered to have been issued for that purpose.

1303            (2) (a) After receiving notice described in Subsection (2)(a)(ii), a person may contest:

1304            (i) (A) the legality of a resolution;

1305            (B) notice of bonds to be issued; or

1306            (C) a provision made for the security and payment of the bonds; and

1307            (ii) for a period of 30 days after the publication of the resolution authorizing the bonds,  
1308 or a notice of bonds to be issued by the authority containing those items described in Section  
1309 11-14-316:

1310            (A) in a newspaper having general circulation in the area of operation; and

1311            (B) as required in Section 45-1-101.

1312            (b) After the 30-day period no one has any cause of action to contest the regularity,  
1313 formality, or legality of the notice of bonds to be issued or the bonds for any cause whatsoever.

1314            Section 13. Section **63H-3-109**, which is renumbered from Section 9-3-410 is  
1315 renumbered and amended to read:

1316            ~~[9-3-410]~~.    **63H-3-109**. **Relation to certain acts.**

1317            (1) The authority is exempt from:

1318            (a) Title 51, Chapter 5, Funds Consolidation Act;

1319            (b) Title 63A, Chapter 1, Department of Administrative Services;

1320            (c) Title 63G, Chapter 6, Utah Procurement Code;

1321            (d) Title 63J, Chapter 1, Budgetary Procedures Act; and

1322            (e) Title 67, Chapter 19, Utah State Personnel Management Act.

1323            (2) The authority ~~[shall be]~~ is subject to audit by:

1324            (a) the state auditor pursuant to Title 67, Chapter 3, Auditor; and

1325            (b) the legislative auditor general pursuant to Section 36-12-15.

1326            (3) The authority shall annually report to the Retirement and Independent Entities

1327 Committee created under Section 63E-1-201 concerning the authority's implementation of this

1328 part.

1329 Section 14. Section **63H-3-110**, which is renumbered from Section 9-3-411 is  
1330 renumbered and amended to read:

1331 ~~[9-3-411].~~ **63H-3-110. Sales tax exemption.**

1332 The authority and its operators are exempt from sales and use tax imposed under Title  
1333 59, Chapter 12, Sales and Use Tax Act.

1334 Section 15. Section **63H-4-101**, which is renumbered from Section 9-3-501 is  
1335 renumbered and amended to read:

1336 **CHAPTER 4. HEBER VALLEY HISTORIC RAILROAD AUTHORITY**

1337 ~~[9-3-501].~~ **63H-4-101. Title.**

1338 This [part] chapter is known as the "Heber Valley Historic Railroad Authority."

1339 Section 16. Section **63H-4-102**, which is renumbered from Section 9-3-502 is  
1340 renumbered and amended to read:

1341 ~~[9-3-502].~~ **63H-4-102. Creation -- Members -- Chair -- Powers -- Quorum --**  
1342 **Per diem and expenses.**

1343 (1) There is created an independent state agency and a body politic and corporate  
1344 known as the "Heber Valley Historic Railroad Authority."

1345 (2) The authority [~~shall be~~] is composed of eight members as follows:

1346 (a) one member of the county legislative body of Wasatch County;

1347 (b) the mayor of Heber City;

1348 (c) the mayor of Midway;

1349 (d) the executive director of the Department of Transportation or the executive  
1350 director's designee;

1351 (e) the executive director of Parks and Recreation, or the executive director's designee;

1352 and

1353 (f) three public members appointed by the governor with the consent of the Senate,  
1354 being private citizens of the state, as follows:

1355 (i) two people representing the tourism industry, one each from Wasatch and Utah  
1356 counties; and

1357 (ii) one person representing the public at large.

1358 (3) All members shall be residents of the state.

1359 (4) (a) Except as required by Subsection (4)(b), the three public members [~~shall be~~] are  
1360 appointed for four-year terms beginning July 1, 2010.

1361 (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the  
1362 time of appointment or reappointment, adjust the length of terms to ensure that the terms of  
1363 authority members are staggered so that approximately half of the authority is appointed every  
1364 two years.

1365 (5) Any of the three public members may be removed from office by the governor or  
1366 for cause by an affirmative vote of any four members of the authority.

1367 (6) When a vacancy occurs in the membership for any reason, the replacement [~~shall~~  
1368 ~~be~~] is appointed for the unexpired term by the governor with consent of the Senate for the  
1369 unexpired term.

1370 (7) Each public member shall hold office for the term of appointment and until a  
1371 successor has been appointed and qualified.

1372 (8) [~~Any~~] A public member is eligible for reappointment, but may not serve more than  
1373 two full consecutive terms.

1374 (9) The governor shall appoint the chair of the authority from among its members.

1375 (10) The members shall elect from among their number a vice chair and other officers  
1376 they may determine.

1377 (11) The powers of the authority [~~shall be~~] are vested in its members.

1378 (12) (a) Four members constitute a quorum for transaction of authority business.

1379 (b) An affirmative vote of at least four members is necessary for any action [~~to be~~]  
1380 taken by the authority.

1381 (13) (a) (i) Members who are not government employees [~~shall~~] may not receive [~~no~~]  
1382 compensation or benefits for their services, but may receive per diem and expenses incurred in  
1383 the performance of the member's official duties at the rates established by the Division of  
1384 Finance under Sections 63A-3-106 and 63A-3-107.

1385 (ii) Members may decline to receive per diem and expenses for their service.

1386 (b) (i) State government officer and employee members who do not receive salary, per  
1387 diem, or expenses from their agency for their service may receive per diem and expenses  
1388 incurred in the performance of their official duties from the authority at the rates established by  
1389 the Division of Finance under Sections 63A-3-106 and 63A-3-107.

1390 (ii) State government officer and employee members may decline to receive per diem  
1391 and expenses for their service.

1392 (c) (i) Local government members who do not receive salary, per diem, or expenses  
1393 from the entity that they represent for their service may receive per diem and expenses incurred  
1394 in the performance of their official duties at the rates established by the Division of Finance  
1395 under Sections 63A-3-106 and 63A-3-107.

1396 (ii) Local government members may decline to receive per diem and expenses for their  
1397 service.

1398 Section 17. Section **63H-4-103**, which is renumbered from Section 9-3-503 is  
1399 renumbered and amended to read:

1400 **[9-3-503]. 63H-4-103. Executive director -- Powers and duties.**

1401 (1) (a) The members shall appoint an executive director who [~~shall be~~] is an employee  
1402 of the authority, but who [~~may~~] is not [~~be~~] a member of the authority[~~, and who shall serve~~].

1403 (b) The executive director serves at the pleasure of the members and [~~receive~~] receives  
1404 compensation as set by the members and approved by the governor.

1405 (2) The executive director shall:

1406 (a) administer, manage, and direct the affairs and activities of the authority in  
1407 accordance with the policies, control, and direction of the members;

1408 (b) approve all accounts for allowable expenses of the authority or of any of its  
1409 employees and expenses incidental to the operation of the authority;

1410 (c) attend the meetings of the authority;

1411 (d) keep a record of the proceedings of the authority;

1412 (e) maintain and be custodian of all books, documents, and papers filed with the  
1413 authority; and

1414 (f) perform other duties as directed by the members in carrying out the purposes of this  
1415 [~~part~~] chapter.

1416 Section 18. Section **63H-4-104**, which is renumbered from Section 9-3-504 is  
1417 renumbered and amended to read:

1418 **[9-3-504]. 63H-4-104. Member or employee -- Disclosure of interest.**

1419 [~~Any~~] (1) A member or employee of the authority who has, will have, or later acquires  
1420 an interest, direct or indirect, in [~~any~~] a transaction with the authority shall immediately

1421 disclose the nature and extent of that interest in writing to the authority as soon as the member  
1422 or employee has knowledge of the actual or prospective interest.

1423 (2) This disclosure shall be entered upon the minutes of the authority.

1424 (3) Upon this disclosure that member or employee may participate in any action by the  
1425 authority authorizing the transaction.

1426 Section 19. Section **63H-4-105**, which is renumbered from Section 9-3-505 is  
1427 renumbered and amended to read:

1428 ~~[9-3-505].~~ **63H-4-105. Officer or employee -- No forfeiture of office or**  
1429 **employment.**

1430 Notwithstanding the provisions of any other law, ~~[no]~~ an officer or employee of this  
1431 state ~~[shall be considered to have forfeited or shall]~~ does not forfeit an officer's or employee's  
1432 office or employment by reason of acceptance of membership on the authority or service on it.

1433 Section 20. Section **63H-4-106**, which is renumbered from Section 9-3-506 is  
1434 renumbered and amended to read:

1435 ~~[9-3-506].~~ **63H-4-106. Authority -- Powers.**

1436 (1) The authority shall operate and maintain a scenic and historic railroad in and  
1437 around the Heber Valley.

1438 (2) The authority has perpetual succession as a body politic and corporate and may:

1439 (a) adopt, amend, and repeal rules, policies, and procedures for the regulation of its  
1440 affairs and the conduct of its business;

1441 (b) sue and be sued in its own name;

1442 (c) maintain an office at ~~[any]~~ a place ~~[or places]~~ within this state it ~~[may designate]~~  
1443 designates;

1444 (d) adopt, amend, and repeal bylaws and rules, not inconsistent with this ~~[part]~~ chapter,  
1445 to carry into effect the powers and purposes of the authority and the conduct of its business;

1446 (e) purchase, lease, sell, and otherwise dispose of property and rights-of-way;

1447 (f) employ experts and other professionals it considers necessary;

1448 (g) employ and retain independent legal counsel;

1449 (h) make and execute contracts and all other instruments necessary or convenient for  
1450 the performance of its duties and the exercise of its duties under this ~~[part]~~ chapter to operate  
1451 and maintain a scenic railroad in and around the Heber Valley;

1452 (i) procure insurance for liability and against any loss in connection with its property  
1453 and other assets in amounts and from insurers it considers desirable;

1454 (j) receive [~~appropriation~~] appropriations from the Legislature and receive other public  
1455 money and accept aid or contributions from any source of money, property, labor, or other  
1456 things of value to be held, used, and applied to carry out the purposes of this [~~part~~] chapter,  
1457 subject to the conditions upon which the grants and contributions are made, including[~~-, but not~~  
1458 ~~limited to,~~] gifts or grants from any department, agency, or instrumentality of the United States  
1459 or of this state for any purpose consistent with this [~~part~~] chapter;

1460 (k) enter into agreements with any department, agency, or instrumentality of the United  
1461 States or this state for the purpose of providing for the operation and maintenance of a scenic  
1462 railway in and around the Heber Valley; and

1463 (l) do any act necessary or convenient to the exercise of the powers granted by this  
1464 [~~part~~] chapter.

1465 (3) (a) All money received by the authority under Subsection (2)(j) and from any other  
1466 source [~~shall be~~] is for the exclusive use of the authority to operate, maintain, improve, and  
1467 provide for a scenic and historic railway in and around the Heber Valley.

1468 (b) The money received by the authority may not be used for any other purpose or by  
1469 any other entity.

1470 Section 21. Section **63H-4-107**, which is renumbered from Section 9-3-507 is  
1471 renumbered and amended to read:

1472 **[9-3-507]. 63H-4-107. Notes, bonds, other obligation -- Not debt liability --**  
1473 **Expenses payable from funds provided -- Agency without authority to incur liability on**  
1474 **behalf of state.**

1475 (1) (a) An obligation or liability of the authority does not constitute a debt or liability  
1476 of this state or of any of its political subdivisions nor does any obligation or liability constitute  
1477 the loaning of credit of the state or of any of its political subdivisions nor may any obligation or  
1478 liability of the authority be payable from funds other than those of the authority.

1479 (b) All obligations of the authority shall contain a statement to the effect that the  
1480 authority is obligated to pay them solely from the revenues or other funds of the authority and  
1481 that this state or its political subdivisions are not obligated to pay them and that neither the  
1482 faith and credit nor the taxing power of this state or any of its political subdivisions is pledged

1483 to the payment of them.

1484 (2) All expenses incurred in carrying out this part [~~shall be~~] are payable solely from  
1485 [~~funds~~] money of the authority provided under this [~~part~~] chapter, and nothing in this [~~part~~]  
1486 chapter may be construed to authorize the authority to incur indebtedness or liability on behalf  
1487 of or payable by this state or any of its political subdivisions.

1488 Section 22. Section **63H-4-108**, which is renumbered from Section 9-3-508 is  
1489 renumbered and amended to read:

1490 **[9-3-508]. 63H-4-108. Relation to certain acts.**

1491 (1) The authority is exempt from:

1492 (a) Title 51, Chapter 5, Funds Consolidation Act;

1493 (b) Title 63A, Utah Administrative Services Code;

1494 (c) Title 63G, Chapter 6, Utah Procurement Code;

1495 (d) Title 63J, Chapter 1, Budgetary Procedures Act; and

1496 (e) Title 67, Chapter 19, Utah State Personnel Management Act.

1497 (2) The authority [~~shall be~~] is subject to audit by the state auditor pursuant to Title 67,  
1498 Chapter 3, Auditor, and by the legislative auditor general pursuant to Section 36-12-15.

1499 Section 23. Section **63H-4-109**, which is renumbered from Section 9-3-509 is  
1500 renumbered and amended to read:

1501 **[9-3-509]. 63H-4-109. Duty to maintain rails.**

1502 The authority shall maintain the rails, bed, right-of-way, and related property upon  
1503 which the authority's train shall operate in compliance with state and federal statutes, rules, and  
1504 regulations.

1505 Section 24. Section **63H-4-110**, which is renumbered from Section 9-3-510 is  
1506 renumbered and amended to read:

1507 **[9-3-510]. 63H-4-110. Lease of rails from Department of Transportation and**  
1508 **Division of Parks and Recreation.**

1509 The Department of Transportation and the Division of Parks and Recreation shall  
1510 jointly lease the rails, bed, right-of-way, and related property for not more than \$1 per year to  
1511 the authority.

1512 Section 25. Section **63H-4-111**, which is renumbered from Section 9-3-511 is  
1513 renumbered and amended to read:

1514 [9-3-511]. 63H-4-111. Sales tax exemption.

1515 The authority and its operators are exempt from sales and use tax imposed under Title  
1516 59, Chapter 12, Sales and Use Tax Act, for their purchases and sales related to the operation  
1517 and maintenance of a scenic and historic railroad in and around the Heber Valley.

1518 Section 26. Section **63H-5-101**, which is renumbered from Section 9-3-601 is  
1519 renumbered and amended to read:

1520 **CHAPTER 5. UTAH STATE RAILROAD MUSEUM AUTHORITY**

1521 [9-3-601]. 63H-5-101. Title.

1522 This [part] chapter is known as the "Utah State Railroad Museum Authority."

1523 Section 27. Section **63H-5-102**, which is renumbered from Section 9-3-602 is  
1524 renumbered and amended to read:

1525 [9-3-602]. 63H-5-102. Creation -- Members -- Chair -- Powers -- Quorum --  
1526 **Per diem and expenses.**

1527 (1) There is created an independent body politic and corporate known as the "Utah  
1528 State Railroad Museum Authority," hereafter referred to in this [part] chapter as "the authority."

1529 (2) The authority is composed of 11 members as follows:

1530 (a) one member of the county legislative body of Weber County appointed by that  
1531 legislative body;

1532 (b) two members of the county legislative body of Box Elder County appointed by that  
1533 legislative body;

1534 (c) the executive director of the Department of Transportation or the director's  
1535 designee; and

1536 (d) seven public members appointed by the governor, as follows:

1537 (i) two individuals representing the tourism industry, one each from Weber and Box  
1538 Elder Counties;

1539 (ii) one individual representing the public at large; and

1540 (iii) four individuals representing railroad historic and heritage preservation  
1541 organizations active in Weber and Box Elder Counties, as follows:

1542 (A) one individual representing the Railroad and Locomotive Historical Society  
1543 Golden Spike Chapter;

1544 (B) one individual representing the Golden Spike Heritage Foundation;

- 1545 (C) one individual representing the Golden Spike Association; and  
1546 (D) one individual representing the Corinne Historical Society.  
1547 (3) All members shall be residents of the state.  
1548 (4) (a) Except as required by Subsection (4)(b), the governor shall appoint the seven  
1549 public members for four-year terms beginning July 1.  
1550 (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the  
1551 time of appointment or reappointment, adjust the length of terms to ensure that the terms of  
1552 authority members appointed under Subsection (2)(d) are staggered so that approximately  
1553 one-half of the seven public members are appointed every two years.  
1554 (5) Any of the seven public members may be removed from office by the governor or  
1555 for cause by an affirmative vote of six members of the authority.  
1556 (6) When a vacancy occurs in the public membership for any reason, the governor shall  
1557 appoint a replacement for the unexpired term.  
1558 (7) Each public member shall hold office for the term of the member's appointment and  
1559 until a successor has been appointed and qualified.  
1560 (8) A public member is eligible for reappointment, but may not serve more than two  
1561 full consecutive terms.  
1562 (9) The governor shall appoint the chair of the authority from among its members.  
1563 (10) (a) The members shall elect from among their membership a vice chair and other  
1564 officers as they may determine.  
1565 (b) The officers serve as the executive committee for the authority.  
1566 (11) The powers of the authority are vested in its members.  
1567 (12) (a) Six members constitute a quorum for transaction of authority business.  
1568 (b) An affirmative vote of at least six members is necessary for an action to be taken  
1569 by the authority.  
1570 (13) (a) A member who is not a government employee receives no compensation or  
1571 benefits for the member's services, but may receive per diem and expenses incurred in the  
1572 performance of the member's official duties at rates established by the Division of Finance  
1573 under Sections 63A-3-106 and 63A-3-107.  
1574 (b) A state government officer or employee member who does not receive salary, per  
1575 diem, or expenses from the member's agency for the member's service may receive per diem

1576 and expenses incurred in the performance of official duties from the authority at rates  
1577 established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

1578 (c) A local government member who does not receive salary, per diem, or expenses for  
1579 the member's service from the entity that the member represents may receive per diem and  
1580 expenses incurred in the performance of the member's official duties at rates established by the  
1581 Division of Finance under Sections 63A-3-106 and 63A-3-107.

1582 (d) A member may decline to receive per diem and expenses for the member's services.  
1583 Section 28. Section **63H-5-103**, which is renumbered from Section 9-3-603 is  
1584 renumbered and amended to read:

1585 **[9-3-603]. 63H-5-103. Executive director -- Powers and duties.**

1586 (1) (a) The members of the authority shall appoint an executive director who is an  
1587 employee of the authority, but who is not a member of the authority.

1588 (b) The executive director serves at the pleasure of the members and receives  
1589 compensation as set by the members and approved by the governor.

1590 (2) The executive director shall:

1591 (a) administer, manage, and direct the affairs and activities of the authority in  
1592 accordance with the policies, control, and direction of the members of the authority;

1593 (b) approve all accounts for allowable expenses of the authority or of any of its  
1594 employees and expenses incidental to the operation of the authority;

1595 (c) attend meetings of the authority;

1596 (d) keep a record of the proceedings of the authority;

1597 (e) maintain and be the custodian of all books, documents, and papers filed with the  
1598 authority;

1599 (f) document and maintain records concerning ownership of all assets owned or under  
1600 the control of the authority; and

1601 (g) perform other duties as directed by the members of the authority in carrying out the  
1602 purposes of this [part] chapter.

1603 Section 29. Section **63H-5-104**, which is renumbered from Section 9-3-604 is  
1604 renumbered and amended to read:

1605 **[9-3-604]. 63H-5-104. Member or employee -- Disclosure of interest.**

1606 (1) A member or employee of the authority who has, will have, or later acquires an

1607 interest, direct or indirect, in a transaction with the authority shall immediately disclose the  
1608 nature and extent of that interest in writing to the authority as soon as the individual has  
1609 knowledge of the actual or prospective interest.

1610 (2) The disclosure shall be entered upon the minutes of the authority.

1611 (3) After making the disclosure, the member or employee may participate in any action  
1612 by the authority authorizing the transaction.

1613 Section 30. Section **63H-5-105**, which is renumbered from Section 9-3-605 is  
1614 renumbered and amended to read:

1615 **[9-3-605]. 63H-5-105. Officer or employee -- No forfeiture of office or**  
1616 **employment.**

1617 Notwithstanding any other provision of law, an officer or employee of this state does  
1618 not forfeit the office or employment with the state by reason of acceptance of membership on  
1619 the authority or service on it.

1620 Section 31. Section **63H-5-106**, which is renumbered from Section 9-3-606 is  
1621 renumbered and amended to read:

1622 **[9-3-606]. 63H-5-106. Authority -- Powers.**

1623 (1) The authority shall:

1624 (a) facilitate or operate and maintain a scenic and historic railroad in and around Weber  
1625 and Box Elder Counties;

1626 (b) facilitate or operate and maintain one or more railroad history museums in and  
1627 around Weber and Box Elder Counties;

1628 (c) facilitate the restoration, preservation, and public display of railroad artifacts and  
1629 heritage in and around Weber and Box Elder Counties; and

1630 (d) facilitate the restoration, preservation, and operation of historically significant  
1631 railroad related properties in and around Weber and Box Elder Counties for public benefit.

1632 (2) The authority has perpetual succession as a body politic and corporate and may:

1633 (a) adopt, amend, and repeal policies and procedures for the regulation of its affairs and  
1634 the conduct of its business;

1635 (b) sue and be sued in its own name;

1636 (c) maintain an office at a place [~~or places~~] it designates within the state;

1637 (d) adopt, amend, and repeal bylaws and rules, consistent with this [~~part~~] chapter, to

- 1638 carry into effect the powers and purposes of the authority and the conduct of its business;
- 1639 (e) purchase, lease, sell, and otherwise dispose of property and rights-of-way;
- 1640 (f) employ experts and other professionals it considers necessary;
- 1641 (g) employ and retain independent legal counsel;
- 1642 (h) make and execute contracts and all other instruments necessary or convenient for
- 1643 the performance of its duties under this ~~[part]~~ chapter as described in Subsection (1);
- 1644 (i) procure insurance for liability and against any loss in connection with its property
- 1645 and other assets in amounts and from insurers it considers desirable;
- 1646 (j) receive appropriations from the Legislature and receive other public ~~[moneys]~~
- 1647 money and accept aid or contributions from any source of money, property, labor, or other
- 1648 things of value to be held, used, and applied to carry out the purposes of this ~~[part]~~ chapter,
- 1649 subject to the conditions upon which the grants and contributions are made, including gifts or
- 1650 grants from a department, agency, or instrumentality of the United States or of this state for any
- 1651 purpose consistent with this ~~[part]~~ chapter;
- 1652 (k) enter into agreements with a department, agency, or instrumentality of the United
- 1653 States or this state for the purpose of providing for the operation and maintenance of a scenic
- 1654 railway in and around Weber and Box Elder Counties; and
- 1655 (l) do any act necessary or convenient to the exercise of the powers granted to the
- 1656 authority by this ~~[part]~~ chapter.
- 1657 (3) (a) All ~~[monies]~~ money received by the authority under Subsection (2)(j) and from
- 1658 any other source ~~[are]~~ is for the exclusive use of the authority in the performance and exercise
- 1659 of its duties under this ~~[part]~~ chapter as described in Subsection (1).
- 1660 (b) ~~[Monies]~~ Money received by the authority may not be used for any other purpose or
- 1661 by any other entity.
- 1662 Section 32. Section **63H-5-107**, which is renumbered from Section 9-3-607 is
- 1663 renumbered and amended to read:
- 1664 **~~[9-3-607]. 63H-5-107. Notes, bonds, other obligation -- Not debt liability --~~**
- 1665 **Expenses payable from funds provided -- Agency without authority to incur liability on**
- 1666 **behalf of state.**
- 1667 (1) (a) An obligation or liability of the authority does not constitute:
- 1668 (i) a debt or liability of the state or of any of its political subdivisions; or

- 1669 (ii) the loaning of credit of the state or of any of its political subdivisions.  
1670 (b) An obligation or liability of the authority is payable only from [~~funds~~] money of the  
1671 authority.
- 1672 (2) An obligation of the authority shall contain a statement to the effect:  
1673 (a) that the authority is obligated to pay the obligation solely from the revenues or other  
1674 [~~funds~~] money of the authority;  
1675 (b) that neither the state nor its political subdivisions are obligated to pay it; and  
1676 (c) that neither the faith and credit nor the taxing power of the state or any of its  
1677 political subdivisions is pledged to the payment of the obligation.
- 1678 (3) (a) Expenses incurred in carrying out this [~~part~~] chapter are payable solely from  
1679 [~~funds~~] money of the authority provided under this [~~part~~] chapter.  
1680 (b) Nothing in this [~~part~~] chapter authorizes the authority to incur indebtedness or  
1681 liability on behalf of or payable by the state or any of its political subdivisions.
- 1682 Section 33. Section **63H-5-108**, which is renumbered from Section 9-3-608 is  
1683 renumbered and amended to read:  
1684 **[~~9-3-608~~]. 63H-5-108. Relation to certain acts.**
- 1685 (1) The authority is exempt from:  
1686 (a) Title 51, Chapter 5, Funds Consolidation Act;  
1687 (b) Title 63A, Chapter 1, Department of Administrative Services;  
1688 (c) Title 63G, Chapter 6, Utah Procurement Code;  
1689 (d) Title 63J, Chapter 1, Budgetary Procedures Act; and  
1690 (e) Title 67, Chapter 19, Utah State Personnel Management Act.
- 1691 (2) The authority is subject to audit by the state auditor pursuant to Title 67, Chapter 3,  
1692 Auditor, and by the legislative auditor general pursuant to Section 36-12-15.
- 1693 Section 34. Section **63H-5-109**, which is renumbered from Section 9-3-609 is  
1694 renumbered and amended to read:  
1695 **[~~9-3-609~~]. 63H-5-109. Duty to maintain rails and operating equipment.**
- 1696 The authority shall maintain the rails, bed, right-of-way, and related property owned by  
1697 the authority upon which the authority's train operates in compliance with state and federal  
1698 statutes, rules, and regulations.
- 1699 Section 35. Section **63H-5-110**, which is renumbered from Section 9-3-610 is

1700 renumbered and amended to read:

1701 ~~[9-3-610]~~. 63H-5-110. **Lease of rails or equipment from Department of**  
1702 **Transportation and Division of Parks and Recreation.**

1703 The Department of Transportation and the Division of Parks and Recreation may jointly  
1704 lease the rails, bed, right-of-way, and related property for the operation of a scenic and historic  
1705 railroad in and around Weber and Box Elder Counties, for not more than \$1 per year to the  
1706 authority.

1707 Section 36. Section **63H-6-101**, which is renumbered from Section 9-4-1101 is  
1708 renumbered and amended to read:

1709 **CHAPTER 6. UTAH STATE FAIR CORPORATION ACT**

1710 ~~[9-4-1101]~~. 63H-6-101. **Title.**

1711 This ~~[part]~~ chapter is known as the "Utah State Fair Corporation Act."

1712 Section 37. Section **63H-6-102**, which is renumbered from Section 9-4-1102 is  
1713 renumbered and amended to read:

1714 ~~[9-4-1102]~~. 63H-6-102. **Definitions.**

1715 As used in this ~~[part]~~ chapter:

1716 (1) "Board" means the board of directors of the corporation.

1717 (2) "Corporation" means the Utah State Fair Corporation created by this ~~[part]~~ chapter.

1718 (3) "State fair park" means the property owned by the state located at 155 North 1000  
1719 West, Salt Lake City, Utah.

1720 Section 38. Section **63H-6-103**, which is renumbered from Section 9-4-1103 is  
1721 renumbered and amended to read:

1722 ~~[9-4-1103]~~. 63H-6-103. **Utah State Fair Corporation -- Legal status -- Powers.**

1723 (1) There is created an independent public nonprofit corporation known as the "Utah  
1724 State Fair Corporation."

1725 (2) The board shall file articles of incorporation for the corporation with the Division  
1726 of Corporations and Commercial Code.

1727 (3) The corporation ~~[shall]~~, subject to this ~~[part]~~ chapter, ~~[have]~~ has all powers and  
1728 authority permitted nonprofit corporations by law.

1729 (4) The corporation shall, subject to approval of the board:

1730 (a) have general management, supervision, and control over all activities relating to the

- 1731 state fair and have charge of all state expositions except as otherwise provided by statute;
- 1732 (b) for public entertainment, displays, and exhibits or similar events:
- 1733 (i) provide, sponsor, or arrange the events;
- 1734 (ii) publicize and promote the events; and
- 1735 (iii) secure funds to cover the cost of the exhibits from:
- 1736 (A) private contributions;
- 1737 (B) public appropriations;
- 1738 (C) admission charges; and
- 1739 (D) other lawful means;
- 1740 (c) establish the time, place, and purpose of state expositions; and
- 1741 (d) acquire and designate exposition sites.
- 1742 (5) (a) The corporation shall:
- 1743 (i) use generally accepted accounting principals in accounting for its assets, liabilities,
- 1744 and operations;
- 1745 (ii) seek corporate sponsorships for the state fair park and for individual buildings or
- 1746 facilities within the fair park;
- 1747 (iii) work with county and municipal governments, the Salt Lake Convention and
- 1748 Visitor's Bureau, the Utah Travel Council, and other entities to develop and promote
- 1749 expositions and the use of the state fair park;
- 1750 (iv) develop and maintain a marketing program to promote expositions and the use of
- 1751 the state fair park;
- 1752 (v) in cooperation with the Division of Facilities Construction and Management,
- 1753 maintain the physical appearance and structural integrity of the state fair park and the buildings
- 1754 located at the state fair park;
- 1755 (vi) hold an annual exhibition that:
- 1756 (A) is called the state fair or a similar name;
- 1757 (B) includes expositions of livestock, poultry, agricultural, domestic science,
- 1758 horticultural, floricultural, mineral, and industrial products, manufactured articles, and
- 1759 domestic animals that, in the corporation's opinion will best stimulate agricultural, industrial,
- 1760 artistic, and educational pursuits and the sharing of talents among the people of Utah;
- 1761 (C) includes the award of premiums for the best specimens of the exhibited articles and

1762 animals;

1763 (D) permits competition by livestock exhibited by citizens of other states and territories  
1764 of the United States; and

1765 (E) is arranged according to plans approved by the board;

1766 (vii) fix the conditions of entry to the exposition described in Subsection (5)(a)(vi); and  
1767 (viii) publish a list of premiums that will be awarded at the exhibition described in  
1768 Subsection (5)(a)(vi) for the best specimens of exhibited articles and animals.

1769 (b) In addition to the state fair to be held in accordance with Subsection (5)(a)(vi), the  
1770 corporation may hold other exhibitions of livestock, poultry, agricultural, domestic science,  
1771 horticultural, floricultural, mineral, and industrial products, manufactured articles, and  
1772 domestic animals that, in its opinion, will best stimulate agricultural, industrial, artistic, and  
1773 educational pursuits and the sharing of talents among the people of Utah.

1774 (6) The corporation may:

1775 (a) employ advisers, consultants, and agents, including financial experts and  
1776 independent legal counsel, and fix their compensation;

1777 (b) procure insurance against any loss in connection with its property and other assets,  
1778 including mortgage loans;

1779 (c) receive and accept aid or contributions of money, property, labor, or other things of  
1780 value from any source, including any grants or appropriations from any department, agency, or  
1781 instrumentality of the United States or Utah;

1782 (d) hold, use, loan, grant, and apply that aid and those contributions to carry out the  
1783 purposes of the corporation, subject to the conditions, if any, upon which the aid and  
1784 contributions were made;

1785 (e) enter into management agreements with any person or entity for the performance of  
1786 its functions or powers;

1787 (f) establish whatever accounts and procedures as necessary to budget, receive, and  
1788 disburse, account for, and audit all funds received, appropriated, or generated;

1789 (g) enter into agreements for the leasing of any of the facilities at the state fair park, if  
1790 approved by the board; and

1791 (h) sponsor events as approved by the board.

1792 (7) (a) Except as provided in Subsection (7)(c), as an independent agency of Utah, the

1793 corporation is exempt from:

- 1794 (i) Title 51, Chapter 5, Funds Consolidation Act;  
 1795 (ii) Title 51, Chapter 7, State Money Management Act;  
 1796 (iii) Title 63A, Utah Administrative Services Code;  
 1797 (iv) Title 63G, Chapter 6, Utah Procurement Code;  
 1798 (v) Title 63J, Chapter 1, Budgetary Procedures Act; and  
 1799 (vi) Title 67, Chapter 19, Utah State Personnel Management Act.

1800 (b) The board shall adopt policies parallel to and consistent with:

- 1801 (i) Title 51, Chapter 5, Funds Consolidation Act;  
 1802 (ii) Title 51, Chapter 7, State Money Management Act;  
 1803 (iii) Title 63A, Utah Administrative Services Code;  
 1804 (iv) Title 63G, Chapter 6, Utah Procurement Code; and  
 1805 (v) Title 63J, Chapter 1, Budgetary Procedures Act.

1806 (c) The corporation shall comply with the legislative approval requirements for new  
 1807 facilities established in Subsection 63A-5-104(3).

1808 Section 39. Section **63H-6-104**, which is renumbered from Section 9-4-1104 is  
 1809 renumbered and amended to read:

1810 ~~[9-4-1104]~~. **63H-6-104. Board of Directors -- Membership -- Term -- Quorum --**  
 1811 **Vacancies.**

1812 (1) The corporation ~~[shall be]~~ is governed by a board of directors.

1813 (2) The board ~~[shall be]~~ is composed of 11 members appointed by the governor with  
 1814 the consent of the Senate.

1815 (3) The governor shall ensure that:

1816 (a) two members of the board are residents of Salt Lake County in which the state fair  
 1817 is held;

1818 (b) there is at least one member of the board from each judicial district;

1819 (c) two members of the board are residents of the First Congressional District;

1820 (d) two members of the board are residents of the Second Congressional District;

1821 (e) two members of the board are residents of the Third Congressional District; and

1822 (f) two members of the board represent agricultural interests.

1823 (4) (a) (i) Except as provided in Subsection (4)(a)(ii), the governor shall appoint board

1824 members to serve terms that expire on the December 1 four years after the year that the board  
1825 member was appointed.

1826 (ii) In making appointments to the board, the governor shall ensure that the terms of  
1827 approximately 1/4 of the board expire each year.

1828 (b) Except as provided in Subsection (4)(c), board members [~~shall~~] serve until their  
1829 successors are appointed and qualified.

1830 (c) (i) If a board member is absent from three consecutive board meetings without  
1831 excuse, that member's appointment is terminated, the position is vacant, and the governor shall  
1832 appoint a replacement.

1833 (ii) The governor may remove any member of the board at will.

1834 (d) The governor shall fill any vacancy that occurs on the board for any reason by  
1835 appointing a person according to the procedures of this section for the unexpired term of the  
1836 vacated member.

1837 (5) The governor shall select the board's chair.

1838 (6) Six members of the board are a quorum for the transaction of business.

1839 (7) The board may elect a vice chair and any other board offices.

1840 Section 40. Section **63H-6-105**, which is renumbered from Section 9-4-1105 is  
1841 renumbered and amended to read:

1842 ~~[9-4-1105]~~. **63H-6-105. Executive director.**

1843 (1) (a) The board shall:

1844 (i) hire an executive director for the corporation as provided in this subsection;

1845 (ii) conduct a national search to find applicants for the position of executive director;

1846 and

1847 (iii) establish the salary, benefits, and other compensation of the executive director.

1848 (b) The board may appoint an interim director while searching for a permanent  
1849 executive director.

1850 (c) The executive director serves at the pleasure of the board and may be terminated by  
1851 the board at will.

1852 (d) The executive director is an employee of the corporation.

1853 (e) The executive director may not be a member of the board.

1854 (2) The executive director shall:

- 1855 (a) act as the executive officer of the board and the corporation;
- 1856 (b) administer, manage, and direct the affairs and activities of the corporation in  
1857 accordance with the policies and under the control and direction of the board;
- 1858 (c) keep the board, the governor, the Legislature, and its agencies, and other affected  
1859 officers, associations, and groups informed about the operations of the corporation;
- 1860 (d) recommend to the board any necessary or desirable changes in the statutes  
1861 governing the corporation;
- 1862 (e) recommend to the board an annual administrative budget covering the operations  
1863 of the corporation and, upon approval, submit the budget to the governor and the Legislature  
1864 for their examination and approval;
- 1865 (f) after approval, direct and control the subsequent expenditures of the budget;
- 1866 (g) employ, within the limitations of the budget, staff personnel and consultants to  
1867 accomplish the purpose of the corporation, and establish their qualifications, duties, and  
1868 compensation;
- 1869 (h) keep in convenient form all records and accounts of the corporation, including  
1870 those necessary for the administration of the state fair;
- 1871 (i) in cooperation with the board, create:
- 1872 (i) business plans for the corporation;
- 1873 (ii) a financial plan for the corporation that projects self-sufficiency for the corporation  
1874 within two years; and
- 1875 (iii) a master plan for the state fair park;
- 1876 (j) approve all accounts for:
- 1877 (i) salaries;
- 1878 (ii) allowable expenses of the corporation and its employees and consultants; and
- 1879 (iii) expenses incidental to the operation of the corporation; and
- 1880 (k) perform other duties as directed by the board.

1881 Section 41. Section **63H-6-106**, which is renumbered from Section 9-4-1106 is  
1882 renumbered and amended to read:

1883 ~~[9-4-1106]~~. **63H-6-106. Financial reports -- Audit -- Surety bonds.**

1884 (1) (a) The corporation shall, following the close of each fiscal year, submit an annual  
1885 report of its activities for the preceding year to the governor and the Legislature.

- 1886 (b) The report shall contain:
- 1887 (i) a complete operating report detailing the corporation's activities; and
- 1888 (ii) financial statements of the corporation audited by a certified public accountant
- 1889 according to generally accepted auditing standards.
- 1890 (2) (a) At least once [~~per~~] a year, the state auditor shall:
- 1891 (i) audit the books and accounts of the corporation; or
- 1892 (ii) contract with a nationally recognized independent certified public accountant to
- 1893 conduct the audit and review the audit report when it is completed.
- 1894 (b) The corporation shall reimburse the state auditor for the costs of the audit.
- 1895 (c) If the audit is conducted by an independent auditor, the independent auditor shall
- 1896 submit a copy of the audit to the state auditor for review within 90 days after the end of the
- 1897 fiscal year covered by the audit.
- 1898 (3) (a) The corporation shall maintain a surety bond in the penal sum of \$25,000 for
- 1899 each member of the board.
- 1900 (b) The corporation shall maintain a surety bond in the penal sum of \$50,000 for the
- 1901 executive director.
- 1902 (c) The corporation shall ensure that each surety bond is:
- 1903 (i) conditioned upon the faithful performance of the duties of office to which it
- 1904 attaches;
- 1905 (ii) [~~is~~] issued by a surety company authorized to transact business in Utah as a surety;
- 1906 and
- 1907 (iii) filed in the office of the State Treasurer.
- 1908 (d) The corporation shall pay the cost of the surety bonds.
- 1909 Section 42. Section **63H-6-107**, which is renumbered from Section 9-4-1107 is
- 1910 renumbered and amended to read:
- 1911 **[~~9-4-1107~~]. 63H-6-107. Enterprise Fund -- Creation -- Revenue -- Uses.**
- 1912 (1) (a) There is created an enterprise fund entitled the Utah State Fair Fund.
- 1913 (b) The executive director shall administer the fund under the direction of the board.
- 1914 (2) The fund consists of money generated from the following revenue sources:
- 1915 (a) lease payments from person or entities leasing the state fair park or any other
- 1916 facilities owned by the corporation;

- 1917 (b) revenues received from any expositions or other events wholly or partially
- 1918 sponsored by the corporation;
- 1919 (c) aid or contributions of money, property, labor, or other things of value from any
- 1920 source, including any grants or appropriations from any department, agency, or instrumentality
- 1921 of the United States or Utah;
- 1922 (d) appropriations made to the fund by the Legislature; and
- 1923 (e) any other income obtained by the corporation.

- 1924 (3) (a) The fund shall earn interest.
- 1925 (b) All interest earned on fund money shall be deposited into the fund.
- 1926 (4) The executive director may use fund money to operate, maintain, and support the
- 1927 Utah state fair, the state fair park, and other expositions sponsored by the corporation.

1928 Section 43. Section **63I-1-209** is amended to read:

1929 **63I-1-209. Repeal dates, Title 9.**

1930 [~~(1) Title 9, Chapter 1, Part 8, Commission on National and Community Service Act, is~~  
1931 ~~repealed July 1, 2014.~~]

1932 [~~(2) Title 9, Chapter 3, Part 5, Heber Valley Historic Railroad Authority, is repealed~~  
1933 ~~July 1, 2020.~~]

1934 [~~(3)~~] Title 9, Chapter 4, Part 9, Utah Housing Corporation Act, is repealed July 1,  
1935 2016.

1936 Section 44. Section **63I-1-263** is amended to read:

1937 **63I-1-263. Repeal dates, Titles 63 to 63M.**

1938 (1) Section 63A-4-204, authorizing the Risk Management Fund to provide coverage to  
1939 any public school district which chooses to participate, is repealed July 1, 2016.

1940 (2) Section 63A-5-603, State Facility Energy Efficiency Fund, is repealed July 1, 2016.

1941 (3) Section 63C-8-106, Rural residency training program, is repealed July 1, 2015.

1942 (4) Subsection 63G-6-502(5)(b)(ii) authorizing certain transportation agencies to award  
1943 a contract for a design-build transportation project in certain circumstances, is repealed July 1,  
1944 2015.

1945 (5) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,  
1946 2020.

1947 [~~(5)~~] (6) The Resource Development Coordinating Committee, created in Section

1948 63J-4-501, is repealed July 1, 2015.

1949           ~~[(6)]~~ (7) Title 63M, Chapter 1, Part 4, Enterprise Zone Act, is repealed July 1, 2018.

1950           ~~[(7)]~~ (8) (a) Title 63M, Chapter 1, Part 11, Recycling Market Development Zone Act,

1951 is repealed July 1, 2020.

1952           (b) Sections 59-7-610 and 59-10-1007 regarding tax credits for certain persons in

1953 recycling market development zones, are repealed for taxable years beginning on or after

1954 January 1, 2011.

1955           (c) Notwithstanding Subsection ~~[(7)]~~ (8)(b), a person may not claim a tax credit under

1956 Section 59-7-610 or 59-10-1007:

1957           (i) for the purchase price of machinery or equipment described in Section 59-7-610 or

1958 59-10-1007, if the machinery or equipment is purchased on or after July 1, 2010; or

1959           (ii) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), if

1960 the expenditure is made on or after July 1, 2010.

1961           (d) Notwithstanding Subsections ~~[(7)]~~ (8)(b) and (c), a person may carry forward a tax

1962 credit in accordance with Section 59-7-610 or 59-10-1007 if:

1963           (i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and

1964           (ii) (A) for the purchase price of machinery or equipment described in Section

1965 59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before June 30, 2010;

1966 or

1967           (B) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), the

1968 expenditure is made on or before June 30, 2010.

1969           ~~[(8)]~~ (9) Title 63M, Chapter 7, Part 4, Sentencing Commission, is repealed January 1,

1970 2012.

1971           ~~[(9)]~~ (10) The Crime Victim Reparations Board, created in Section 63M-7-504, is

1972 repealed July 1, 2017.

1973           ~~[(10)]~~ (11) Title 63M, Chapter 8, Utah Commission for Women and Families Act, is

1974 repealed July 1, 2011.

1975           ~~[(11)]~~ (12) Title 63M, Chapter 9, Families, Agencies, and Communities Together for

1976 Children and Youth At Risk Act, is repealed July 1, 2016.

1977           ~~[(12)]~~ (13) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1,

1978 2012.

1979 Section 45. Section **63I-1-267** is amended to read:

1980 **63I-1-267. Repeal dates, Title 67.**

1981 (1) Section 67-1-15 is repealed December 31, 2017.

1982 (2) Sections 67-1a-10 and 67-1a-11 creating the Commission on Civic and Character

1983 Education and establishing its duties are repealed on July 1, 2021.

1984 (3) Title 67, Chapter 1a, Part 2, Commission on National and Community Service Act,  
1985 is repealed July 1, 2014.

1986 Section 46. Section **63I-4-102** is amended to read:

1987 **63I-4-102. Definitions.**

1988 (1) (a) "Activity" means to provide a good or service.

1989 (b) "Activity" includes to:

1990 (i) manufacture a good or service;

1991 (ii) process a good or service;

1992 (iii) sell a good or service;

1993 (iv) offer for sale a good or service;

1994 (v) rent a good or service;

1995 (vi) lease a good or service;

1996 (vii) deliver a good or service;

1997 (viii) distribute a good or service; or

1998 (ix) advertise a good or service.

1999 (2) (a) Except as provided in Subsection (2)(b), "agency" means:

2000 (i) the state; or

2001 (ii) an entity of the state including a department, office, division, authority,  
2002 commission, or board.

2003 (b) "Agency" does not include:

2004 (i) the Legislature;

2005 (ii) an entity or agency of the Legislature;

2006 (iii) the state auditor;

2007 (iv) the state treasurer;

2008 (v) the Office of the Attorney General;

2009 (vi) the Dairy Commission created in Title 4, Chapter 22, Dairy Promotion Act;

- 2010 [~~(vii) the Heber Valley Railroad Authority created in Title 9, Chapter 3, Part 5, Heber~~  
2011 ~~Valley Historic Railroad Authority;~~]  
2012 [~~(viii)~~ (vii) the Utah Science Center Authority created in [~~Title 9, Chapter 3, Part 4~~]  
2013 Title 63H, Chapter 3, Utah Science Center Authority;  
2014 (viii) the Heber Valley Railroad Authority created in Title 63H, Chapter 4, Heber  
2015 Valley Historic Railroad Authority;  
2016 (ix) the Utah State Railroad Museum Authority created in [~~Title 9, Chapter 3, Part 6~~]  
2017 Title 63H, Chapter 5, Utah State Railroad Museum Authority;  
2018 (x) the Utah Housing Corporation created in Title 9, Chapter 4, Part 9, Utah Housing  
2019 Corporation Act;  
2020 (xi) the Utah State Fair Corporation created in [~~Title 9, Chapter 4, Part 11~~] Title 63H,  
2021 Chapter 6, Utah State Fair Corporation Act;  
2022 (xii) the Workers' Compensation Fund created in Title 31A, Chapter 33, Workers'  
2023 Compensation Fund;  
2024 (xiii) the Utah State Retirement Office created in Title 49, Chapter 11, Utah State  
2025 Retirement Systems Administration;  
2026 (xiv) a charter school chartered by the State Charter School Board or a board of  
2027 trustees of a higher education institution under Title 53A, Chapter 1a, Part 5, The Utah Charter  
2028 Schools Act;  
2029 (xv) the Utah Schools for the Deaf and the Blind created in Title 53A, Chapter 25b,  
2030 Utah Schools for the Deaf and the Blind;  
2031 (xvi) an institution of higher education as defined in Section 53B-3-102;  
2032 (xvii) the School and Institutional Trust Lands Administration created in Title 53C,  
2033 Chapter 1, Part 2, School and Institutional Trust Lands Administration;  
2034 (xviii) the Utah Communications Agency Network created in Title 63C, Chapter 7,  
2035 Utah Communications Agency Network Act; or  
2036 (xix) the Utah Capital Investment Corporation created in Title 63M, Chapter 1, Part 12,  
2037 Utah Venture Capital Enhancement Act.  
2038 (3) "Agency head" means the chief administrative officer of an agency.  
2039 (4) "Board" means the Privatization Policy Board created in Section 63I-4-201.  
2040 (5) "Commercial activity" means to engage in an activity that can be obtained in whole

2041 or in part from a private enterprise.

2042 (6) "Local entity" means:

2043 (a) a political subdivision of the state, including a:

2044 (i) county;

2045 (ii) city;

2046 (iii) town;

2047 (iv) local school district;

2048 (v) local district; or

2049 (vi) special service district;

2050 (b) an agency of an entity described in this Subsection (6), including a department,

2051 office, division, authority, commission, or board; and

2052 (c) an entity created by an interlocal cooperative agreement under Title 11, Chapter 13,

2053 Interlocal Cooperation Act, between two or more entities described in this Subsection (6).

2054 (7) "Private enterprise" means a person that for profit:

2055 (a) manufactures a good or service;

2056 (b) processes a good or service;

2057 (c) sells a good or service;

2058 (d) offers for sale a good or service;

2059 (e) rents a good or service;

2060 (f) leases a good or service;

2061 (g) delivers a good or service;

2062 (h) distributes a good or service; or

2063 (i) advertises a good or service.

2064 (8) "Privatize" means that an activity engaged in by an agency is transferred so that a

2065 private enterprise engages in the activity including a transfer by:

2066 (a) contract;

2067 (b) transfer of property; or

2068 (c) another arrangement.

2069 Section 47. Section **63J-7-102** is amended to read:

2070 **63J-7-102. Scope and applicability of chapter.**

2071 (1) Except as provided in Subsection (2), and except as otherwise provided by a statute

2072 superseding provisions of this chapter by explicit reference to this chapter, the provisions of  
2073 this chapter apply to each agency and govern each grant received on or after May 5, 2008.

2074 (2) This chapter does not govern:

2075 (a) a grant deposited into a General Fund restricted account;

2076 (b) a grant deposited into a Trust and Agency Fund as defined in Section 51-5-4;

2077 (c) a grant deposited into an Enterprise Fund as defined in Section 51-5-4;

2078 (d) a grant made to the state without a restriction or other designated purpose that is  
2079 deposited into the General Fund as free revenue;

2080 (e) a grant made to the state that is restricted only to "education" and that is deposited  
2081 into the Education Fund or Uniform School Fund as free revenue;

2082 (f) in-kind donations;

2083 (g) a tax, fees, penalty, fine, surcharge, money judgment, or other money due the state  
2084 when required by state law or application of state law;

2085 (h) a contribution made under Title 59, Chapter 10, Part 13, Individual Income Tax  
2086 Contribution Act;

2087 (i) a grant received by an agency from another agency or political subdivision;

2088 (j) a grant to the Dairy Commission created in Title 4, Chapter 22, Dairy Promotion  
2089 Act;

2090 (k) a grant to the Utah Science Center Authority created in Title 63H, Chapter 3, Utah  
2091 Science Center Authority;

2092 ~~[(k)]~~ (l) a grant to the Heber Valley Railroad Authority created in [Title 9, Chapter 3,  
2093 Part 5;] Title 63H, Chapter 4, Heber Valley Historic Railroad Authority;

2094 ~~[(l) a grant to the Utah Science Center Authority created in Title 9, Chapter 3, Part 4,  
2095 Utah Science Center Authority;]~~

2096 (m) a grant to the Utah State Railroad Museum Authority created in ~~[Title 9, Chapter 3,~~  
2097 ~~Part 6]~~ Title 63H, Chapter 5, Utah State Railroad Museum Authority;

2098 (n) a grant to the Utah Housing Corporation created in Title 9, Chapter 4, Part 9, Utah  
2099 Housing Corporation Act;

2100 (o) a grant to the Utah State Fair Corporation created in ~~[Title 9, Chapter 4, Part 11]~~  
2101 Title 63H, Chapter 6, Utah State Fair Corporation Act;

2102 (p) a grant to the Workers' Compensation Fund created in Title 31A, Chapter 33,

2103 Workers' Compensation Fund;

2104 (q) a grant to the Utah State Retirement Office created in Title 49, Chapter 11, Utah  
2105 State Retirement Systems Administration;

2106 (r) a grant to the School and Institutional Trust Lands Administration created in Title  
2107 53C, Chapter 1, Part 2, School and Institutional Trust Lands Administration;

2108 (s) a grant to the Utah Communications Agency Network created in Title 63C, Chapter  
2109 7, Utah Communications Agency Network Act;

2110 (t) a grant to the Medical Education Program created in Section 63C-8-102;

2111 (u) a grant to the Utah Capital Investment Corporation created in Title 63M, Chapter 1,  
2112 Part 12, Utah Venture Capital Enhancement Act;

2113 (v) a grant to the State Charter School Finance Authority created in Section  
2114 53A-20b-103;

2115 (w) a grant to the State Building Ownership Authority created in Section 63B-1-304;

2116 (x) a grant to the Utah Comprehensive Health Insurance Pool created in Section  
2117 31A-29-104; or

2118 (y) a grant to the Military Installation Development Authority created in Section  
2119 63H-1-201.

2120 (3) An agency need not seek legislative review or approval of grants under Part 2,  
2121 Grant Approval Requirements, if:

2122 (a) the governor has declared a state of emergency; and

2123 (b) the grant is donated to the agency to assist victims of the state of emergency under  
2124 Subsection 63K-4-201(1).

2125 Section 48. Section **63M-1-201** is amended to read:

2126 **63M-1-201. Creation of office.**

2127 (1) There is created the Governor's Office of Economic Development.

2128 (2) The office shall:

2129 (a) be responsible for economic development within the state;

2130 (b) perform economic development planning for the state;

2131 (c) administer and coordinate all state or federal grant programs which are, or become  
2132 available, for economic development;

2133 (d) administer any other programs over which the office is given administrative

2134 supervision by the governor;

2135 (e) annually submit a report to the Legislature by October 1; and

2136 (f) perform any other duties as provided by the Legislature.

2137 (3) The office may solicit and accept contributions of money, services, and facilities  
2138 from any other source, public or private, but may not use the money for publicizing the  
2139 exclusive interest of the donor.

2140 (4) Money received under Subsection (3) shall be deposited in the General Fund as  
2141 dedicated credits of the office.

2142 (5) (a) The office is recognized as an issuing authority as defined in Subsection  
2143 63M-1-2902(7), entitled to issue bonds from the Small Issue Bond Account created in  
2144 Subsection 63M-1-2906(1)(c) as a part of the state's private activity bond volume cap  
2145 authorized by the Internal Revenue Code of 1986 and computed under Section 146 of the code.

2146 (b) To promote and encourage the issuance of bonds from the Small Issue Bond  
2147 Account for manufacturing projects, the office may:

2148 (i) develop campaigns and materials that inform qualified small manufacturing  
2149 businesses about the existence of the program and the application process;

2150 (ii) assist small businesses in applying for and qualifying for these bonds; or

2151 (iii) develop strategies to lower the cost to small businesses of applying for and  
2152 qualifying for these bonds, including making arrangements with financial advisors,  
2153 underwriters, bond counsel, and other professionals involved in the issuance process to provide  
2154 their services at a reduced rate when the division can provide them with a high volume of  
2155 applicants or issues.

2156 Section 49. Section **63M-1-2901**, which is renumbered from Section 9-4-501 is  
2157 renumbered and amended to read:

2158 **Part 29. Bond Volume Cap Allocation**

2159 **~~[9-4-501].~~ 63M-1-2901. Legislative intent.**

2160 It is the intent of the Legislature to establish procedures to most effectively and  
2161 equitably allocate this state's private activity bond volume cap authorized by the Internal  
2162 Revenue Code of 1986 in order to maximize the social and economic benefits to this state.

2163 Section 50. Section **63M-1-2902**, which is renumbered from Section 9-4-502 is  
2164 renumbered and amended to read:

2165 ~~[9-4-502].~~ **63M-1-2902. Definitions.**

2166 As used in this part:

2167 (1) "Allocated volume cap" means ~~[any]~~ a volume cap for which a certificate of  
2168 allocation is in effect or for which bonds have been issued.

2169 (2) "Allotment accounts" means the various accounts created in Section ~~[9-4-506]~~  
2170 63M-1-2906.

2171 (3) "Board of review" means the Private Activity Bond Review Board created in  
2172 Section ~~[9-4-503]~~ 63M-1-2903.

2173 (4) "Bond" means any obligation for which an allocation of volume cap is required by  
2174 the code.

2175 (5) "Code" means the Internal Revenue Code of 1986, as amended, and any related  
2176 Internal Revenue Service regulations.

2177 (6) "Form 8038" means the Department of the Treasury tax form 8038 (OMB No.  
2178 1545-0720) or any other federal tax form or other method of reporting required by the  
2179 Department of the Treasury under Section 149(e) of the code.

2180 (7) "Issuing authority" means:

2181 (a) any county, city, or town in the state;

2182 (b) any not-for-profit corporation or joint agency, or other entity acting on behalf of  
2183 one or more counties, cities, towns, or any combination of these;

2184 (c) the state; or

2185 (d) any other entity authorized to issue bonds under state law.

2186 (8) "State" means the state of Utah and any of its agencies, institutions, and divisions  
2187 authorized to issue bonds or certificates under state law.

2188 (9) "Volume cap" means the private activity bond volume cap for the state as computed  
2189 under Section 146 of the code.

2190 (10) "Year" means each calendar year ~~[beginning calendar year 1992]~~.

2191 Section 51. Section **63M-1-2903**, which is renumbered from Section 9-4-503 is  
2192 renumbered and amended to read:

2193 ~~[9-4-503].~~ **63M-1-2903. Private Activity Bond Review Board.**

2194 (1) There is created within the ~~[department]~~ office the Private Activity Bond Review  
2195 Board, composed of 11 members as follows:

- 2196 (a) five ex officio members who ~~shall be~~ are:
- 2197 (i) the ~~executive~~ director of the ~~department~~ office or the ~~executive~~ director's
- 2198 designee;
- 2199 (ii) the director of the Division of Business and Economic Development or the
- 2200 director's designee;
- 2201 (iii) the state treasurer or the treasurer's designee;
- 2202 (iv) the chair of the Board of Regents or the chair's designee; and
- 2203 (v) the chair of the Utah Housing Corporation or the chair's designee; and
- 2204 (b) six local government members who ~~shall be~~ are:
- 2205 (i) three elected or appointed county officials, nominated by the Utah Association of
- 2206 Counties and appointed by the governor with the consent of the Senate; and
- 2207 (ii) three elected or appointed municipal officials, nominated by the Utah League of
- 2208 Cities and Towns and appointed by the governor with the consent of the Senate.
- 2209 (2) (a) Except as required by Subsection (2)(b), the terms of office for the local
- 2210 government members of the board of review shall be four-year terms.
- 2211 (b) Notwithstanding the requirements of Subsection (2)(a), the governor shall, at the
- 2212 time of appointment or reappointment, adjust the length of terms to ensure that the terms of
- 2213 board members are staggered so that approximately half of the board is appointed every two
- 2214 years.
- 2215 (c) Members may be reappointed only once.
- 2216 (3) (a) If a local government member ceases to be an elected or appointed official of
- 2217 the city or county the member is appointed to represent, that membership on the board of
- 2218 review terminates immediately and there shall be a vacancy in the membership.
- 2219 (b) When a vacancy occurs in the membership for any reason, the replacement shall be
- 2220 appointed within 30 days in the manner of the regular appointment for the unexpired term, and
- 2221 until his successor is appointed and qualified.
- 2222 (4) (a) The chair of the board of review ~~shall be~~ is the ~~executive~~ director of the
- 2223 ~~department~~ office or the ~~executive~~ director's designee.
- 2224 (b) The chair is nonvoting except in the case of a tie vote.
- 2225 (5) Six members of the board of review constitute a quorum.
- 2226 (6) Formal action by the board of review requires a majority vote of a quorum.

2227 (7) A member may not receive compensation or benefits for the member's service, but  
2228 may receive per diem and travel expenses in accordance with:

2229 (a) Section 63A-3-106;

2230 (b) Section 63A-3-107; and

2231 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and  
2232 63A-3-107.

2233 (8) The chair of the board of review serves as the state official designated under state  
2234 law to make certifications required to be made under Section 146 of the code including the  
2235 certification required by Section 149(e)(2)(F) of the code.

2236 Section 52. Section **63M-1-2904**, which is renumbered from Section 9-4-504 is  
2237 renumbered and amended to read:

2238 ~~[9-4-504]~~. **63M-1-2904**. **Powers, functions, and duties of board of review.**

2239 The board of review shall:

2240 (1) make, subject to the limitations of the code, allocations of volume cap to issuing  
2241 authorities;

2242 (2) determine the amount of volume cap to be allocated with respect to approved  
2243 applications;

2244 (3) maintain a record of all applications filed by issuing authorities under Section  
2245 ~~[9-4-505]~~ 63M-1-2905 and all certificates of allocation issued under Section ~~[9-4-507]~~  
2246 63M-1-2907;

2247 (4) maintain a record of all bonds issued by issuing authorities during each year;

2248 (5) determine the amount of volume cap to be treated as a carryforward under Section  
2249 146(f) of the code and allocate this carryforward to one or more qualified carryforward  
2250 purposes;

2251 (6) make available upon reasonable request a certified copy of all or any part of the  
2252 records maintained by the board of review under this part or a summary of them, including  
2253 information relating to the volume cap for each year and any amounts available for allocation  
2254 under this part;

2255 (7) promulgate rules for the allocation of volume cap under this part; and

2256 (8) charge reasonable fees for the performance of duties prescribed by this part,  
2257 including application, filing, and processing fees.

2258 Section 53. Section **63M-1-2905**, which is renumbered from Section 9-4-505 is  
2259 renumbered and amended to read:

2260 ~~[9-4-505]~~. **63M-1-2905. Allocation of volume cap.**

2261 (1) (a) Subject to Subsection (1)(b), the volume cap for each year shall be distributed  
2262 by the board of review to the various allotment accounts as set forth in Section ~~[9-4-506]~~  
2263 63M-1-2906.

2264 (b) The board of review may distribute up to 50% of each increase in the volume cap  
2265 that occurs after March 11, 1999, for use in development that occurs in quality growth areas,  
2266 depending upon the board's analysis of the relative need for additional volume cap between  
2267 development in quality growth areas and the allotment accounts under Section ~~[9-4-506]~~  
2268 63M-1-2906.

2269 (2) To obtain an allocation of the volume cap, issuing authorities shall submit to the  
2270 board of review an application containing information required by the procedures and  
2271 processes of the board of review.

2272 (3) (a) The board of review shall establish criteria for making allocations of volume  
2273 cap that are consistent with the purposes of the code and this part.

2274 (b) In making an allocation of volume cap the board of review shall consider the  
2275 following:

2276 ~~[(a)]~~ (i) the principal amount of the bonds proposed to be issued;

2277 ~~[(b)]~~ (ii) the nature and the location of the project or the type of program;

2278 ~~[(c)]~~ (iii) the likelihood that the bonds will be sold and the timeframe of bond issuance;

2279 ~~[(d)]~~ (iv) whether the project or program could obtain adequate financing without an  
2280 allocation of volume cap;

2281 ~~[(e)]~~ (v) the degree to which an allocation of volume cap is required for the project or  
2282 program to proceed or continue;

2283 ~~[(f)]~~ (vi) the social, health, economic, and educational effects of the project or program  
2284 on the local community and state as a whole;

2285 ~~[(g)]~~ (vii) the anticipated economic development created or retained within the local  
2286 community and the state as a whole;

2287 ~~[(h)]~~ (viii) the anticipated number of jobs, both temporary and permanent, created or  
2288 retained within the local community and the state as a whole;

2289            [(†) (ix)] if the project is a residential rental project, the degree to which the residential  
2290 rental project:

2291            [(†) (A)] targets lower income populations; and

2292            [(†) (B)] is accessible housing; and

2293            [(†) (x)] whether the project meets the principles of quality growth recommended by the  
2294 Quality Growth Commission created under Section 11-38-201.

2295            (4) The board of review shall evidence an allocation of volume cap by issuing a  
2296 certificate in accordance with Section [~~9-4-507~~] 63M-1-2907.

2297            (5) (a) From January 1 to June 30, the board shall set aside at least 50% of the Small  
2298 Issue Bond Account that may be allocated only to manufacturing projects.

2299            (b) From July 1 to August 15, the board shall set aside at least 50% of the Pool  
2300 Account that may be allocated only to manufacturing projects.

2301            Section 54. Section **63M-1-2906**, which is renumbered from Section 9-4-506 is  
2302 renumbered and amended to read:

2303            [~~9-4-506~~].     **63M-1-2906**. Allotment accounts.

2304            (1) There are created the following allotment accounts:

2305            (a) the Single Family Housing Account, for which eligible issuing authorities are those  
2306 authorized under the code and state statute to issue qualified mortgage bonds under Section 143  
2307 of the code;

2308            (b) the Student Loan Account, for which eligible issuing authorities are those  
2309 authorized under the code and state statute to issue qualified student loan bonds under Section  
2310 144(b) of the code;

2311            (c) the Small Issue Bond Account, for which eligible issuing authorities are those  
2312 authorized under the code and state statute to issue:

2313            (i) qualified small issue bonds under Section 144(a) of the code; or

2314            (ii) qualified exempt facility bonds for qualified residential rental projects under  
2315 Section 142(d) of the code;

2316            (d) the Exempt Facilities Account, for which eligible issuing authorities are those  
2317 authorized under the code and state statute to issue bonds requiring an allocation of volume cap  
2318 other than for purposes described in Subsections (1)(a), (b), or (c);

2319            (e) the Pool Account, for which eligible issuing authorities are those authorized under

2320 the code and state statute to issue bonds requiring an allocation of volume cap; and

2321 (f) the Carryforward Account, for which eligible issuing authorities are those with  
2322 projects or programs qualifying under Section 146(f) of the code.

2323 (2) (a) The volume cap shall be distributed to the various allotment accounts on  
2324 January 1 of each year on the following basis:

2325 (i) 42% to the Single Family Housing Account;

2326 (ii) 33% to the Student Loan Account;

2327 (iii) 1% to the Exempt Facilities Account; and

2328 (iv) 24% to the Small Issue Bond Account.

2329 (b) From July 1 to September 30 of each year, the board of review may transfer any  
2330 unallocated volume cap from the Exempt Facilities Account or the Small Issue Bond Account  
2331 to the Pool Account.

2332 (c) The board of review, upon written notification by the issuing authorities eligible for  
2333 volume cap allocation from the Single Family Housing Account or the Student Loan Account  
2334 that all or a portion of volume cap distributed into that allotment account will not be used, may  
2335 transfer the unused volume cap between the Single Family Housing Account and the Student  
2336 Loan Account.

2337 (d) From October 1 to the third Friday of December of each year, the board of review  
2338 shall transfer all unallocated volume cap [~~shall be transferred~~] into the Pool Account.

2339 (e) [~~Unallocated~~] On the third Saturday of December, the board of review shall transfer  
2340 uncollected volume cap or allocated volume cap for which bonds have not been issued prior to  
2341 the third Saturday of December [~~shall be transferred on that date~~] into the Carryforward  
2342 Account.

2343 (f) If the authority to issue bonds designated in any allotment account is rescinded by  
2344 amendment to the code, the board of review may transfer any unallocated volume cap from that  
2345 allotment account to any other allotment account.

2346 Section 55. Section **63M-1-2907**, which is renumbered from Section 9-4-507 is  
2347 renumbered and amended to read:

2348 ~~[9-4-507]~~. **63M-1-2907. Certificates of allocation.**

2349 (1) (a) After an allocation of volume cap for a project or program is approved by the  
2350 board of review, the board shall issue a numbered certificate of allocation [~~shall be issued~~]

2351 stating the amount of the allocation, the allotment account for which the allocation is being  
2352 made, and the expiration date of the allocation.

2353 (b) The certificates of allocation shall be mailed to the issuing authority within 10  
2354 working days of the date of approval.

2355 (c) No bonds are entitled to any allocation of the volume cap unless the issuing  
2356 authority received a certificate of allocation with respect to the bonds.

2357 (d) (i) Certificates of allocation shall remain in effect for a period of 90 days from the  
2358 date of approval.

2359 (ii) If bonds for which a certificate has been approved are not issued within the 90-day  
2360 period, the certificate of allocation is void and volume cap shall be returned to the applicable  
2361 allotment account for reallocation by the board of review.

2362 (2) (a) An issuing authority receiving an allocation of volume cap from the  
2363 Carryforward Account shall receive a certificate of allocation similar to the certificates of  
2364 allocation described in Subsection (1) from the board of review stating the amount of allocation  
2365 from the Carryforward Account that ~~have~~ has been allocated to the issuing authority and the  
2366 expiration of the allocation.

2367 (b) If in the judgment of the board of review ~~any~~ an issuing authority or ~~any~~ a  
2368 person or entity responsible for a project or program receiving an allocation from the  
2369 Carryforward Account does not proceed with diligence in providing for the issuance of the  
2370 bonds with respect to the project or program, and because of the lack of ~~such~~  
2371 volume cap cannot be used, the board of review may exclude from its consideration for a given  
2372 period of time, determined by the board of review, ~~applications~~ an application of ~~these~~ the  
2373 issuing ~~authorities or persons or entities~~ authority, person, or entity. The board of review  
2374 may, at any time, review and modify its decisions relating to this exclusion.

2375 Section 56. Section **63M-1-2908**, which is renumbered from Section 9-4-508 is  
2376 renumbered and amended to read:

2377 ~~[9-4-508]~~. **63M-1-2908**. **Issuing authorities -- Limitations -- Duties.**

2378 (1) (a) Any law to the contrary notwithstanding, an issuing authority issuing bonds  
2379 without a certificate of allocation issued under Section ~~9-4-507~~ 63M-1-2907, or an issuing  
2380 authority issuing bonds after the expiration of a certificate of allocation, is not entitled to an  
2381 allocation of the volume cap for those bonds.

2382 (b) An issuing authority issuing bonds in excess of the amount set forth in the related  
2383 certificate of allocation is not entitled to an allocation of the volume cap for the excess.

2384 (2) Each issuing authority shall:

2385 (a) advise the board of review, within 15 days after the issuance of bonds, of the  
2386 principal amount of bonds issued under each certificate of allocation by delivering to the board  
2387 of review a copy of the Form 8038 that was delivered or shall be delivered to the Internal  
2388 Revenue Service in connection with the bonds, or, if no Form 8038 is required to be delivered  
2389 to the Internal Revenue Service, a completed copy of a Form 8038 prepared for the board of  
2390 review with respect to the bonds; and

2391 (b) if all or a stated portion of the bonds for which a certificate of allocation was  
2392 received will not be issued, advise the board of review in writing, within 15 days of the earlier  
2393 of:

2394 (i) the final decision not to issue all or a stated portion of the bonds; or

2395 (ii) the expiration of the certificate of allocation.

2396 (3) Failure by an issuing authority to notify the board of review under Subsection (2),  
2397 including failure to timely deliver a Form 8038, may, in the sole discretion of the board of  
2398 review, result in the issuing authority being denied further consideration of applications.

2399 Section 57. Section **63M-1-2909**, which is renumbered from Section 9-4-509 is  
2400 renumbered and amended to read:

2401 ~~[9-4-509]~~. **63M-1-2909. Procedures -- Adjudicative proceedings.**

2402 The board of review shall comply with the procedures and requirements of Title 63G,  
2403 Chapter 4, Administrative Procedures Act, in its adjudicative proceedings.

2404 Section 58. Section **63M-7-301** is amended to read:

2405 **63M-7-301. Definitions -- Creation of council -- Membership -- Terms.**

2406 (1) (a) As used in this part, "council" means the Utah Substance Abuse Advisory  
2407 Council created in this section.

2408 (b) There is created within the governor's office the Utah Substance Abuse Advisory  
2409 Council.

2410 (2) The council shall be comprised of the following voting members:

2411 (a) the attorney general or the attorney general's designee;

2412 (b) a county commissioner designated by the Utah Association of Counties;

- 2413 (c) the commissioner of public safety or the commissioner's designee;
- 2414 (d) the director of the Division of Substance Abuse and Mental Health or the director's  
2415 designee;
- 2416 (e) the state superintendent of public instruction or the superintendent's designee;
- 2417 (f) the director of the Department of Health or the director's designee;
- 2418 (g) the executive director of the Commission on Criminal and Juvenile Justice or the  
2419 executive director's designee;
- 2420 (h) the governor or the governor's designee;
- 2421 (i) the executive director of the Department of Corrections or the executive director's  
2422 designee;
- 2423 (j) the director of the Division of Juvenile Justice Services or the director's designee;
- 2424 (k) the executive director of the private nonprofit Utah Domestic Violence Council or  
2425 the executive director's designee;
- 2426 (l) the director of the Division of Indian Affairs or the director's designee;
- 2427 (m) the state court administrator or the state court administrator's designee;
- 2428 (n) the following members designated to serve four-year terms:
- 2429 (i) a member of the House of Representatives designated by the speaker of the House  
2430 of Representatives;
- 2431 (ii) a member of the Senate designated by the president of the Senate; and
- 2432 (iii) a representative designated by the Utah League of Cities and Towns; [and]
- 2433 [~~(iv) a representative from the Office of Ethnic Affairs within the Department of~~  
2434 ~~Community and Culture designated by the director of the office or a designee;~~]
- 2435 (o) the following members appointed by the governor to serve four-year terms:
- 2436 (i) a representative of the Utah National Guard;
- 2437 (ii) one resident of the state who has been personally affected by alcohol or other drug  
2438 abuse; and
- 2439 (iii) one citizen representative;
- 2440 (p) in addition to the voting members described in Subsections (2)(a) through (o), the  
2441 following voting members may be appointed by a majority of the members described in  
2442 Subsections (2)(a) through (o) to serve four-year terms:
- 2443 (i) a person knowledgeable in criminal justice issues;

2444 (ii) a person knowledgeable in substance abuse treatment issues;  
2445 (iii) a person knowledgeable in substance abuse prevention issues; and  
2446 (iv) a person knowledgeable in judiciary issues; and  
2447 (q) in addition to the voting members described in Subsections (2)(a) through (p), one  
2448 or more chairs or co-chairs of a committee established by the council under Subsection  
2449 63M-7-302(5) may be appointed as a voting member by a majority of the members described in  
2450 Subsections (2)(a) through (p).

2451 (3) A person other than a person described in Subsection (2) may not be appointed as a  
2452 voting member of the council.

2453 Section 59. Section **67-1a-201**, which is renumbered from Section 9-1-801 is  
2454 renumbered and amended to read:

2455 **[9-1-801]. 67-1a-201. Title.**

2456 This part is known as the "Commission on National and Community Service Act."

2457 Section 60. Section **67-1a-202**, which is renumbered from Section 9-1-802 is  
2458 renumbered and amended to read:

2459 **[9-1-802]. 67-1a-202. Definitions.**

2460 (1) "Act" means the National Community and Service Trust Act of 1993, 42 U.S.C.  
2461 12501 et seq.

2462 (2) "Commission" means the Utah Commission on Volunteers created in Section  
2463 [9-1-803] 67-1a-203.

2464 (3) "Corporation" means the Corporation for National and Community Service  
2465 described in the act.

2466 Section 61. Section **67-1a-203**, which is renumbered from Section 9-1-803 is  
2467 renumbered and amended to read:

2468 **[9-1-803]. 67-1a-203. Creation -- Members -- Appointment -- Terms --**  
2469 **Vacancies -- Per diem and expenses.**

2470 (1) There is created within the lieutenant governor's office the Utah Commission on  
2471 Volunteers consisting of the following 25 members:

2472 (a) the lieutenant governor;

2473 (b) the commissioner of higher education or the commissioner's designee;

2474 (c) the superintendent of public instruction or the superintendent's designee;

- 2475 (d) nine members appointed by the governor as follows:
- 2476 (i) an individual with expertise in the educational, training, and developmental needs of
- 2477 youth, particularly disadvantaged youth;
- 2478 (ii) an individual with experience in promoting the involvement of older adults in
- 2479 service and volunteerism;
- 2480 (iii) a representative of community-based agencies or community-based organizations
- 2481 within the state;
- 2482 (iv) a representative of local governments in the state;
- 2483 (v) a representative of local labor organizations in the state;
- 2484 (vi) a representative of business;
- 2485 (vii) an individual between the ages of 16 and 25 who is a participant or supervisor in a
- 2486 volunteer or service program;
- 2487 (viii) a representative of a National Service Program; and
- 2488 (ix) a representative of the corporation as a nonvoting, ex officio member; and
- 2489 (e) 13 members appointed by the governor from the following groups:
- 2490 (i) local educators;
- 2491 (ii) experts in the delivery of human, educational, cultural, environmental, or public
- 2492 safety services to communities and individuals;
- 2493 (iii) representatives of Native American tribes;
- 2494 (iv) out-of-school youth or other at-risk youth; and
- 2495 (v) representatives of entities that receive assistance under the Domestic Volunteer
- 2496 Service Act of 1973, 42 U.S.C. 4950 et seq.
- 2497 (2) (a) In appointing persons to serve on the commission, the governor shall ensure
- 2498 that:
- 2499 (i) no more than 13 members of the commission are members of the same political
- 2500 party; and
- 2501 (ii) no more than six members of the commission are state government employees.
- 2502 (b) In appointing persons to serve on the commission, the governor shall strive for
- 2503 balance on the commission according to race, ethnicity, age, gender, and disability
- 2504 characteristics.
- 2505 (3) (a) Except as required by Subsection (3)(b), as terms of current commission

2506 members expire, the governor shall appoint each new member or reappointed member to a  
2507 three-year term.

2508 (b) Notwithstanding the requirements of Subsection (3)(a), the governor shall, at the  
2509 time of appointment or reappointment, adjust the length of terms to ensure that the terms of  
2510 commission members are staggered so that approximately one-third of the commission is  
2511 appointed every year.

2512 (4) When a vacancy occurs in the membership for any reason, the replacement shall be  
2513 appointed for the unexpired term.

2514 (5) A member appointed by the governor may not serve more than two consecutive  
2515 terms.

2516 (6) A member may not receive compensation or benefits for the member's service, but  
2517 may receive per diem and travel expenses in accordance with:

2518 (a) Section 63A-3-106;

2519 (b) Section 63A-3-107; and

2520 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and  
2521 63A-3-107.

2522 (7) (a) The lieutenant governor is the chair of the commission.

2523 (b) The commission shall select a vice chair from among its members.

2524 Section 62. Section **67-1a-204**, which is renumbered from Section 9-1-805 is  
2525 renumbered and amended to read:

2526 **[9-1-805]. 67-1a-204. Election of officers.**

2527 (1) The ~~[officers of the]~~ commission shall ~~[be]~~ have as officers a chair, vice chair,  
2528 secretary, and treasurer. ~~[All officers shall be]~~

2529 (2) An officer is elected by the voting commission members from among the members  
2530 of the commission and shall serve for a term of one year. ~~[Vacancies in any]~~

2531 (3) A vacancy in an office ~~[shall be]~~ is filled with an election by the commission for  
2532 the remainder of the officer's unexpired term.

2533 Section 63. Section **67-1a-205**, which is renumbered from Section 9-1-806 is  
2534 renumbered and amended to read:

2535 **[9-1-806]. 67-1a-205. Officers' duties.**

2536 (1) The chair shall:

- 2537 (a) preside at all meetings of the commission;
- 2538 (b) appoint all subcommittee chairs;
- 2539 (c) assist all chairs in the planning of subcommittee activities;
- 2540 (d) supervise all chairs as to the management of subcommittee plans;
- 2541 (e) authorize and execute the wishes of the commission; and
- 2542 (f) serve as an ex officio member of all subcommittees.
- 2543 (2) The vice chair shall:
- 2544 (a) assist the chair, and, in the absence of the chair, perform [~~those~~] the chair's duties;
- 2545 (b) accept special assignments from the chair; and
- 2546 (c) perform other duties as delegated by the commission.
- 2547 (3) The secretary shall:
- 2548 (a) keep an updated list of names, addresses, and telephone numbers of all commission
- 2549 and subcommittee members; and
- 2550 (b) keep a record of attendance at meetings.
- 2551 (4) The treasurer shall:
- 2552 (a) oversee the preparation of all funding applications; and
- 2553 (b) report on finances to the commission at each meeting.
- 2554 Section 64. Section **67-1a-206**, which is renumbered from Section 9-1-807 is
- 2555 renumbered and amended to read:
- 2556 **[9-1-807]. 67-1a-206. Subcommittees.**
- 2557 (1) The commission shall create subcommittees to advise and assist the commission in
- 2558 carrying out its duties and responsibilities, including strategic planning.
- 2559 (2) These subcommittees shall include Youth Voice, Volunteer Recognition,
- 2560 Evaluation, Community Collaboration, and Resource Development.
- 2561 (a) (i) The subcommittee on Youth Voice shall have at least five members between the
- 2562 ages of 16 and 25.
- 2563 (ii) It shall develop and recommend policies and programs to the commission and bring
- 2564 the perspective of young people to all commission discussions and decisions.
- 2565 (b) (i) The subcommittee on Volunteer Recognition shall have at least five members.
- 2566 (ii) It shall:
- 2567 (A) assist with the implementation of governor's awards relating to exemplary

2568 volunteer service in the state[;];

2569 (B) work with individual communities to develop local recognition programs[;]; and

2570 (C) explore additional opportunities to recognize individuals and organizations

2571 addressing community needs through volunteer service.

2572 (c) (i) The subcommittee on Evaluation shall have at least five members.

2573 (ii) It shall evaluate each program funded by the corporation and by state organizations  
2574 that support the purpose of the commission to assure their on-going quality.

2575 (d) (i) The subcommittee on Community Collaboration shall have at least five  
2576 members.

2577 (ii) It shall promote communication and information sharing between state and local  
2578 private and public initiatives to meet community needs.

2579 (e) (i) The subcommittee on Resource Development shall have at least five members.

2580 (ii) It shall develop and implement strategies to secure local, state, and federal  
2581 resources to reinforce, expand, and initiate quality community programs across the state.

2582 (3) Subcommittee chairs shall be appointed by the commission chair from among  
2583 commission members, but the subcommittees' members need not be limited to commission  
2584 members.

2585 (4) The commission chair, in consultation with the subcommittee chairs, shall name the  
2586 committees' members.

2587 Section 65. Section **67-1a-207**, which is renumbered from Section 9-1-808 is  
2588 renumbered and amended to read:

2589 **~~9-1-808~~. 67-1a-207. Meetings -- Quorum.**

2590 (1) The commission shall meet at least quarterly. [~~Any~~]

2591 (2) A commission member who fails to attend at least 75% of called meetings in [~~any~~]  
2592 a calendar year shall be automatically removed from the commission.

2593 [~~(2)~~] (3) A quorum is a simple majority of the commission's voting members.

2594 Section 66. Section **67-1a-208**, which is renumbered from Section 9-1-809 is  
2595 renumbered and amended to read:

2596 **~~9-1-809~~. 67-1a-208. Commission duties.**

2597 (1) The commission shall, in the performance of its tasks and functions:

2598 (a) ensure that its funding decisions meet all federal and state statutory requirements;

2599 (b) recommend innovative, creative, statewide service programs to increase volunteer  
2600 participation in all age groups and community-based problem-solving among diverse  
2601 participants;

2602 (c) develop and implement a centralized, organized system of obtaining information  
2603 and technical support concerning volunteerism and community service recruitment, projects,  
2604 training methods, materials, and activities throughout the state and share the information and  
2605 support upon request;

2606 (d) promote strong interagency collaboration as an avenue for maximizing resources  
2607 and providing that model on the state level;

2608 (e) provide public recognition and support of individual volunteer efforts and  
2609 successful or promising private sector initiatives and public/private partnerships that address  
2610 community needs;

2611 (f) stimulate increased community awareness of the impact of volunteer services in the  
2612 state;

2613 (g) utilize local, state, and, subject to Title 63J, Chapter 5, Federal Funds Procedures  
2614 Act, federal resources to reinforce, expand, and initiate quality service programs;

2615 (h) assist in the planning and implementation of volunteer programs;

2616 (i) serve as the state's liaison and voice to appropriate national and state organizations  
2617 that support its mission;

2618 (j) develop a three-year comprehensive state and community service plan and establish  
2619 state priorities;

2620 (k) preselect programs and prepare applications to the corporation pursuant to the act;

2621 (l) administer the grants program and oversee and monitor the performance and  
2622 progress of funded programs;

2623 (m) implement comprehensive, nonduplicative evaluation and monitoring systems;

2624 (n) provide technical assistance to local nonprofit organizations and other entities;

2625 (o) assist in the development of programs established in the act;

2626 (p) develop mechanisms for recruitment and placement of people interested in  
2627 participating in national service programs;

2628 (q) assist in the provision of health care and child care benefits to participants under the  
2629 act;

2630 (r) make priority program recommendations to the corporation;

2631 (s) coordinate its activities with the activities of other state agencies that administer  
2632 federal block grants; and

2633 (t) coordinate its activities with the activities of other volunteer service programs.

2634 (2) The commission may not directly operate or run a national service program  
2635 receiving financial assistance, in any form, from the corporation.

2636 (3) (a) The commission may, subject to Title 63J, Chapter 5, Federal Funds Procedures  
2637 Act, receive and accept federal funds, and may receive and accept private gifts, donations, or  
2638 funds from any source.

2639 (b) ~~[All money]~~ Money received under Subsection (3)(a) shall be deposited with the  
2640 state and ~~[shall be]~~ continuously available to the commission to carry out the purposes of this  
2641 part.

2642 Section 67. Section **67-1a-209**, which is renumbered from Section 9-1-810 is  
2643 renumbered and amended to read:

2644 ~~[9-1-810].~~ **67-1a-209. Administration, reporting, and expenses.**

2645 [(1)] The ~~[Division of Housing and Community Development]~~ Office of the Lieutenant  
2646 Governor shall provide necessary administrative and staff support services to the commission.

2647 ~~[(2) The commission shall report to the office of the lieutenant governor.]~~

2648 Section 68. Section **67-1a-210**, which is renumbered from Section 9-1-811 is  
2649 renumbered and amended to read:

2650 ~~[9-1-811].~~ **67-1a-210. Enactment of bylaws.**

2651 The commission may enact bylaws for its own governance.

2652 Section 69. Section **67-1a-301**, which is renumbered from Section 9-17-101 is  
2653 renumbered and amended to read:

2654 **CHAPTER 3. HUMANITARIAN SERVICE AND EDUCATIONAL AND**  
2655 **CULTURAL EXCHANGE RESTRICTED ACCOUNT ACT**

2656 ~~[9-17-101].~~ **67-1a-301. Title.**

2657 This chapter is known as the "Humanitarian Service and Educational and Cultural  
2658 Exchange Restricted Account Act."

2659 Section 70. Section **67-1a-302**, which is renumbered from Section 9-17-102 is  
2660 renumbered and amended to read:

2661 [9-17-102]. 67-1a-302. Humanitarian Service and Educational and Cultural  
2662 Exchange Restricted Account.

2663 (1) There is created in the General Fund a restricted account known as the  
2664 "Humanitarian Service and Educational and Cultural Exchange Restricted Account."

2665 (2) The account [~~shall be~~] is funded by:

2666 (a) contributions deposited into the account in accordance with Section 41-1a-422;

2667 (b) private contributions; and

2668 (c) donations or grants from public or private entities.

2669 (3) Funds in the account are nonlapsing.

2670 (4) Upon appropriation by the Legislature, the [~~department~~] Office of the Lieutenant  
2671 Governor shall distribute [~~funds~~] money in the account to one or more charitable organizations  
2672 that:

2673 (a) qualify as being tax exempt under Section 501(c)(3) of the Internal Revenue Code;

2674 (b) have a national parent organization which:

2675 (i) provides international humanitarian service projects; and

2676 (ii) has youth programs including programs to foster leadership in high school students,  
2677 humanitarian service in high school and college, and conducts and promotes community  
2678 service projects;

2679 (c) have a non-profit youth exchange program that does not compensate those who  
2680 administer the program within the state;

2681 (d) have an annual leadership conference, which does not compensate those who  
2682 administer the program within the state;

2683 (e) have high school service clubs, which promote humanitarian services on a state  
2684 level, a national level, and an international level; and

2685 (f) have college service clubs, which promote humanitarian service on a state level, a  
2686 national level, and an international level.

2687 (5) (a) An organization described in Subsection (4) may apply to the [~~department~~]  
2688 lieutenant governor's office to receive a distribution in accordance with Subsection (4).

2689 (b) An organization that receives a distribution from the [~~department~~] lieutenant  
2690 governor's office in accordance with Subsection (4) shall expend the distribution only to:

2691 (i) pay the costs of supporting the following programs within the state:

2692 (A) youth programs including programs to foster leadership in high school students and  
2693 humanitarian service in high school and college;

2694 (B) community service projects;

2695 (C) a non-profit youth exchange program;

2696 (D) an annual leadership conference;

2697 (E) high school service clubs, which promote humanitarian service on a state level, a  
2698 national level, and an international level; and

2699 (F) college service clubs, which promote humanitarian service on a state level, a  
2700 national level, and an international level; and

2701 (ii) pay the costs of issuing or reordering Humanitarian Service and Educational and  
2702 Cultural Exchange support special group license plate decals.

2703 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2704 [department] lieutenant governor's office may make rules providing procedures for an  
2705 organization to apply to the [department] office to receive a distribution under Subsection (4).

2706 Section 71. **Legislative findings -- Interim study --Report.**

2707 (1) The Legislature finds that it is in the best interest of the state for the Department of  
2708 Community and Culture, through its interim executive director, to conduct an in-depth  
2709 assessment of the department to determine what internal restructuring or dispersion of its  
2710 functions, divisions, and programs to other entities of state government would:

2711 (a) improve the efficiency of government;

2712 (b) reduce the cost of government; and

2713 (c) better focus the state and its employees:

2714 (i) on providing community and cultural development opportunities throughout the  
2715 state; and

2716 (ii) in administering and coordinating all state and federal grant programs that are, or  
2717 become, available for community and cultural development.

2718 (2) (a) It is the further intent of the Legislature that the reorganization or restructuring  
2719 process for the department shall begin with movement of:

2720 (i) the Commission on National and Community Service and the Humanitarian Service  
2721 and Educational and Cultural Exchange Restricted Account Act to the Office of the Lieutenant  
2722 Governor;

2723 (ii) the bond volume cap allocation, including the Private Activity Bond Review Board,  
2724 to the Governor's Office of Economic Development; and

2725 (iii) the Utah Science Center Authority, the Heber Valley Historic Railroad Authority,  
2726 the Utah State Railroad Museum Authority, and the Utah State Fair Corporation to Title 63H,  
2727 Independent State Entities.

2728 (b) The moves shall be finalized by July 1, 2011.

2729 (3) (a) It is the further intent of the Legislature that by July 1, 2011, a multicultural  
2730 commission should be established in state government to replace the Office of Ethnic Affairs in  
2731 the Department of Community and Culture.

2732 (b) The commission should be organized to better reflect the changing demographics of  
2733 the state and representative of all the various ethnic groups throughout the state that are  
2734 components of the state's citizenry.

2735 (4) (a) It is the further intent of the Legislature that the governor appoint an interim  
2736 transitional executive director to the Department of Community and Culture for the purpose of  
2737 coordinating and directing the assessment, restructuring, and dispersion.

2738 (b) In conducting the activities under Subsection (4)(a), the director or the director's  
2739 designee shall hold meetings and solicit input from stakeholders throughout the state,  
2740 including:

2741 (i) representatives from community, ethnic, and cultural entities;

2742 (ii) representatives of the arts, libraries, history, and museums;

2743 (iii) Indian tribal leaders;

2744 (iv) communities and individuals served by the department; and

2745 (v) business and community leaders.

2746 (c) The director or the director's designee shall include a study of two of the following  
2747 options in its consideration of several options for assessing and restructuring the department:

2748 (i) moving the Division of Housing and Community Development or its major  
2749 components to the Department of Workforce Services; and

2750 (ii) moving the Divisions of Arts and Museums, State History, and Libraries to the  
2751 Department of Administrative Services.

2752 (d) The interim director or the interim director's designee may request assistance from  
2753 agencies identified as recipients of restructuring, and request assistance, support, and

2754 involvement from local government, private business, and other affected parties in conducting  
2755 the assessment, restructuring, and dispersion.

2756 (5) (a) It is the further intent of the Legislature that the interim director shall prepare  
2757 and present a report regarding the assessment, restructuring, and dispersion to:

2758 (i) the governor by August 31, 2011;

2759 (ii) the Legislature's Workforce Services and Community and Economic Development  
2760 Interim Committee by October 19, 2011; and

2761 (iii) the Legislative Management Committee by December 15, 2011.

2762 (b) The report shall include any anticipated cost savings, stakeholder  
2763 recommendations, and statutory or rule changes required to implement restructuring and  
2764 transitioning.