

RURAL HEALTH SERVICES ACCOUNT AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Curt Webb

Senate Sponsor: Brian E. Shiozawa

LONG TITLE

General Description:

This bill amends the Rural Health Care Facilities Account.

Highlighted Provisions:

This bill:

► amends the calculation made by the State Tax Commission for distributions from the Rural Health Care Facilities Account.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

26-9-4, as last amended by Laws of Utah 2014, Chapter 50

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

Section 1. Section **26-9-4** is amended to read:

26-9-4. Rural Health Care Facilities Account -- Source of revenues -- Interest -- Distribution of revenues -- Expenditure of revenues -- Unexpended revenues lapse into the General Fund.

(1) As used in this section:

(a) "Emergency medical services" is as defined in Section **26-8a-102**.

(b) "Federally qualified health center" is as defined in 42 U.S.C. Sec. 1395x.

- 30 (c) "Fiscal year" means a one-year period beginning on July 1 of each year.
- 31 (d) "Freestanding urgent care center" is as defined in Section 59-12-801.
- 32 (e) "Nursing care facility" is as defined in Section 26-21-2.
- 33 (f) "Rural city hospital" is as defined in Section 59-12-801.
- 34 (g) "Rural county health care facility" is as defined in Section 59-12-801.
- 35 (h) "Rural county hospital" is as defined in Section 59-12-801.
- 36 (i) "Rural county nursing care facility" is as defined in Section 59-12-801.
- 37 (j) "Rural emergency medical services" is as defined in Section 59-12-801.
- 38 (k) "Rural health clinic" is as defined in 42 U.S.C. Sec. 1395x.
- 39 (2) There is created a restricted account within the General Fund known as the "Rural
- 40 Health Care Facilities Account."
- 41 (3) (a) The restricted account shall be funded by amounts appropriated by the
- 42 Legislature.
- 43 (b) Any interest earned on the restricted account shall be deposited into the General
- 44 Fund.
- 45 (4) Subject to Subsections (5) and (6), the State Tax Commission shall for a fiscal year
- 46 distribute money deposited into the restricted account to each:
- 47 (a) county legislative body of a county that, on January 1, 2007, imposes a tax in
- 48 accordance with Section 59-12-802 and has not repealed the tax; or
- 49 (b) city legislative body of a city that, on January 1, 2007, imposes a tax in accordance
- 50 with Section 59-12-804 and has not repealed the tax.
- 51 (5) (a) Subject to Subsection (6), for purposes of the distribution required by
- 52 Subsection (4), the State Tax Commission shall:
- 53 (i) estimate for each county and city described in Subsection (4) the amount by which
- 54 the revenues collected from the taxes imposed under Sections 59-12-802 and 59-12-804 for
- 55 fiscal year 2005-06 would have been reduced had:
- 56 (A) the amendments made by Laws of Utah 2007, Chapter 288, Sections 25 and 26, to
- 57 Sections 59-12-802 and 59-12-804 been in effect for fiscal year 2005-06; and

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

60 (ii) (A) for fiscal years ending before fiscal year 2018, calculate a percentage for each
61 county and city described in Subsection (4) by dividing the amount estimated for each county
62 and city in accordance with Subsection (5)(a)(i) by \$555,000; and

63 (B) beginning in fiscal year 2018, calculate a percentage for each county and city
64 described in Subsection (4) by dividing the amount estimated for each county and city in
65 accordance with Subsection (5)(a)(i) by \$218,809.33;

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

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

69 (B) the amount appropriated by the Legislature to the restricted account for the fiscal
70 year.

71 (b) The State Tax Commission shall make the estimations, calculations, and
72 distributions required by Subsection (5)(a) on the basis of data collected by the State Tax
73 Commission.

74 (6) If a county legislative body repeals a tax imposed under Section 59-12-802 or a city
75 legislative body repeals a tax imposed under Section 59-12-804:

76 (a) the commission shall determine in accordance with Subsection (5) the distribution
77 that, but for this Subsection (6), the county legislative body or city legislative body would
78 receive; and

79 (b) after making the determination required by Subsection (6)(a), the commission shall:

80 (i) if the effective date of the repeal of a tax imposed under Section 59-12-802 or
81 59-12-804 is October 1:

82 (A) (I) distribute to the county legislative body or city legislative body 25% of the
83 distribution determined in accordance with Subsection (6)(a); and

84 (II) deposit 75% of the distribution determined in accordance with Subsection (6)(a)
85 into the General Fund; and

86 (B) beginning with the first fiscal year after the effective date of the repeal and for each
87 subsequent fiscal year, deposit the entire amount of the distribution determined in accordance
88 with Subsection (6)(a) into the General Fund;

89 (ii) if the effective date of the repeal of a tax imposed under Section 59-12-802 or
90 59-12-804 is January 1:

91 (A) (I) distribute to the county legislative body or city legislative body 50% of the
92 distribution determined in accordance with Subsection (6)(a); and

93 (II) deposit 50% of the distribution determined in accordance with Subsection (6)(a)
94 into the General Fund; and

95 (B) beginning with the first fiscal year after the effective date of the repeal and for each
96 subsequent fiscal year, deposit the entire amount of the distribution determined in accordance
97 with Subsection (6)(a) into the General Fund;

98 (iii) if the effective date of the repeal of a tax imposed under Section 59-12-802 or
99 59-12-804 is April 1:

100 (A) (I) distribute to the county legislative body or city legislative body 75% of the
101 distribution determined in accordance with Subsection (6)(a); and

102 (II) deposit 25% of the distribution determined in accordance with Subsection (6)(a)
103 into the General Fund; and

104 (B) beginning with the first fiscal year after the effective date of the repeal and for each
105 subsequent fiscal year, deposit the entire amount of the distribution determined in accordance
106 with Subsection (6)(a) into the General Fund; or

107 (iv) if the effective date of the repeal of a tax imposed under Section 59-12-802 or
108 59-12-804 is July 1, beginning on that effective date and for each subsequent fiscal year,
109 deposit the entire amount of the distribution determined in accordance with Subsection (6)(a)
110 into the General Fund.

111 (7) (a) Subject to Subsection (7)(b) and Section 59-12-802, a county legislative body
112 shall distribute the money the county legislative body receives in accordance with Subsection
113 (5) or (6):

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

116 (ii) for a county of the fifth or sixth class, to fund:

117 (A) rural emergency medical services in that county;

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

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

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

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

122 (F) a combination of Subsections (7)(a)(ii)(A) through (E).

123 (b) A county legislative body shall distribute the money the county legislative body
124 receives in accordance with Subsection (5) or (6) to a center, clinic, facility, or service
125 described in Subsection (7)(a) as determined by the county legislative body.

126 (c) A center, clinic, facility, or service that receives a distribution in accordance with
127 this Subsection (7) shall expend that distribution for the same purposes for which money
128 collected from a tax under Section 59-12-802 may be expended.

129 (8) (a) Subject to Subsection (8)(b), a city legislative body shall distribute the money
130 the city legislative body receives in accordance with Subsection (5) or (6) to fund rural city
131 hospitals in that city.

132 (b) A city legislative body shall distribute a percentage of the money the city legislative
133 body receives in accordance with Subsection (5) or (6) to each rural city hospital described in
134 Subsection (8)(a) equal to the same percentage that the city legislative body distributes to that
135 rural city hospital in accordance with Section 59-12-805 for the calendar year ending on the
136 December 31 immediately preceding the first day of the fiscal year for which the city
137 legislative body receives the distribution in accordance with Subsection (5) or (6).

138 (c) A rural city hospital that receives a distribution in accordance with this Subsection
139 (8) shall expend that distribution for the same purposes for which money collected from a tax
140 under Section 59-12-804 may be expended.

141 (9) Any money remaining in the Rural Health Care Facilities Account at the end of a

142 fiscal year after the State Tax Commission makes the distributions required by this section
143 shall lapse into the General Fund.