

**Housing and Transit Reinvestment Zone Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: James A. Dunnigan

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**LONG TITLE**

**General Description:**

This bill amends provisions relating to the Housing and Transit Reinvestment Zone Act.

**Highlighted Provisions:**

This bill:

- defines terms;
- amends provisions relating to the Housing and Transit Reinvestment Zone Act;
- amends provisions related to the Hotel Impact Mitigation Fund and distribution of funds;
- amends the allowable use of certain sales and use taxes to be used for convention center

revitalization;

- allows certain sales and use tax revenue distributed to a county to be used for convention

center revitalization;

- creates a process to propose a convention center reinvestment zone to facilitate

revitalization of a convention center and surrounding areas within a county of the first

class to:

- allow capture of sales and use tax increment related to state and certain local sales and use taxes;

- allow capture of property tax increment; and

- provide for distribution of funds to enable bonding;

- amends provisions to exclude remote sales tax revenue for the capture of sales and use tax increment;

- amends the median gross income for a certain percentage of proposed dwelling units

within the housing and transit reinvestment zone to the county median gross income for

households of the same size;

- clarifies that the collection of a tax increment for a housing and transit reinvestment zone

project may be triggered no more than three times per project;

- modifies provisions related to housing and transit reinvestment zones within certain transit stations or hubs;
- amends provisions related to mixed-use development;
- modifies the requirement that a proposal for a transit reinvestment zone includes a mix of dwelling units with at least 25% of the dwelling units having more than one bedroom;
- amends the date by which a tax increment collection notice is sent to certain entities to no later than December 31 of the year before the year tax increment is to take place;
- requires certain limitations on use of funds in certain convention center reinvestment zones;
- requires the base year to be updated in certain circumstances regarding existing community reinvestment projects; and
- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:****AMENDS:**

**11-70-204 (Effective upon governor's approval)**, as enacted by Laws of Utah 2024, Chapter 419

**17-27a-403 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapters 381, 431

**17-27a-408 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapters 381, 413

**17C-1-409 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023, Chapters 15, 471 and 492

**17C-1-411 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023, Chapters 471, 492

**17C-1-412 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter 413

**17D-4-102 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter 419

**17D-4-203 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,

62 Chapters 15, 259  
63 **59-1-306 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
64 Chapter 35  
65 **59-1-404 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,  
66 Chapters 21, 492  
67 **59-2-924 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapter 258  
68 **59-2-924.2 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapter 246  
69 **59-12-103 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
70 Chapters 88, 501  
71 **59-12-205 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
72 Chapter 535  
73 **59-12-302 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,  
74 Chapter 471  
75 **59-12-354 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
76 Chapter 419  
77 **59-12-402.1 (Effective upon governor's approval)**, as last amended by Laws of Utah  
78 2017, Chapter 422  
79 **59-12-403 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,  
80 Chapter 471  
81 **59-12-603 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
82 Chapter 274  
83 **59-12-703 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,  
84 Chapter 471  
85 **59-12-802 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
86 Chapter 333  
87 **59-12-804 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,  
88 Chapter 471  
89 **59-12-1102 (Effective upon governor's approval)**, as last amended by Laws of Utah  
90 2023, Chapters 435, 471  
91 **59-12-1302 (Effective upon governor's approval)**, as last amended by Laws of Utah  
92 2023, Chapter 471  
93 **59-12-1402 (Effective upon governor's approval)**, as last amended by Laws of Utah  
94 2023, Chapter 471  
95 **59-12-2103 (Effective upon governor's approval)**, as last amended by Laws of Utah

2023, Chapter 471  
**59-12-2206 (Effective upon governor's approval)**, as last amended by Laws of Utah  
2023, Chapter 471  
**59-12-2214 (Effective upon governor's approval)**, as last amended by Laws of Utah  
2020, Chapter 377  
**59-12-2217 (Effective upon governor's approval)**, as last amended by Laws of Utah  
2020, Chapter 377  
**59-12-2219 (Effective upon governor's approval)**, as last amended by Laws of Utah  
2024, Chapter 498  
**59-12-2220 (Effective upon governor's approval)**, as last amended by Laws of Utah  
2024, Chapters 498, 501  
**63H-1-205 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
Chapter 514  
**63N-2-512 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
Chapter 159  
**63N-3-602 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
Chapters 521, 537  
**63N-3-603 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
Chapters 521, 537  
**63N-3-604 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
Chapter 521  
**63N-3-605 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
Chapters 521, 537  
**63N-3-606 (Effective upon governor's approval)**, as enacted by Laws of Utah 2021,  
Chapter 411  
**63N-3-607 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
Chapter 521  
**63N-3-608 (Effective upon governor's approval)**, as enacted by Laws of Utah 2021,  
Chapter 411  
**63N-3-609 (Effective upon governor's approval)**, as enacted by Laws of Utah 2021,  
Chapter 411  
**63N-3-610 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,  
Chapter 521  
**63N-3-611 (Effective upon governor's approval)**, as enacted by Laws of Utah 2024,

Chapter 521

**63N-3-1403 (Effective upon governor's approval)**, as enacted by Laws of Utah 2024,

Chapter 436

**72-1-214 (Effective upon governor's approval)**, as last amended by Laws of Utah 2018,

Chapter 424

**72-1-304 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,

Chapter 517

**72-17-105 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,

Chapter 531

**73-10-36 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,

Chapter 238

ENACTS:

**17D-4-202.1 (Effective upon governor's approval)**, Utah Code Annotated 1953

**63N-3-603.1 (Effective upon governor's approval)**, Utah Code Annotated 1953

**63N-3-604.1 (Effective upon governor's approval)**, Utah Code Annotated 1953

**63N-3-610.1 (Effective upon governor's approval)**, Utah Code Annotated 1953

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

Section 1. Section **11-70-204** is amended to read:

**11-70-204 (Effective upon governor's approval). Fairpark district accommodations tax.**

(1) As used in this section:

(a)(i) "Accommodations and services" means an accommodation or service described in Subsection 59-12-103(1)(i).

(ii) "Accommodations and services" does not include an accommodation or service for which amounts paid or charged are not part of a rental room rate.

(b) "Accommodations tax" means a tax imposed as provided in this section.

(2) By resolution, the fairpark district board may impose an accommodations tax on a provider for amounts paid or charged for accommodations and services, if the place of accommodation is located within the district sales tax area.

(3) The maximum rate of an accommodations tax is 15% of the amounts paid to or charged by the provider for accommodations and services.

(4) A provider may recover an amount equal to the accommodations tax from customers, if the provider includes the amount as a separate billing line item.

- (5) If the fairpark district imposes an accommodations tax, a public entity, including the fairpark district, may not impose, on the amounts paid or charged for accommodations and services within the district sales tax area, any other tax described in:
- (a) Title 59, Chapter 12, Sales and Use Tax Act; or
  - (b) Title 59, Chapter 28, State Transient Room Tax Act.
- (6) Except as provided in Subsection (7) or (8), an accommodations tax shall be administered, collected, and enforced in accordance with:
- (a) the same procedures used to administer, collect, and enforce the tax under:
    - (i) Title 59, Chapter 12, Part 1, Tax Collection; or
    - (ii) Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and
  - (b) Title 59, Chapter 1, General Taxation Policies.
- (7) The location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.
- (8)(a) An accommodations tax is not subject to Section 59-12-107.1 or 59-12-123 or Subsections 59-12-205(2) [~~through (5)~~] and (4) through (6).
- (b) The exemptions described in Sections 59-12-104, 59-12-104.1, and 59-12-104.6 do not apply to an accommodations tax.
- (9) The State Tax Commission shall:
- (a) except as provided in Subsection (9)(b), distribute the revenue collected from an accommodations tax to the fairpark district; and
  - (b) retain and deposit an administrative charge in accordance with Section 59-1-306 from revenue the commission collects from an accommodations tax.
- (10)(a) If the fairpark district imposes, repeals, or changes the rate of an accommodations tax, the implementation, repeal, or change takes effect:
- (i) on the first day of a calendar quarter; and
  - (ii) after a 90-day period beginning on the date the State Tax Commission receives the notice described in Subsection (10)(b) from the fairpark district.
- (b) The notice required in Subsection (10)(a)(ii) shall state:
- (i) that the fairpark district will impose, repeal, or change the rate of an accommodations tax;
  - (ii) the effective date of the implementation, repeal, or change of the accommodations tax; and
  - (iii) the rate of the accommodations tax.
- (11) In addition to the uses permitted under Section 11-70-207, the fairpark district may

allocate revenue from an accommodations tax to a county in which a place of accommodation that is subject to the accommodations tax is located, if:

- (a) the county had a transient room tax described in Section 59-12-301 in effect at the time the fairpark district board imposed an accommodations tax; and
- (b) the revenue replaces revenue that the county received from a county transient room tax described in Section 59-12-301 for the county's general operations and administrative expenses.

Section 2. Section **17-27a-403** is amended to read:

**17-27a-403 (Effective upon governor's approval). Plan preparation.**

- (1)(a) The planning commission shall provide notice, as provided in Section 17-27a-203, of the planning commission's intent to make a recommendation to the county legislative body for a general plan or a comprehensive general plan amendment when the planning commission initiates the process of preparing the planning commission's recommendation.
- (b) The planning commission shall make and recommend to the legislative body a proposed general plan for:
  - (i) the unincorporated area within the county; or
  - (ii) if the planning commission is a planning commission for a mountainous planning district, the mountainous planning district.
- (c)(i) The plan may include planning for incorporated areas if, in the planning commission's judgment, they are related to the planning of the unincorporated territory or of the county as a whole.
- (ii) Elements of the county plan that address incorporated areas are not an official plan or part of a municipal plan for any municipality, unless the county plan is recommended by the municipal planning commission and adopted by the governing body of the municipality.
- (2)(a) At a minimum, the proposed general plan, with the accompanying maps, charts, and descriptive and explanatory matter, shall include the planning commission's recommendations for the following plan elements:
  - (i) a land use element that:
    - (A) designates the long-term goals and the proposed extent, general distribution, and location of land for housing for residents of various income levels, business, industry, agriculture, recreation, education, public buildings and grounds, open space, and other categories of public and private uses of land as

- 232 appropriate;
- 233 (B) includes a statement of the projections for and standards of population density
- 234 and building intensity recommended for the various land use categories
- 235 covered by the plan;
- 236 (C) is coordinated to integrate the land use element with the water use and
- 237 preservation element; and
- 238 (D) accounts for the effect of land use categories and land uses on water demand;
- 239 (ii) a transportation and traffic circulation element that:
- 240 (A) provides the general location and extent of existing and proposed freeways,
- 241 arterial and collector streets, public transit, active transportation facilities, and
- 242 other modes of transportation that the planning commission considers
- 243 appropriate;
- 244 (B) addresses the county's plan for residential and commercial development
- 245 around major transit investment corridors to maintain and improve the
- 246 connections between housing, employment, education, recreation, and
- 247 commerce; and
- 248 (C) correlates with the population projections, the employment projections, and
- 249 the proposed land use element of the general plan;
- 250 (iii) for a specified county as defined in Section 17-27a-408, a moderate income
- 251 housing element that:
- 252 (A) provides a realistic opportunity to meet the need for additional moderate
- 253 income housing within the next five years;
- 254 (B) selects three or more moderate income housing strategies described in
- 255 Subsection (2)(b)(ii) for implementation; and
- 256 (C) includes an implementation plan as provided in Subsection (2)[(e)] (f);
- 257 (iv) a resource management plan detailing the findings, objectives, and policies
- 258 required by Subsection 17-27a-401(3); and
- 259 (v) a water use and preservation element that addresses:
- 260 (A) the effect of permitted development or patterns of development on water
- 261 demand and water infrastructure;
- 262 (B) methods of reducing water demand and per capita consumption for future
- 263 development;
- 264 (C) methods of reducing water demand and per capita consumption for existing
- 265 development; and



- 266 (D) opportunities for the county to modify the county's operations to eliminate  
267 practices or conditions that waste water.
- 268 (b) In drafting the moderate income housing element, the planning commission:
- 269 (i) shall consider the Legislature's determination that counties should facilitate a  
270 reasonable opportunity for a variety of housing, including moderate income  
271 housing:
- 272 (A) to meet the needs of people of various income levels living, working, or  
273 desiring to live or work in the community; and
- 274 (B) to allow people with various incomes to benefit from and fully participate in  
275 all aspects of neighborhood and community life; and
- 276 (ii) shall include an analysis of how the county will provide a realistic opportunity for  
277 the development of moderate income housing within the planning horizon,  
278 including a recommendation to implement three or more of the following  
279 moderate income housing strategies:
- 280 (A) rezone for densities necessary to facilitate the production of moderate income  
281 housing;
- 282 (B) demonstrate investment in the rehabilitation or expansion of infrastructure that  
283 facilitates the construction of moderate income housing;
- 284 (C) demonstrate investment in the rehabilitation of existing uninhabitable housing  
285 stock into moderate income housing;
- 286 (D) identify and utilize county general fund subsidies or other sources of revenue  
287 to waive construction related fees that are otherwise generally imposed by the  
288 county for the construction or rehabilitation of moderate income housing;
- 289 (E) create or allow for, and reduce regulations related to, internal or detached  
290 accessory dwelling units in residential zones;
- 291 (F) zone or rezone for higher density or moderate income residential development  
292 in commercial or mixed-use zones, commercial centers, or employment centers;
- 293 (G) amend land use regulations to allow for higher density or new moderate  
294 income residential development in commercial or mixed-use zones near major  
295 transit investment corridors;
- 296 (H) amend land use regulations to eliminate or reduce parking requirements for  
297 residential development where a resident is less likely to rely on the resident's  
298 own vehicle, such as residential development near major transit investment  
299 corridors or senior living facilities;

- (I) amend land use regulations to allow for single room occupancy developments;
- (J) implement zoning incentives for moderate income units in new developments;
- (K) preserve existing and new moderate income housing and subsidized units by utilizing a landlord incentive program, providing for deed restricted units through a grant program, or establishing a housing loss mitigation fund;
- (L) reduce, waive, or eliminate impact fees related to moderate income housing;
- (M) demonstrate creation of, or participation in, a community land trust program for moderate income housing;
- (N) implement a mortgage assistance program for employees of the county, an employer that provides contracted services for the county, or any other public employer that operates within the county;
- (O) apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of moderate income housing, an entity that applies for programs offered by the Utah Housing Corporation within that agency's funding capacity, an entity that applies for affordable housing programs administered by the Department of Workforce Services, an entity that applies for services provided by a public housing authority to preserve and create moderate income housing, or any other entity that applies for programs or services that promote the construction or preservation of moderate income housing;
- (P) demonstrate utilization of a moderate income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate income housing;
- (Q) create a housing and transit reinvestment zone pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
- (R) create a home ownership promotion zone pursuant to Part 12, Home Ownership Promotion Zone for Counties;
- (S) eliminate impact fees for any accessory dwelling unit that is not an internal accessory dwelling unit as defined in Section 10-9a-530;
- (T) create a program to transfer development rights for moderate income housing;
- (U) ratify a joint acquisition agreement with another local political subdivision for the purpose of combining resources to acquire property for moderate income housing;

(V) develop a moderate income housing project for residents who are disabled or 55 years old or older;

(W) create or allow for, and reduce regulations related to, multifamily residential dwellings compatible in scale and form with detached single-family residential dwellings and located in walkable communities within residential or mixed-use zones; and

(X) demonstrate implementation of any other program or strategy to address the housing needs of residents of the county who earn less than 80% of the area median income, including the dedication of a local funding source to moderate income housing or the adoption of a land use ordinance that requires 10% or more of new residential development in a residential zone be dedicated to moderate income housing.

~~[(e) If a specified county, as defined in Section 17-27a-408, has created a small public transit district, as defined in Section 17B-2a-802, on or before January 1, 2022, the specified county shall include as part of the specified county's recommended strategies under Subsection (2)(b)(ii) a recommendation to implement the strategy described in Subsection (2)(b)(ii)(Q).]~~

~~[(d)]~~ (c) The planning commission shall identify each moderate income housing strategy recommended to the legislative body for implementation by restating the exact language used to describe the strategy in Subsection (2)(b)(ii).

~~[(e)]~~ (d) In drafting the land use element, the planning commission shall:

- (i) identify and consider each agriculture protection area within the unincorporated area of the county or mountainous planning district;
- (ii) avoid proposing a use of land within an agriculture protection area that is inconsistent with or detrimental to the use of the land for agriculture; and
- (iii) consider and coordinate with any station area plans adopted by municipalities located within the county under Section 10-9a-403.1.

~~[(f)]~~ (e) In drafting the transportation and traffic circulation element, the planning commission shall:

- (i)(A) consider and coordinate with the regional transportation plan developed by the county's region's metropolitan planning organization, if the relevant areas of the county are within the boundaries of a metropolitan planning organization; or
- (B) consider and coordinate with the long-range transportation plan developed by

the Department of Transportation, if the relevant areas of the county are not within the boundaries of a metropolitan planning organization; and

(ii) consider and coordinate with any station area plans adopted by municipalities located within the county under Section 10-9a-403.1.

~~[(g)]~~ (f)(i) In drafting the implementation plan portion of the moderate income housing element as described in Subsection (2)(a)(iii)(C), the planning commission shall recommend to the legislative body the establishment of a five-year timeline for implementing each of the moderate income housing strategies selected by the county for implementation.

(ii) The timeline described in Subsection (2)~~[(g)(i)]~~ (f)(i) shall:

(A) identify specific measures and benchmarks for implementing each moderate income housing strategy selected by the county; and

(B) provide flexibility for the county to make adjustments as needed.

~~[(h)]~~ (g) In drafting the water use and preservation element, the planning commission:

(i) shall consider applicable regional water conservation goals recommended by the Division of Water Resources;

(ii) shall consult with the Division of Water Resources for information and technical resources regarding regional water conservation goals, including how implementation of the land use element and water use and preservation element may affect the Great Salt Lake;

(iii) shall notify the community water systems serving drinking water within the unincorporated portion of the county and request feedback from the community water systems about how implementation of the land use element and water use and preservation element may affect:

(A) water supply planning, including drinking water source and storage capacity consistent with Section 19-4-114; and

(B) water distribution planning, including master plans, infrastructure asset management programs and plans, infrastructure replacement plans, and impact fee facilities plans;

(iv) shall consider the potential opportunities and benefits of planning for regionalization of public water systems;

(v) shall consult with the Department of Agriculture and Food for information and technical resources regarding the potential benefits of agriculture conservation easements and potential implementation of agriculture water optimization projects

- 402 that would support regional water conservation goals;
- 403 (vi) shall notify an irrigation or canal company located in the county so that the
- 404 irrigation or canal company can be involved in the protection and integrity of the
- 405 irrigation or canal company's delivery systems;
- 406 (vii) shall include a recommendation for:
- 407 (A) water conservation policies to be determined by the county; and
- 408 (B) landscaping options within a public street for current and future development
- 409 that do not require the use of lawn or turf in a parkstrip;
- 410 (viii) shall review the county's land use ordinances and include a recommendation for
- 411 changes to an ordinance that promotes the inefficient use of water;
- 412 (ix) shall consider principles of sustainable landscaping, including the:
- 413 (A) reduction or limitation of the use of lawn or turf;
- 414 (B) promotion of site-specific landscape design that decreases stormwater runoff
- 415 or runoff of water used for irrigation;
- 416 (C) preservation and use of healthy trees that have a reasonable water requirement
- 417 or are resistant to dry soil conditions;
- 418 (D) elimination or regulation of ponds, pools, and other features that promote
- 419 unnecessary water evaporation;
- 420 (E) reduction of yard waste; and
- 421 (F) use of an irrigation system, including drip irrigation, best adapted to provide
- 422 the optimal amount of water to the plants being irrigated;
- 423 (x) may include recommendations for additional water demand reduction strategies,
- 424 including:
- 425 (A) creating a water budget associated with a particular type of development;
- 426 (B) adopting new or modified lot size, configuration, and landscaping standards
- 427 that will reduce water demand for new single family development;
- 428 (C) providing one or more water reduction incentives for existing landscapes and
- 429 irrigation systems and installation of water fixtures or systems that minimize
- 430 water demand;
- 431 (D) discouraging incentives for economic development activities that do not
- 432 adequately account for water use or do not include strategies for reducing
- 433 water demand; and
- 434 (E) adopting water concurrency standards requiring that adequate water supplies
- 435 and facilities are or will be in place for new development; and

(xi) shall include a recommendation for low water use landscaping standards for a new:

(A) commercial, industrial, or institutional development;

(B) common interest community, as defined in Section 57-25-102; or

(C) multifamily housing project.

(3) The proposed general plan may include:

(a) an environmental element that addresses:

(i) to the extent not covered by the county's resource management plan, the protection, conservation, development, and use of natural resources, including the quality of:

(A) air;

(B) forests;

(C) soils;

(D) rivers;

(E) groundwater and other waters;

(F) harbors;

(G) fisheries;

(H) wildlife;

(I) minerals; and

(J) other natural resources; and

(ii)(A) the reclamation of land, flood control, prevention and control of the pollution of streams and other waters;

(B) the regulation of the use of land on hillsides, stream channels and other environmentally sensitive areas;

(C) the prevention, control, and correction of the erosion of soils;

(D) the preservation and enhancement of watersheds and wetlands; and

(E) the mapping of known geologic hazards;

(b) a public services and facilities element showing general plans for sewage, water, waste disposal, drainage, public utilities, rights-of-way, easements, and facilities for them, police and fire protection, and other public services;

(c) a rehabilitation, redevelopment, and conservation element consisting of plans and programs for:

(i) historic preservation;

(ii) the diminution or elimination of a development impediment as defined in Section

- 17C-1-102; and
- (iii) redevelopment of land, including housing sites, business and industrial sites, and public building sites;
- (d) an economic element composed of appropriate studies and forecasts, as well as an economic development plan, which may include review of existing and projected county revenue and expenditures, revenue sources, identification of basic and secondary industry, primary and secondary market areas, employment, and retail sales activity;
- (e) recommendations for implementing all or any portion of the general plan, including the adoption of land and water use ordinances, capital improvement plans, community development and promotion, and any other appropriate action;
- (f) provisions addressing any of the matters listed in Subsection 17-27a-401(2) or (3)(a)(i); and
- (g) any other element the county considers appropriate.

Section 3. Section **17-27a-408** is amended to read:

**17-27a-408 (Effective upon governor's approval). Moderate income housing report -- Contents -- Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

(1) As used in this section:

- (a) "Division" means the Housing and Community Development Division within the Department of Workforce Services.
- (b) "Implementation plan" means the implementation plan adopted as part of the moderate income housing element of a specified county's general plan as provided in Subsection 17-27a-403(2)[~~(g)~~] (f).
- (c) "Initial report" means the one-time moderate income housing report described in Subsection (2).
- (d) "Moderate income housing strategy" means a strategy described in Subsection 17-27a-403(2)(b)(ii).
- (e) "Report" means an initial report or a subsequent report.
- (f) "Specified county" means a county of the first, second, or third class, which has a population of more than 5,000 in the county's unincorporated areas.
- (g) "Subsequent progress report" means the annual moderate income housing report described in Subsection (3).

(2)(a) The legislative body of a specified county shall annually submit an initial report to

the division.

(b)(i) This Subsection (2)(b) applies to a county that is not a specified county as of January 1, 2023.

(ii) As of January 1, if a county described in Subsection (2)(b)(i) changes from one class to another or grows in population to qualify as a specified county, the county shall submit an initial plan to the division on or before August 1 of the first calendar year beginning on January 1 in which the county qualifies as a specified county.

(c) The initial report shall:

(i) identify each moderate income housing strategy selected by the specified county for continued, ongoing, or one-time implementation, using the exact language used to describe the moderate income housing strategy in Subsection 17-27a-403 (2)(b)(ii); and

(ii) include an implementation plan.

(3)(a) After the division approves a specified county's initial report under this section, the specified county shall, as an administrative act, annually submit to the division a subsequent progress report on or before August 1 of each year after the year in which the specified county is required to submit the initial report.

(b) The subsequent progress report shall include:

(i) subject to Subsection (3)(c), a description of each action, whether one-time or ongoing, taken by the specified county during the previous 12-month period to implement the moderate income housing strategies identified in the initial report for implementation;

(ii) a description of each land use regulation or land use decision made by the specified county during the previous 12-month period to implement the moderate income housing strategies, including an explanation of how the land use regulation or land use decision supports the specified county's efforts to implement the moderate income housing strategies;

(iii) a description of any barriers encountered by the specified county in the previous 12-month period in implementing the moderate income housing strategies;

(iv) the number of residential dwelling units that have been entitled that have not received a building permit as of the submission date of the progress report;

(v) shapefiles, or website links if shapefiles are not available, to current maps and tables related to zoning;



- 538 (vi) information regarding the number of internal and external or detached accessory  
539 dwelling units located within the specified county for which the specified county:  
540 (A) issued a building permit to construct; or  
541 (B) issued a business license or comparable license or permit to rent;  
542 (vii) a description of how the market has responded to the selected moderate income  
543 housing strategies, including the number of entitled moderate income housing  
544 units or other relevant data; and  
545 (viii) any recommendations on how the state can support the specified county in  
546 implementing the moderate income housing strategies.
- 547 (c) For purposes of describing actions taken by a specified county under Subsection  
548 (3)(b)(i), the specified county may include an ongoing action taken by the specified  
549 county prior to the 12-month reporting period applicable to the subsequent progress  
550 report if the specified county:  
551 (i) has already adopted an ordinance, approved a land use application, made an  
552 investment, or approved an agreement or financing that substantially promotes the  
553 implementation of a moderate income housing strategy identified in the initial  
554 report; and  
555 (ii) demonstrates in the subsequent progress report that the action taken under  
556 Subsection (3)(c)(i) is relevant to making meaningful progress towards the  
557 specified county's implementation plan.
- 558 (d) A specified county's report shall be in a form:  
559 (i) approved by the division; and  
560 (ii) made available by the division on or before May 1 of the year in which the report  
561 is required.
- 562 (4) Within 90 days after the day on which the division receives a specified county's report,  
563 the division shall:  
564 (a) post the report on the division's website;  
565 (b) send a copy of the report to the Department of Transportation, the Governor's Office  
566 of Planning and Budget, the association of governments in which the specified  
567 county is located, and, if the unincorporated area of the specified county is located  
568 within the boundaries of a metropolitan planning organization, the appropriate  
569 metropolitan planning organization; and  
570 (c) subject to Subsection (5), review the report to determine compliance with this section.
- 571 (5)(a) An initial report does not comply with this section unless the report:

- 572 (i) includes the information required under Subsection (2)(c);
- 573 (ii) ~~[subject to Subsection (5)(e), ]~~demonstrates to the division that the specified
- 574 county made plans to implement three or more moderate income housing
- 575 strategies; and
- 576 (iii) is in a form approved by the division.
- 577 (b) A subsequent progress report does not comply with this section unless the report:
- 578 (i) ~~[subject to Subsection (5)(e), ]~~demonstrates to the division that the specified
- 579 county made plans to implement three or more moderate income housing
- 580 strategies;
- 581 (ii) is in a form approved by the division; and
- 582 (iii) provides sufficient information for the division to:
- 583 (A) assess the specified county's progress in implementing the moderate income
- 584 housing strategies;
- 585 (B) monitor compliance with the specified county's implementation plan;
- 586 (C) identify a clear correlation between the specified county's land use decisions
- 587 and efforts to implement the moderate income housing strategies;
- 588 (D) identify how the market has responded to the specified county's selected
- 589 moderate income housing strategies; and
- 590 (E) identify any barriers encountered by the specified county in implementing the
- 591 selected moderate income housing strategies.
- 592 ~~[(e)(i) This Subsection (5)(e) applies to a specified county that has created a small~~
- 593 ~~public transit district, as defined in Section 17B-2a-802, on or before January 1,~~
- 594 ~~2022.]~~
- 595 ~~[(ii) In addition to the requirements of Subsections (5)(a) and (b), a report for a~~
- 596 ~~specified county described in Subsection (5)(e)(i) does not comply with this~~
- 597 ~~section unless the report demonstrates to the division that the specified county:]~~
- 598 ~~[(A) made plans to implement the moderate income housing strategy described in~~
- 599 ~~Subsection 17-27a-403(2)(b)(ii)(Q); and]~~
- 600 ~~[(B) is in compliance with Subsection 63N-3-603(8).]~~
- 601 (6)(a) A specified county qualifies for priority consideration under this Subsection (6) if
- 602 the specified county's report:
- 603 (i) complies with this section; and
- 604 (ii) demonstrates to the division that the specified county made plans to implement
- 605 five or more moderate income housing strategies.

(b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c), give priority consideration to transportation projects located within the unincorporated areas of a specified county described in Subsection (6)(a) until the Department of Transportation receives notice from the division under Subsection (6)(e).

(c) Upon determining that a specified county qualifies for priority consideration under this Subsection (6), the division shall send a notice of prioritization to the legislative body of the specified county and the Department of Transportation.

(d) The notice described in Subsection (6)(c) shall:

- (i) name the specified county that qualifies for priority consideration;
- (ii) describe the funds or projects for which the specified county qualifies to receive priority consideration; and
- (iii) state the basis for the division's determination that the specified county qualifies for priority consideration.

(e) The division shall notify the legislative body of a specified county and the Department of Transportation in writing if the division determines that the specified county no longer qualifies for priority consideration under this Subsection (6).

(7)(a) If the division, after reviewing a specified county's report, determines that the report does not comply with this section, the division shall send a notice of noncompliance to the legislative body of the specified county.

(b) A specified county that receives a notice of noncompliance may:

- (i) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or
- (ii) request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent.

(c) The notice described in Subsection (7)(a) shall:

- (i) describe each deficiency in the report and the actions needed to cure each deficiency;
- (ii) state that the specified county has an opportunity to:
  - (A) submit to the division a corrected report that cures each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or
  - (B) submit to the division a request for an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of

- 640 noncompliance is sent; and
- 641 (iii) state that failure to take action under Subsection (7)(c)(ii) will result in the
- 642 specified county's ineligibility for funds and fees owed under Subsection (9).
- 643 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the
- 644 action needed to cure the deficiency as described by the division requires the
- 645 specified county to make a legislative change, the specified county may cure the
- 646 deficiency by making that legislative change within the 90-day cure period.
- 647 (e)(i) If a specified county submits to the division a corrected report in accordance
- 648 with Subsection (7)(b)(i), and the division determines that the corrected report
- 649 does not comply with this section, the division shall send a second notice of
- 650 noncompliance to the legislative body of the specified county.
- 651 (ii) A specified county that receives a second notice of noncompliance may request
- 652 an appeal of the division's determination of noncompliance within 10 days after
- 653 the day on which the second notice of noncompliance is sent.
- 654 (iii) The notice described in Subsection (7)(e)(i) shall:
- 655 (A) state that the specified county has an opportunity to submit to the division a
- 656 request for an appeal of the division's determination of noncompliance within
- 657 10 days after the day on which the second notice of noncompliance is sent; and
- 658 (B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the
- 659 specified county's ineligibility for funds under Subsection (9).
- 660 (8)(a) A specified county that receives a notice of noncompliance under Subsection
- 661 (7)(a) or (7)(e)(i) may request an appeal of the division's determination of
- 662 noncompliance within 10 days after the day on which the notice of noncompliance is
- 663 sent.
- 664 (b) Within 90 days after the day on which the division receives a request for an appeal,
- 665 an appeal board consisting of the following three members shall review and issue a
- 666 written decision on the appeal:
- 667 (i) one individual appointed by the Utah Association of Counties;
- 668 (ii) one individual appointed by the Utah Homebuilders Association; and
- 669 (iii) one individual appointed by the presiding member of the association of
- 670 governments, established pursuant to an interlocal agreement under Title 11,
- 671 Chapter 13, Interlocal Cooperation Act, of which the specified county is a member.
- 672 (c) The written decision of the appeal board shall either uphold or reverse the division's
- 673 determination of noncompliance.

(d) The appeal board's written decision on the appeal is final.

(9)(a) A specified county is ineligible for funds and owes a fee under this Subsection (9) if:

(i) the specified county fails to submit a report to the division;

(ii) after submitting a report to the division, the division determines that the report does not comply with this section and the specified county fails to:

(A) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or

(B) request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent;

(iii) after submitting to the division a corrected report to cure the deficiencies in a previously submitted report, the division determines that the corrected report does not comply with this section and the specified county fails to request an appeal of the division's determination of noncompliance within 10 days after the day on which the second notice of noncompliance is sent; or

(iv) after submitting a request for an appeal under Subsection (8), the appeal board issues a written decision upholding the division's determination of noncompliance.

(b) The following apply to a specified county described in Subsection (9)(a) until the division provides notice under Subsection (9)(e):

(i) the executive director of the Department of Transportation may not program funds from the Transportation Investment Fund of 2005, including the Transit Transportation Investment Fund, to projects located within the unincorporated areas of the specified county in accordance with Subsection 72-2-124(6);

(ii) beginning with the report submitted in 2024, the specified county shall pay a fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the specified county:

(A) fails to submit the report to the division in accordance with this section, beginning the day after the day on which the report was due; or

(B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was required to occur as described in the notice of noncompliance under Subsection (7); and

(iii) beginning with the report submitted in 2025, the specified county shall pay a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the specified county, for a consecutive year:

- 708 (A) fails to submit the report to the division in accordance with this section,  
709 beginning the day after the day on which the report was due; or  
710 (B) fails to cure the deficiencies in the report, beginning the day after the day by  
711 which the cure was required to occur as described in the notice of  
712 noncompliance under Subsection (7).
- 713 (c) Upon determining that a specified county is ineligible for funds under this  
714 Subsection (9), and is required to pay a fee under Subsection (9)(b), if applicable, the  
715 division shall send a notice of ineligibility to the legislative body of the specified  
716 county, the Department of Transportation, the State Tax Commission, and the  
717 Governor's Office of Planning and Budget.
- 718 (d) The notice described in Subsection (9)(c) shall:  
719 (i) name the specified county that is ineligible for funds;  
720 (ii) describe the funds for which the specified county is ineligible to receive;  
721 (iii) describe the fee the specified county is required to pay under Subsection (9)(b),  
722 if applicable; and  
723 (iv) state the basis for the division's determination that the specified county is  
724 ineligible for funds.
- 725 (e) The division shall notify the legislative body of a specified county and the  
726 Department of Transportation in writing if the division determines that the provisions  
727 of this Subsection (9) no longer apply to the specified county.
- 728 (f) The division may not determine that a specified county that is required to pay a fee  
729 under Subsection (9)(b) is in compliance with the reporting requirements of this  
730 section until the specified county pays all outstanding fees required under Subsection  
731 (9)(b) to the Olene Walker Housing Loan Fund, created under Title 35A, Chapter 8,  
732 Part 5, Olene Walker Housing Loan Fund.
- 733 (10) In a civil action seeking enforcement or claiming a violation of this section or of  
734 Subsection 17-27a-404(5)(c), a plaintiff may not recover damages but may be awarded  
735 only injunctive or other equitable relief.
- 736 Section 4. Section **17C-1-409** is amended to read:  
737 **17C-1-409 (Effective upon governor's approval). Allowable uses of agency funds.**
- 738 (1)(a) An agency may use agency funds:  
739 (i) for any purpose authorized under this title;  
740 (ii) for administrative, overhead, legal, or other operating expenses of the agency,  
741 including consultant fees and expenses under Subsection 17C-2-102(1)(b)(ii)(B)

- 742 or funding for a business resource center;
- 743 (iii) subject to Section 11-41-103, to pay for, including financing or refinancing, all
- 744 or part of:
- 745 (A) project area development in a project area, including environmental
- 746 remediation activities occurring before or after adoption of the project area
- 747 plan;
- 748 (B) housing-related expenditures, projects, or programs as described in Section
- 749 17C-1-411 or 17C-1-412;
- 750 (C) an incentive or other consideration paid to a participant under a participation
- 751 agreement;
- 752 (D) subject to Subsections (1)(c) and (4), the value of the land for and the cost of
- 753 the installation and construction of any publicly owned building, facility,
- 754 structure, landscaping, or other improvement within the project area from
- 755 which the project area funds are collected; or
- 756 (E) the cost of the installation of publicly owned infrastructure and improvements
- 757 outside the project area from which the project area funds are collected if the
- 758 board and the community legislative body determine by resolution that the
- 759 publicly owned infrastructure and improvements benefit the project area;
- 760 (iv) in an urban renewal project area that includes some or all of an inactive industrial
- 761 site and subject to Subsection (1)(e), to reimburse the Department of
- 762 Transportation created under Section 72-1-201, or a public transit district created
- 763 under Title 17B, Chapter 2a, Part 8, Public Transit District Act, for the cost of:
- 764 (A) construction of a public road, bridge, or overpass;
- 765 (B) relocation of a railroad track within the urban renewal project area; or
- 766 (C) relocation of a railroad facility within the urban renewal project area;
- 767 (v) subject to Subsection (5), to transfer funds to a community that created the
- 768 agency; or
- 769 (vi) subject to Subsection (1)(f), for agency-wide project development under Part 10,
- 770 Agency Taxing Authority.
- 771 (b) The determination of the board and the community legislative body under Subsection
- 772 (1)(a)(iii)(E) regarding benefit to the project area shall be final and conclusive.
- 773 (c) An agency may not use project area funds received from a taxing entity for the
- 774 purposes stated in Subsection (1)(a)(iii)(D) under an urban renewal project area plan,
- 775 an economic development project area plan, or a community reinvestment project

- 776 area plan without the community legislative body's consent.
- 777 (d)(i) Subject to Subsection (1)(d)(ii), an agency may loan project area funds from a  
778 project area fund to another project area fund if:
- 779 (A) the board approves; and  
780 (B) the community legislative body approves.
- 781 (ii) An agency may not loan project area funds under Subsection (1)(d)(i) unless the  
782 projections for agency funds are sufficient to repay the loan amount.
- 783 (iii) A loan described in this Subsection (1)(d) is not subject to Title 10, Chapter 5,  
784 Uniform Fiscal Procedures Act for Utah Towns, Title 10, Chapter 6, Uniform  
785 Fiscal Procedures Act for Utah Cities, Title 17, Chapter 36, Uniform Fiscal  
786 Procedures Act for Counties, or Title 17B, Chapter 1, Part 6, Fiscal Procedures for  
787 Special Districts.
- 788 (e) Before an agency may pay any tax increment or sales tax revenue under Subsection  
789 (1)(a)(iv), the agency shall enter into an interlocal agreement defining the terms of  
790 the reimbursement with:
- 791 (i) the Department of Transportation; or  
792 (ii) a public transit district.
- 793 (f) Before an agency may use project area funds for agency-wide project development,  
794 as defined in Section 17C-1-1001, the agency shall obtain the consent of the taxing  
795 entity committee or each taxing entity party to an interlocal agreement with the  
796 agency.
- 797 (2)(a) Sales and use tax revenue that an agency receives from a taxing entity is not  
798 subject to the prohibition or limitations of Title 11, Chapter 41, Prohibition on Retail  
799 Facility Incentive Payments Act.
- 800 (b) An agency may use sales and use tax revenue that the agency receives under an  
801 interlocal agreement under Section 17C-4-201 or 17C-5-204 for the uses authorized  
802 in the interlocal agreement.
- 803 (3)(a) An agency may contract with the community that created the agency or another  
804 public entity to use agency funds to reimburse the cost of items authorized by this  
805 title to be paid by the agency that are paid by the community or other public entity.
- 806 (b) If land is acquired or the cost of an improvement is paid by another public entity and  
807 the land or improvement is leased to the community, an agency may contract with  
808 and make reimbursement from agency funds to the community.
- 809 (4) Notwithstanding any other provision of this title, an agency may not use project area



funds, project area incremental revenue as defined in Section 17C-1-1001, or property tax revenue as defined in Section 17C-1-1001, to construct a local government building unless the taxing entity committee or each taxing entity party to an interlocal agreement with the agency consents.

- (5) For the purpose of offsetting the community's annual local contribution to the Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a calendar year to a community under Subsections (1)(a)(v), 17C-1-411(1)(d), and 17C-1-412(1)(a)(x) may not exceed the community's annual local contribution as defined in Subsection [59-12-205(4)] 59-12-205(5).

Section 5. Section **17C-1-411** is amended to read:

**17C-1-411 (Effective upon governor's approval). Use of project area funds for housing-related improvements and for relocating mobile home park residents -- Funds to be held in separate accounts.**

- (1) An agency may use project area funds:

- (a) to pay all or part of the value of the land for and the cost of installation, construction, or rehabilitation of any housing-related building, facility, structure, or other housing improvement, including infrastructure improvements related to housing, located in any project area within the agency's boundaries;
- (b) outside of a project area for the purpose of:
  - (i) replacing housing units lost by project area development; or
  - (ii) increasing, improving, or preserving the affordable housing supply within the boundary of the agency;
- (c) for relocating mobile home park residents displaced by project area development, whether inside or outside a project area; or
- (d) subject to Subsection (4), to transfer funds to a community that created the agency.

- (2)(a) Each agency shall create a housing fund and separately account for project area funds allocated under this section.

- (b) Interest earned by the housing fund described in Subsection (2)(a), and any payments or repayments made to the agency for loans, advances, or grants of any kind from the housing fund, shall accrue to the housing fund.

- (c) An agency that designates a housing fund under this section shall use the housing fund for the purposes set forth in this section or Section 17C-1-412.

- (3) An agency may lend, grant, or contribute funds from the housing fund to a person, public entity, housing authority, private entity or business, or nonprofit corporation for

844 affordable housing or homeless assistance.

- 845 (4) For the purpose of offsetting the community's annual local contribution to the Homeless  
846 Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a  
847 calendar year to a community under Subsections (1)(d), 17C-1-409(1)(a)(v), and  
848 17C-1-412(1)(a)(x) may not exceed the community's annual local contribution as  
849 defined in Subsection [59-12-205(4)] 59-12-205(5).

850 Section 6. Section **17C-1-412** is amended to read:

851 **17C-1-412 (Effective upon governor's approval). Use of housing allocation --**  
852 **Separate accounting required -- Issuance of bonds for housing -- Action to compel agency**  
853 **to provide housing allocation.**

854 (1)(a) An agency shall use the agency's housing allocation to:

- 855 (i) pay part or all of the cost of land or construction of income targeted housing  
856 within the boundary of the agency, if practicable in a mixed income development  
857 or area;
- 858 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the  
859 boundary of the agency;
- 860 (iii) lend, grant, or contribute money to a person, public entity, housing authority,  
861 private entity or business, or nonprofit corporation for income targeted housing  
862 within the boundary of the agency;
- 863 (iv) plan or otherwise promote income targeted housing within the boundary of the  
864 agency;
- 865 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of  
866 any building, facility, structure, or other housing improvement, including  
867 infrastructure improvements, related to housing located in a project area where a  
868 board has determined that a development impediment exists;
- 869 (vi) replace housing units lost as a result of the project area development;
- 870 (vii) make payments on or establish a reserve fund for bonds:
- 871 (A) issued by the agency, the community, or the housing authority that provides  
872 income targeted housing within the community; and
- 873 (B) all or part of the proceeds of which are used within the community for the  
874 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 875 (viii) if the community's fair share ratio at the time of the first adoption of the project  
876 area budget is at least 1.1 to 1.0, make payments on bonds:
- 877 (A) that were previously issued by the agency, the community, or the housing

- 878 authority that provides income targeted housing within the community; and  
879 (B) all or part of the proceeds of which were used within the community for the  
880 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);  
881 (ix) relocate mobile home park residents displaced by project area development;  
882 (x) subject to Subsection (7), transfer funds to a community that created the agency;  
883 or  
884 (xi) pay for or make a contribution toward the acquisition, construction, or  
885 rehabilitation of housing that:  
886 (A) is located in the same county as the agency;  
887 (B) is owned in whole or in part by, or is dedicated to supporting, a public  
888 nonprofit college or university; and  
889 (C) only students of the relevant college or university, including the students'  
890 immediate families, occupy.
- 891 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or  
892 any portion of the agency's housing allocation to:  
893 (i) the community for use as described in Subsection (1)(a);  
894 (ii) a housing authority that provides income targeted housing within the community  
895 for use in providing income targeted housing within the community;  
896 (iii) a housing authority established by the county in which the agency is located for  
897 providing:  
898 (A) income targeted housing within the county;  
899 (B) permanent housing, permanent supportive housing, or a transitional facility, as  
900 defined in Section 35A-5-302, within the county; or  
901 (C) homeless assistance within the county;  
902 (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,  
903 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted  
904 housing within the community;  
905 (v) pay for or make a contribution toward the acquisition, construction, or  
906 rehabilitation of income targeted housing that is outside of the community if the  
907 housing is located along or near a major transit investment corridor that services  
908 the community and the related project has been approved by the community in  
909 which the housing is or will be located;  
910 (vi) pay for or make a contribution toward the acquisition, construction, or  
911 rehabilitation of income targeted housing that is outside of the community if there

912 is an interlocal agreement between the agency and the receiving community; or  
913 (vii) pay for or make a contribution toward the expansion of child care facilities  
914 within the boundary of the agency, provided that any recipient of funds from the  
915 agency's housing allocation reports annually to the agency on how the funds were  
916 used.

917 (2)(a) An agency may combine all or any portion of the agency's housing allocation with  
918 all or any portion of one or more additional agency's housing allocations if the  
919 agencies execute an interlocal agreement in accordance with Title 11, Chapter 13,  
920 Interlocal Cooperation Act.

921 (b) An agency that has entered into an interlocal agreement as described in Subsection  
922 (2)(a), meets the requirements of Subsection (1)(a) or (1)(b) if the use of the housing  
923 allocation meets the requirements for at least one agency that is a party to the  
924 interlocal agreement.

925 (3) The agency shall create a housing fund and separately account for the agency's housing  
926 allocation, together with all interest earned by the housing allocation and all payments or  
927 repayments for loans, advances, or grants from the housing allocation.

928 (4) An agency may:

929 (a) issue bonds to finance a housing-related project under this section, including the  
930 payment of principal and interest upon advances for surveys and plans or preliminary  
931 loans; and

932 (b) issue refunding bonds for the payment or retirement of bonds under Subsection  
933 (4)(a) previously issued by the agency.

934 (5)(a) Except as provided in Subsection (5)(b), an agency shall allocate money to the  
935 housing fund each year in which the agency receives sufficient tax increment to make  
936 a housing allocation required by the project area budget.

937 (b) Subsection (5)(a) does not apply in a year in which tax increment is insufficient.

938 (6)(a) Except as provided in Subsection (5)(b), if an agency fails to provide a housing  
939 allocation in accordance with the project area budget and the housing plan adopted  
940 under Subsection 17C-2-204(2), the loan fund board may bring legal action to  
941 compel the agency to provide the housing allocation.

942 (b) In an action under Subsection (6)(a), the court:

943 (i) shall award the loan fund board reasonable attorney fees, unless the court finds  
944 that the action was frivolous; and

945 (ii) may not award the agency the agency's attorney fees, unless the court finds that

the action was frivolous.

(7) For the purpose of offsetting the community's annual local contribution to the Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a calendar year to a community under Subsections (1)(a)(x), 17C-1-409(1)(a)(v), and 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined in Subsection [59-12-205(4)] 59-12-205(5).

(8) An agency shall spend, encumber, or allot the money contributed to the housing fund under Subsection (5)(a) within six years from the day on which the agency first receives the money.

Section 7. Section **17D-4-102** is amended to read:

**17D-4-102 (Effective upon governor's approval). Definitions.**

As used in this chapter:

- (1) "Board" means the board of trustees of a public infrastructure district.
- (2) "Capital city" means a city of the first class that is the capital of the state that has a convention center within the boundary of the city.
- (3) "Convention center" means a government facility:
  - (a) owned by the county in which the convention center is located;
  - (b) primarily used for hosting conventions, exhibitions, trade shows, or similar events;
  - and
  - (c) is located within the boundaries of a city of the first class in a county of the first class.
- (4) "Convention center public infrastructure district" means a public infrastructure district created to finance public infrastructure and improvements associated with and benefiting a convention center area and surrounding area, including the costs to finance any public or privately owned improvements, including:
  - (a) convention center-related improvements;
  - (b) arena improvements; and
  - (c) a convention revitalization project, as that term is defined in Section 63N-3-602.
- (5) "Convention center public infrastructure district in a capital city" means a convention center public infrastructure district created to finance public infrastructure and improvements for a convention center in a capital city, including:
  - (a) the costs to finance any public improvements that serve the convention center;
  - (b) privately owned improvements if the improvements are an allowed use of funds under Section 63N-3-1403; and
  - (c) a convention center revitalization project, as that term is defined in Section

980 63N-3-602.

981 [(2)] (6) "Creating entity" means the county, municipality, or development authority that  
982 approves the creation of a public infrastructure district.

983 [(3)] (7) "Development authority" means:

984 (a) the Utah Inland Port Authority created in Section 11-58-201;

985 (b) the Point of the Mountain State Land Authority created in Section 11-59-201;

986 (c) the Utah Fairpark Area Investment and Restoration District created in Section  
987 11-70-201; or

988 (d) the military installation development authority created in Section 63H-1-201.

989 [(4)] (8) "District applicant" means the person proposing the creation of a public  
990 infrastructure district.

991 [(5)] (9) "Division" means a division of a public infrastructure district:

992 (a) that is relatively equal in number of eligible voters or potential eligible voters to all  
993 other divisions within the public infrastructure district, taking into account existing or  
994 potential developments which, when completed, would increase or decrease the  
995 population within the public infrastructure district; and

996 (b) which a member of the board represents.

997 [(6)] (10) "Governing document" means the document governing a public infrastructure  
998 district to which the creating entity agrees before the creation of the public infrastructure  
999 district, as amended from time to time, and subject to the limitations of Title 17B,  
1000 Chapter 1, Provisions Applicable to All Special Districts, and this chapter.

1001 [(7)] (11)(a) "Limited tax bond" means a bond:

1002 (i) that is directly payable from and secured by ad valorem property taxes that are  
1003 levied:

1004 (A) by a public infrastructure district that issues the bond; and

1005 (B) on taxable property within the district;

1006 (ii) that is a general obligation of the public infrastructure district; and

1007 (iii) for which the ad valorem property tax levy for repayment of the bond does not  
1008 exceed the property tax levy rate limit established under Section 17D-4-303 for  
1009 any fiscal year, except as provided in Subsection 17D-4-301(8).

1010 (b) "Limited tax bond" does not include:

1011 (i) a short-term bond;

1012 (ii) a tax and revenue anticipation bond; or

1013 (iii) a special assessment bond.

- 1014 ~~[(8)]~~ (12)(a) "Participation agreement" means an executed agreement between a local  
1015 government entity and project participant, as those terms are defined in Section  
1016 63N-3-1401.
- 1017 (b) "Participation agreement" includes an agreement under Title 63N, Chapter 3, Part 14,  
1018 Capital City Revitalization Zone.
- 1019 (13) "Public infrastructure and improvements" means:
- 1020 (a) the same as that term is defined in Section 11-58-102, for a public infrastructure  
1021 district created by the Utah Inland Port Authority created in Section 11-58-201;
- 1022 (b) the same as that term is defined in Section 11-70-101, for a public infrastructure  
1023 district created by the Utah Fairpark Area Investment and Restoration District created  
1024 in Section 11-70-201;~~and]~~
- 1025 (c) the same as that term is defined in Section 63H-1-102, for a public infrastructure  
1026 district created by the military installation development authority created in Section  
1027 63H-1-201~~[-]~~ ; and
- 1028 (d) for a convention center public infrastructure district, infrastructure, utilities,  
1029 improvements, facilities, buildings, or remediation that:
- 1030 (i) benefit the public and are owned by a public entity or a utility;  
1031 (ii) benefit the public and are publicly maintained or operated by a public entity;  
1032 (iii) are privately owned and provide a substantial benefit, as determined by the board  
1033 of a convention center public infrastructure district, to:
- 1034 (A) the development and operation of a convention center public infrastructure  
1035 district; or
- 1036 (B) the residents or property owners within the boundaries of a convention center  
1037 public infrastructure district or within the boundaries of a convention center  
1038 reinvestment zone to which the convention center public infrastructure district  
1039 is either within or adjacent; or
- 1040 (iv) if the infrastructure and improvements are outside of the boundaries of a  
1041 convention center public infrastructure district, benefit a convention center public  
1042 infrastructure district to which the convention center public infrastructure district  
1043 project area is either within or adjacent.

1044 Section 8. Section **17D-4-202.1** is enacted to read:

1045 **17D-4-202.1 (Effective upon governor's approval). Convention center public**  
1046 **infrastructure -- District board -- Petition and process requirements -- Governing**  
1047 **document.**

(1) As used in this section:

(a) "City" means a municipality of the first class located in a county of the first class in which a convention center is located.

(b) "County" means a county in which a convention center is located.

(c) "Lessee" means a lessee of property within the proposed convention center public infrastructure district that leases the property from the city or county for a term of at least 10 years.

(d)(i) "Petitioner" means:

(A) a surface property owner, a property owner, or lessee of property within a proposed convention center public infrastructure district's boundaries that initiates the formation of a convention center public infrastructure district; or

(B) a surface property owner under this chapter, and Title 17B, Chapter 1, Provisions Applicable to All Special Districts, in relation to a convention center public infrastructure district.

(ii) "Petitioner" does not include a city, county, or other public entity.

(2) A convention center public infrastructure district shall be created in a city upon the submission of a petition in accordance with this part and shall have all the powers of a public infrastructure district under this chapter.

(3) A convention center public infrastructure district may only be created within a city in which a convention center is located.

(4) The petition described in Subsection (2) shall:

(a) include the governing document; and

(b) for a petition to a city which has previously authorized revitalization taxes described in Section 63N-3-1403, include as part of the governing document approval and authorization of an interlocal agreement pledging and securing the revitalization taxes for debt of the proposed convention center public infrastructure district.

(5)(a) The process for creating a convention center public infrastructure district or a convention center public infrastructure district in a capital city shall be initiated by the submission of a petition and a governing document to the city, except that:

(i) the city recorder shall certify the petition within 14 days from the day the petitioner submits the petition to the city recorder;

(ii) if the city recorder fails to certify the petition within the time described in Subsection (5)(a)(i), the petition shall be considered certified; and

(iii) within 30 days from the day that the petitioner submits the petition to the city



- 1082 recorder, or if the city and the petitioner have come to an agreement as described  
1083 in Subsection (5)(b), the city shall adopt a resolution to approve:  
1084 (A) the governing document the petitioner submitted with the petition; and  
1085 (B) the creation of a convention center public infrastructure district or a  
1086 convention center public infrastructure district in a capital city.  
1087 (b) Notwithstanding Subsection (5)(a), the city and petitioner may negotiate the finalized  
1088 terms of the petition, including the terms of an interlocal agreement, within a time  
1089 period agreed upon by the city and petitioner.  
1090 (6)(a) The boundaries of a convention center public infrastructure district shall be  
1091 limited to an area within a one-half-mile radius of a convention center.  
1092 (b) If a parcel is intersected by the radius described in Subsection (6)(a), the entire parcel  
1093 may be included in the district.  
1094 (7) A convention center public infrastructure district shall be subject to the following  
1095 provisions regarding taxation and financing:  
1096 (a) a convention center public infrastructure district may levy an administrative tax of up  
1097 to 0.0005 per dollar of taxable value on taxable property within the district; and  
1098 (b) the administrative tax shall be used exclusively for administrative expenses and may  
1099 not be used for capital costs or debt payment.  
1100 (8) A convention center public infrastructure district shall be governed by the governing  
1101 document submitted and approved as described in this section.  
1102 (9) The convention center public infrastructure board shall consist of five members as  
1103 follows:  
1104 (a) three members shall be representatives of the petitioner and selected by the petitioner;  
1105 (b) one member may be a representative of the city and selected by the mayor of the  
1106 city; and  
1107 (c) one member may be a representative of the county and selected by the mayor of the  
1108 county.  
1109 (10) If a city or county mayor chooses not to select a member of the board as described in  
1110 Subsection (9)(b) or (c), elects in writing to permanently abdicate the board seat, or  
1111 chooses to vacate a member at any time, the petitioner shall select a member for the  
1112 replacement who shall not be a representative of the city or county in which the  
1113 convention center is located.  
1114 (11)(a) A convention center public infrastructure district shall enter into an interlocal  
1115 agreement with the relevant county that provides that, for any revenue that is

transferred to the convention center public infrastructure district from a convention center reinvestment zone created pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the mayor of the county shall have approval authority for the expenditure of any revenue related to a convention center revitalization project, as that term is defined in Section 63N-3-602.

(b) The approval authority described in Subsection (11)(a) does not include approval authority over:

(i) any bonds or debt or related terms issued by the convention center public infrastructure district; or

(ii) revenue subject to a participation agreement entered into pursuant to Title 63N, Chapter 3, Part 14, Capital City Revitalization Zone.

Section 9. Section **17D-4-203** is amended to read:

**17D-4-203 (Effective upon governor's approval). Public infrastructure district powers.**

A public infrastructure district:

(1) has all of the authority conferred upon a special district under Section 17B-1-103; and

(2) may:

(a) issue negotiable bonds to pay:

(i) all or part of the costs of acquiring, acquiring an interest in, improving, or extending any of the improvements, facilities, or property allowed under Section 11-14-103;

(ii) capital costs of improvements in an energy assessment area, as defined in Section 11-42a-102, and other related costs, against the funds that the public infrastructure district will receive because of an assessment in an energy assessment area, as defined in Section 11-42a-102;

(iii) public improvements related to the provision of housing;

(iv) capital costs related to public transportation;

(v) for a public infrastructure district that is within or adjacent to a housing and transit reinvestment zone described in Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, any and all costs to finance any public or privately owned improvements, which, in the discretion of the board of the public infrastructure district, promote the objectives described in Section 63N-3-603.1;

(vi) for a public infrastructure district~~[-created by a development authority]~~, the cost of acquiring or financing public infrastructure and improvements;~~[-and]~~

1150 ~~[(vi)]~~ (vii) for a public infrastructure district that is a subsidiary of the Utah Inland  
1151 Port Authority, the costs associated with a remediation project, as defined in  
1152 Section 11-58-102;

1153 (viii) for a convention center public infrastructure district that is within or adjacent to  
1154 a convention center reinvestment zone as defined in Section 63N-3-602, any or all  
1155 of the costs to finance any public or privately owned improvements, including  
1156 convention center-related improvements and arena improvements, which, in the  
1157 discretion of the board of a convention center public infrastructure district,  
1158 promote the objectives of the convention center reinvestment zone, as described in  
1159 Section 63N-3-603.1;

1160 (ix) for a convention center public infrastructure district, the costs of financing a  
1161 convention revitalization project, as the term is defined in Section 63N-3-602;

1162 (x) for a convention center public infrastructure district in a capital city that is within  
1163 or adjacent to a convention center reinvestment zone in a capital city, as defined in  
1164 Section 63N-3-602, any or all of the costs to financing any publicly owned  
1165 improvements, including the cost of financing a convention center revitalization  
1166 project in a capital city, as defined in Section 63N-3-602, convention  
1167 center-related improvements, and publicly or privately owned improvements that  
1168 directly serve the convention center, which, in the discretion of the board of the  
1169 convention center public infrastructure district in a capital city, promote the  
1170 objectives of the convention center reinvestment zone in a capital city, as  
1171 described in Section 63N-3-603.1; and

1172 (xi) for a convention center public infrastructure district in a capital city that is within  
1173 a capital city revitalization zone project area, as defined in Section 63N-3-1401,  
1174 any allowed uses of funds or revenue provided for under Section 59-12-402.5,  
1175 including eligible expenses consistent with the terms of the participation  
1176 agreement, except that a convention center public infrastructure district in a  
1177 capital city may not issue negotiable bonds serviced by the revitalization tax under  
1178 Section 59-12-402.5 for privately owned improvements for more than the  
1179 maximum dollar amount described in the participation agreement.

1180 (b) enter into an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal  
1181 Cooperation Act, provided that the interlocal agreement may not expand the powers  
1182 of the public infrastructure district, within the limitations of Title 11, Chapter 13,  
1183 Interlocal Cooperation Act, without the consent of the creating entity;

- (c) acquire completed or partially completed improvements for fair market value as reasonably determined by:
  - (i) the board;
  - (ii) the creating entity, if required in the governing document; or
  - (iii) a surveyor or engineer that a public infrastructure district employs or engages to perform the necessary engineering services for and to supervise the construction or installation of the improvements;
- (d) contract with the creating entity for the creating entity to provide administrative services on behalf of the public infrastructure district, when agreed to by both parties, in order to achieve cost savings and economic efficiencies, at the discretion of the creating entity; and
- (e) for a public infrastructure district created by a development authority:
  - (i)(A) operate and maintain public infrastructure and improvements the district acquires or finances; and
  - (B) use fees, assessments, or taxes to pay for the operation and maintenance of those public infrastructure and improvements; and
  - (ii) issue bonds under Title 11, Chapter 42, Assessment Area Act; and
- (f) for a public infrastructure district that is a subsidiary of the Utah Inland Port Authority, pay for costs associated with a remediation project, as defined in Section 11-58-102, of the Utah Inland Port Authority.

Section 10. Section **59-1-306** is amended to read:

**59-1-306 (Effective upon governor's approval). Definition -- State Tax Commission Administrative Charge Account -- Amount of administrative charge -- Deposit of revenue into the restricted account -- Interest deposited into General Fund -- Expenditure of money deposited into the restricted account.**

- (1) As used in this section, "qualifying tax, fee, or charge" means a tax, fee, or charge the commission administers under:
- (a) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
  - (b) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
  - (c) Section 19-6-714;
  - (d) Section 19-6-805;
  - (e) Chapter 12, Sales and Use Tax Act, other than a tax under Chapter 12, Part 1, Tax Collection, or Chapter 12, Part 18, Additional State Sales and Use Tax Act;
  - (f) Section 59-27-105;

(g) Chapter 31, Cannabinoid Licensing and Tax Act;

(h) Section 63H-1-205;[-or]

(i) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act; or

[~~(i)~~] (j) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges.

(2) There is created a restricted account within the General Fund known as the "State Tax Commission Administrative Charge Account."

(3) Subject to the other provisions of this section, the restricted account shall consist of administrative charges the commission retains and deposits in accordance with this section.

(4) For purposes of this section, the administrative charge is a percentage of revenue the commission collects from each qualifying tax, fee, or charge of not to exceed the lesser of:

(a) 1.5%; or

(b) an equal percentage of revenue the commission collects from each qualifying tax, fee, or charge sufficient to cover the cost to the commission of administering the qualifying taxes, fees, or charges.

(5) The commission shall deposit an administrative charge into the restricted account.

(6) Interest earned on the restricted account shall be deposited into the General Fund.

(7) The commission shall expend money appropriated by the Legislature to the commission from the restricted account to administer qualifying taxes, fees, or charges.

Section 11. Section **59-1-404** is amended to read:

**59-1-404 (Effective upon governor's approval). Definitions -- Confidentiality of commercial information obtained from a property taxpayer or derived from the commercial information -- Rulemaking authority -- Exceptions -- Written explanation -- Signature requirements -- Retention of signed explanation by employer -- Penalty.**

(1) As used in this section:

(a) "Appraiser" means an individual who holds an appraiser's certificate or license issued by the Division of Real Estate under Title 61, Chapter 2g, Real Estate Appraiser Licensing and Certification Act and includes an individual associated with an appraiser who assists the appraiser in preparing an appraisal.

(b) "Appraisal" is as defined in Section 61-2g-102.

(c)(i) "Commercial information" means:

(A) information of a commercial nature obtained from a property taxpayer

- 1252 regarding the property taxpayer's property; or
- 1253 (B) information derived from the information described in this Subsection (1)(c)(i).
- 1254 (ii)(A) "Commercial information" does not include information regarding a
- 1255 property taxpayer's property if the information is intended for public use.
- 1256 (B) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 1257 for purposes of Subsection (1)(c)(ii)(A), the commission may by rule prescribe
- 1258 the circumstances under which information is intended for public use.
- 1259 (d) "Consultation service" is as defined in Section 61-2g-102.
- 1260 (e) "Locally assessed property" means property that is assessed by a county assessor in
- 1261 accordance with Chapter 2, Part 3, County Assessment.
- 1262 (f) "Property taxpayer" means a person that:
- 1263 (i) is a property owner; or
- 1264 (ii) has in effect a contract with a property owner to:
- 1265 (A) make filings on behalf of the property owner;
- 1266 (B) process appeals on behalf of the property owner; or
- 1267 (C) pay a tax under Chapter 2, Property Tax Act, on the property owner's property.
- 1268 (g) "Property taxpayer's property" means property with respect to which a property
- 1269 taxpayer:
- 1270 (i) owns the property;
- 1271 (ii) makes filings relating to the property;
- 1272 (iii) processes appeals relating to the property; or
- 1273 (iv) pays a tax under Chapter 2, Property Tax Act, on the property.
- 1274 (h) "Protected commercial information" means commercial information that:
- 1275 (i) identifies a specific property taxpayer; or
- 1276 (ii) would reasonably lead to the identity of a specific property taxpayer.
- 1277 (2) An individual listed under Subsection 59-1-403(2)(a) may not disclose commercial
- 1278 information:
- 1279 (a) obtained in the course of performing any duty that the individual listed under
- 1280 Subsection 59-1-403(2)(a) performs under Chapter 2, Property Tax Act; or
- 1281 (b) relating to an action or proceeding:
- 1282 (i) with respect to a tax imposed on property in accordance with Chapter 2, Property
- 1283 Tax Act; and
- 1284 (ii) that is filed in accordance with:
- 1285 (A) this chapter;

- 1286 (B) Chapter 2, Property Tax Act; or  
1287 (C) this chapter and Chapter 2, Property Tax Act.
- 1288 (3)(a) Notwithstanding Subsection (2) and subject to Subsection (3)(c), an individual  
1289 listed under Subsection 59-1-403(2)(a) may disclose the following information:
- 1290 (i) the assessed value of property;
  - 1291 (ii) the tax rate imposed on property;
  - 1292 (iii) a legal description of property;
  - 1293 (iv) the physical description or characteristics of property, including a street address  
1294 or parcel number for the property;
  - 1295 (v) the square footage or acreage of property;
  - 1296 (vi) the square footage of improvements on property;
  - 1297 (vii) the name of a property taxpayer;
  - 1298 (viii) the mailing address of a property taxpayer;
  - 1299 (ix) the amount of a property tax:
    - 1300 (A) assessed on property;
    - 1301 (B) due on property;
    - 1302 (C) collected on property;
    - 1303 (D) abated on property; or
    - 1304 (E) deferred on property;
  - 1305 (x) the amount of the following relating to property taxes due on property:
    - 1306 (A) interest;
    - 1307 (B) costs; or
    - 1308 (C) other charges;
  - 1309 (xi) the tax status of property, including:
    - 1310 (A) an exemption;
    - 1311 (B) a property classification;
    - 1312 (C) a bankruptcy filing; or
    - 1313 (D) whether the property is the subject of an action or proceeding under this title;
  - 1314 (xii) information relating to a tax sale of property; or
  - 1315 (xiii) information relating to single-family residential property.
- 1316 (b) Notwithstanding Subsection (2) and subject to Subsection (3)(c), an individual listed  
1317 under Subsection 59-1-403(2)(a) shall disclose, upon request, the information  
1318 described in Subsection 59-2-1007(9).
- 1319 (c)(i) Subject to Subsection (3)(c)(ii), a person may receive the information described

1320 in Subsection (3)(a) or (b) in written format.

1321 (ii) The following may charge a reasonable fee to cover the actual cost of providing  
1322 the information described in Subsection (3)(a) or (b) in written format:

1323 (A) the commission;

1324 (B) a county;

1325 (C) a city; or

1326 (D) a town.

1327 (4)(a) Notwithstanding Subsection (2) and except as provided in Subsection (4)(c), an  
1328 individual listed under Subsection 59-1-403(2)(a) shall disclose commercial  
1329 information:

1330 (i) in accordance with judicial order;

1331 (ii) on behalf of the commission in any action or proceeding:

1332 (A) under this title;

1333 (B) under another law under which a property taxpayer is required to disclose  
1334 commercial information; or

1335 (C) to which the commission is a party;

1336 (iii) on behalf of any party to any action or proceeding under this title if the  
1337 commercial information is directly involved in the action or proceeding; or

1338 (iv) if the requirements of Subsection (4)(b) are met, that is:

1339 (A) relevant to an action or proceeding:

1340 (I) filed in accordance with this title; and

1341 (II) involving property; or

1342 (B) in preparation for an action or proceeding involving property.

1343 (b) Commercial information shall be disclosed in accordance with Subsection (4)(a)(iv):

1344 (i) if the commercial information is obtained from:

1345 (A) a real estate agent if the real estate agent is not a property taxpayer of the  
1346 property that is the subject of the action or proceeding;

1347 (B) an appraiser if the appraiser:

1348 (I) is not a property taxpayer of the property that is the subject of the action or  
1349 proceeding; and

1350 (II) did not receive the commercial information pursuant to Subsection (8);

1351 (C) a property manager if the property manager is not a property taxpayer of the  
1352 property that is the subject of the action or proceeding; or

1353 (D) a property taxpayer other than a property taxpayer of the property that is the



- 1354 subject of the action or proceeding;
- 1355 (ii) regardless of whether the commercial information is disclosed in more than one
- 1356 action or proceeding; and
- 1357 (iii)(A) if a county board of equalization conducts the action or proceeding, the
- 1358 county board of equalization takes action to provide that any commercial
- 1359 information disclosed during the action or proceeding may not be disclosed by
- 1360 any person conducting or participating in the action or proceeding except as
- 1361 specifically allowed by this section;
- 1362 (B) if the commission conducts the action or proceeding, the commission enters a
- 1363 protective order or, in accordance with Title 63G, Chapter 3, Utah
- 1364 Administrative Rulemaking Act, makes rules specifying that any commercial
- 1365 information disclosed during the action or proceeding may not be disclosed by
- 1366 any person conducting or participating in the action or proceeding except as
- 1367 specifically allowed by this section; or
- 1368 (C) if a court of competent jurisdiction conducts the action or proceeding, the
- 1369 court enters a protective order specifying that any commercial information
- 1370 disclosed during the action or proceeding may not be disclosed by any person
- 1371 conducting or participating in the action or proceeding except as specifically
- 1372 allowed by this section.
- 1373 (c) Notwithstanding Subsection (4)(a), a court may require the production of, and may
- 1374 admit in evidence, commercial information that is specifically pertinent to the action
- 1375 or proceeding.
- 1376 (5) Notwithstanding Subsection (2), this section does not prohibit:
- 1377 (a) the following from receiving a copy of any commercial information relating to the
- 1378 basis for assessing a tax that is charged to a property taxpayer:
- 1379 (i) the property taxpayer;
- 1380 (ii) a duly authorized representative of the property taxpayer;
- 1381 (iii) a person that has in effect a contract with the property taxpayer to:
- 1382 (A) make filings on behalf of the property taxpayer;
- 1383 (B) process appeals on behalf of the property taxpayer; or
- 1384 (C) pay a tax under Chapter 2, Property Tax Act, on the property taxpayer's
- 1385 property;
- 1386 (iv) a property taxpayer that purchases property from another property taxpayer; or
- 1387 (v) a person that the property taxpayer designates in writing as being authorized to

- 1388 receive the commercial information;
- 1389 (b) the publication of statistics as long as the statistics are classified to prevent the  
1390 identification of a particular property taxpayer's commercial information;
- 1391 (c) the inspection by the attorney general or other legal representative of the state or a  
1392 legal representative of a political subdivision of the state of the commercial  
1393 information of a property taxpayer:
- 1394 (i) that brings action to set aside or review a tax or property valuation based on the  
1395 commercial information;
- 1396 (ii) against which an action or proceeding is contemplated or has been instituted  
1397 under this title; or
- 1398 (iii) against which the state or a political subdivision of the state has an unsatisfied  
1399 money judgment; or
- 1400 (d) the commission from disclosing commercial information to the extent necessary to  
1401 comply with the requirements of Subsection ~~[59-12-205(5)]~~ 59-12-205(6).
- 1402 (6) Notwithstanding Subsection (2), in accordance with Title 63G, Chapter 3, Utah  
1403 Administrative Rulemaking Act, the commission may by rule establish standards  
1404 authorizing an individual listed under Subsection 59-1-403(2)(a) to disclose commercial  
1405 information:
- 1406 (a)(i) in a published decision; or  
1407 (ii) in carrying out official duties; and
- 1408 (b) if that individual listed under Subsection 59-1-403(2)(a) consults with the property  
1409 taxpayer that provided the commercial information.
- 1410 (7) Notwithstanding Subsection (2):
- 1411 (a) an individual listed under Subsection 59-1-403(2)(a) may share commercial  
1412 information with the following:
- 1413 (i) another individual listed in Subsection 59-1-403(2)(a)(i) or (ii); or  
1414 (ii) a representative, agent, clerk, or other officer or employee of a county as required  
1415 to fulfill an obligation created by Chapter 2, Property Tax Act;
- 1416 (b) an individual listed under Subsection 59-1-403(2)(a) may perform the following to  
1417 fulfill an obligation created by Chapter 2, Property Tax Act:
- 1418 (i) publish notice;  
1419 (ii) provide notice; or  
1420 (iii) file a lien; or
- 1421 (c) the commission may by rule, made in accordance with Title 63G, Chapter 3, Utah

Administrative Rulemaking Act, share commercial information gathered from returns and other written statements with the federal government, any other state, any of the political subdivisions of another state, or any political subdivision of this state, if these political subdivisions or the federal government grant substantially similar privileges to this state.

(8) Notwithstanding Subsection (2):

(a) subject to the limitations in this section, an individual described in Subsection 59-1-403(2)(a) may share the following commercial information with an appraiser:

- (i) the sales price of locally assessed property and the related financing terms;
- (ii) capitalization rates and related rates and ratios related to the valuation of locally assessed property; and
- (iii) income and expense information related to the valuation of locally assessed property; and

(b) except as provided in Subsection (4), an appraiser who receives commercial information:

(i) may disclose the commercial information:

- (A) to an individual described in Subsection 59-1-403(2)(a);
- (B) to an appraiser;
- (C) in an appraisal if protected commercial information is removed to protect its confidential nature; or
- (D) in performing a consultation service if protected commercial information is not disclosed; and

(ii) may not use the commercial information:

- (A) for a purpose other than to prepare an appraisal or perform a consultation service; or
- (B) for a purpose intended to be, or which could reasonably be foreseen to be, anti-competitive to a property taxpayer.

(9)(a) The commission shall:

- (i) prepare a written explanation of this section; and
- (ii) make the written explanation described in Subsection (9)(a)(i) available to the public.

(b) An employer of a person described in Subsection 59-1-403(2)(a) shall:

- (i) provide the written explanation described in Subsection (9)(a)(i) to each person described in Subsection 59-1-403(2)(a) who is reasonably likely to receive

- 1456 commercial information;
- 1457 (ii) require each person who receives a written explanation in accordance with
- 1458 Subsection (9)(b)(i) to:
- 1459 (A) read the written explanation; and
- 1460 (B) sign the written explanation; and
- 1461 (iii) retain each written explanation that is signed in accordance with Subsection
- 1462 (9)(b)(ii) for a time period:
- 1463 (A) beginning on the day on which a person signs the written explanation in
- 1464 accordance with Subsection (9)(b)(ii); and
- 1465 (B) ending six years after the day on which the employment of the person
- 1466 described in Subsection (9)(b)(iii)(A) by the employer terminates.
- 1467 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1468 commission shall by rule define "employer."
- 1469 (10)(a) An individual described in Subsection (1)(a) or 59-1-403(2)(a), or an individual
- 1470 that violates a protective order or similar limitation entered pursuant to Subsection
- 1471 (4)(b)(iii), is guilty of a class A misdemeanor if that person:
- 1472 (i) intentionally discloses commercial information in violation of this section; and
- 1473 (ii) knows that the disclosure described in Subsection (10)(a)(i) is prohibited by this
- 1474 section.
- 1475 (b) If the individual described in Subsection (10)(a) is an officer or employee of the state
- 1476 or a county and is convicted of violating this section, the individual shall be
- 1477 dismissed from office and be disqualified from holding public office in this state for a
- 1478 period of five years thereafter.
- 1479 (c) If the individual described in Subsection (10)(a) is an appraiser, the appraiser shall
- 1480 forfeit any certification or license received under Title 61, Chapter 2g, Real Estate
- 1481 Appraiser Licensing and Certification Act, for a period of five years.
- 1482 (d) If the individual described in Subsection (10)(a) is an individual associated with an
- 1483 appraiser who assists the appraiser in preparing appraisals, the individual shall be
- 1484 prohibited from becoming licensed or certified under Title 61, Chapter 2g, Real
- 1485 Estate Appraiser Licensing and Certification Act, for a period of five years.
- 1486 (11) Notwithstanding Subsection (10), for a disclosure of information to the Office of the
- 1487 Legislative Auditor General in accordance with Title 36, Chapter 12, Legislative
- 1488 Organization:
- 1489 (a) an individual does not violate a protective order or similar limitation entered in

- 1490 accordance with Subsection (4)(b)(iii); and
- 1491 (b) an individual described in Subsection (1)(a) or 59-1-403(2)(a):
- 1492 (i) is not guilty of a class A misdemeanor; and
- 1493 (ii) is not subject to the penalties described in Subsections (10)(b) through (d).

1494 Section 12. Section **59-2-924** is amended to read:

1495 **59-2-924 (Effective 01/01/26). Definitions -- Report of valuation of property to**

1496 **county auditor and commission -- Transmittal by auditor to governing bodies --**

1497 **Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget**

1498 **-- Notice provided by the commission.**

1499 (1) As used in this section:

1500 (a)(i) "Ad valorem property tax revenue" means revenue collected in accordance with

1501 this chapter.

1502 (ii) "Ad valorem property tax revenue" does not include:

1503 (A) interest;

1504 (B) penalties;

1505 (C) collections from redemptions; or

1506 (D) revenue received by a taxing entity from personal property that is

1507 semiconductor manufacturing equipment assessed by a county assessor in

1508 accordance with Part 3, County Assessment.

1509 (b) "Adjusted tax increment" means the same as that term is defined in Section

1510 17C-1-102.

1511 (c)(i) "Aggregate taxable value of all property taxed" means:

1512 (A) the aggregate taxable value of all real property a county assessor assesses in

1513 accordance with Part 3, County Assessment, for the current year;

1514 (B) the aggregate taxable value of all real and personal property the commission

1515 assesses in accordance with Part 2, Assessment of Property, for the current

1516 year; and

1517 (C) the aggregate year end taxable value of all personal property a county assessor

1518 assesses in accordance with Part 3, County Assessment, contained on the prior

1519 year's tax rolls of the taxing entity.

1520 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate

1521 year end taxable value of personal property that is:

1522 (A) semiconductor manufacturing equipment assessed by a county assessor in

1523 accordance with Part 3, County Assessment; and

(B) contained on the prior year's tax rolls of the taxing entity.

(d) "Base taxable value" means:

(i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, the same as that term is defined in Section 11-59-207;

(iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the same as that term is defined in Section 11-70-101;

(iv) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;

(v) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102;

(vi) for a host local government, the same as that term is defined in Section 63N-2-502;

(vii) for a housing and transit reinvestment zone or convention center reinvestment

zone created under Title 63N, Chapter 3, Part 6, Housing and Transit

Reinvestment Zone Act, ~~[a property's taxable value as shown upon the assessment~~

~~roll last equalized during the base year,]~~ the same as that term is defined in Section

63N-3-602;

(viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part

10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter

27a, Part 12, Home Ownership Promotion Zone for Counties, a property's taxable

value as shown upon the assessment roll last equalized during the base year, as

that term is defined in Section 10-9a-1001 or Section 17-27a-1201; or

(ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,

First Home Investment Zone Act, a property's taxable value as shown upon the

assessment roll last equalized during the base year, as that term is defined in

Section 63N-3-1601.

(e) "Centrally assessed benchmark value" means an amount equal to the average year

end taxable value of real and personal property the commission assesses in

accordance with Part 2, Assessment of Property, for the previous three calendar

years, adjusted for taxable value attributable to:

(i) an annexation to a taxing entity;

(ii) an incorrect allocation of taxable value of real or personal property the

commission assesses in accordance with Part 2, Assessment of Property; or

- (iii) a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.

(f)(i) "Centrally assessed new growth" means the greater of:

(A) zero; or

(B) the amount calculated by subtracting the centrally assessed benchmark value adjusted for prior year end incremental value from the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value.

- (ii) "Centrally assessed new growth" does not include a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.

(g) "Certified tax rate" means a tax rate that will provide the same ad valorem property tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

(h) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.

(i) "Eligible new growth" means the greater of:

(i) zero; or

(ii) the sum of:

(A) locally assessed new growth;

(B) centrally assessed new growth; and

(C) project area new growth or hotel property new growth.

(j) "Host local government" means the same as that term is defined in Section 63N-2-502.

(k) "Hotel property" means the same as that term is defined in Section 63N-2-502.

(l) "Hotel property new growth" means an amount equal to the incremental value that is no longer provided to a host local government as incremental property tax revenue.

(m) "Incremental property tax revenue" means the same as that term is defined in Section 63N-2-502.

(n) "Incremental value" means:

- (i) for an authority created under Section 11-58-201, the amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the

property that is located within a project area and on which property tax differential is collected; and

(B) the number that represents the percentage of the property tax differential that is paid to the authority;

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount calculated by multiplying:

(A) the difference between the current assessed value of the property and the base taxable value; and

(B) the number that represents the percentage of the property tax augmentation, as defined in Section 11-59-207, that is paid to the Point of the Mountain State Land Authority;

(iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the amount calculated by multiplying:

(A) the difference between the taxable value for the current year and the base taxable value of the property that is located within a project area; and

(B) the number that represents the percentage of enhanced property tax revenue, as defined in Section 11-70-101;

(iv) for an agency created under Section 17C-1-201.5, the amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property located within a project area and on which tax increment is collected; and

(B) the number that represents the adjusted tax increment from that project area that is paid to the agency;

(v) for an authority created under Section 63H-1-201, the amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property located within a project area and on which property tax allocation is collected; and

(B) the number that represents the percentage of the property tax allocation from that project area that is paid to the authority;

(vi) for a housing and transit reinvestment zone or convention center reinvestment zone created pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount calculated by multiplying:



- 1626 (A) the difference between the taxable value and the base taxable value of the  
1627 property that is located within a housing and transit reinvestment zone or  
1628 convention center reinvestment zone and on which tax increment is collected;  
1629 and
- 1630 (B) the number that represents the percentage of the tax increment that is paid to  
1631 the housing and transit reinvestment zone or convention center reinvestment  
1632 zone;
- 1633 (vii) for a host local government, an amount calculated by multiplying:
- 1634 (A) the difference between the taxable value and the base taxable value of the  
1635 hotel property on which incremental property tax revenue is collected; and
- 1636 (B) the number that represents the percentage of the incremental property tax  
1637 revenue from that hotel property that is paid to the host local government;
- 1638 (viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part  
1639 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter  
1640 27a, Part 12, Home Ownership Promotion Zone for Counties, an amount  
1641 calculated by multiplying:
- 1642 (A) the difference between the taxable value and the base taxable value of the  
1643 property that is located within a home ownership promotion zone and on which  
1644 tax increment is collected; and
- 1645 (B) the number that represents the percentage of the tax increment that is paid to  
1646 the home ownership promotion zone; or
- 1647 (ix) for a first home investment zone created pursuant to Title 63N, Chapter 3, Part  
1648 16, First Home Investment Zone Act, an amount calculated by multiplying:
- 1649 (A) the difference between the taxable value and the base taxable value of the  
1650 property that is located within a first home investment zone and on which tax  
1651 increment is collected; and
- 1652 (B) the number that represents the percentage of the tax increment that is paid to  
1653 the first home investment zone.
- 1654 (o)(i) "Locally assessed new growth" means the greater of:
- 1655 (A) zero; or
- 1656 (B) the amount calculated by subtracting the year end taxable value of real  
1657 property the county assessor assesses in accordance with Part 3, County  
1658 Assessment, for the previous year, adjusted for prior year end incremental  
1659 value from the taxable value of real property the county assessor assesses in

1660 accordance with Part 3, County Assessment, for the current year, adjusted for  
1661 current year incremental value.

1662 (ii) "Locally assessed new growth" does not include a change in:

1663 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,  
1664 or another adjustment;

1665 (B) assessed value based on whether a property is allowed a residential exemption  
1666 for a primary residence under Section 59-2-103;

1667 (C) assessed value based on whether a property is assessed under Part 5, Farmland  
1668 Assessment Act; or

1669 (D) assessed value based on whether a property is assessed under Part 17, Urban  
1670 Farming Assessment Act.

1671 (p) "Project area" means:

1672 (i) for an authority created under Section 11-58-201, the same as that term is defined  
1673 in Section 11-58-102;

1674 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section  
1675 11-70-201, the same as that term is defined in Section 11-70-101;

1676 (iii) for an agency created under Section 17C-1-201.5, the same as that term is  
1677 defined in Section 17C-1-102;[-or]

1678 (iv) for an authority created under Section 63H-1-201, the same as that term is  
1679 defined in Section 63H-1-102[-] ;

1680 (v) for a housing and transit reinvestment zone or convention center reinvestment  
1681 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit  
1682 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;

1683 (vi) for a home ownership promotion zone created under Title 10, Chapter 9a, Part  
1684 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter  
1685 27a, Part 12, Home Ownership Promotion Zone for Counties, the same as that  
1686 term is defined in Section 10-9a-1001 or Section 17-27a-1201; or

1687 (vii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,  
1688 First Home Investment Zone Act, the same as that term is defined in Section  
1689 63N-3-1601.

1690 (q) "Project area new growth" means:

1691 (i) for an authority created under Section 11-58-201, an amount equal to the  
1692 incremental value that is no longer provided to an authority as property tax  
1693 differential;

- 1694 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,  
1695 an amount equal to the incremental value that is no longer provided to the Point of  
1696 the Mountain State Land Authority as property tax augmentation, as defined in  
1697 Section 11-59-207;
- 1698 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section  
1699 11-70-201, an amount equal to the incremental value that is no longer provided to  
1700 the Utah Fairpark Area Investment and Restoration District;
- 1701 (iv) for an agency created under Section 17C-1-201.5, an amount equal to the  
1702 incremental value that is no longer provided to an agency as tax increment;
- 1703 (v) for an authority created under Section 63H-1-201, an amount equal to the  
1704 incremental value that is no longer provided to an authority as property tax  
1705 allocation;
- 1706 (vi) for a housing and transit reinvestment zone or convention center reinvestment  
1707 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit  
1708 Reinvestment Zone Act, an amount equal to the incremental value that is no  
1709 longer provided to a housing and transit reinvestment zone or convention center  
1710 reinvestment zone as tax increment;
- 1711 (vii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part  
1712 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter  
1713 27a, Part 12, Home Ownership Promotion Zone for Counties, an amount equal to  
1714 the incremental value that is no longer provided to a home ownership promotion  
1715 zone as tax increment; or
- 1716 (viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,  
1717 First Home Investment Zone Act, an amount equal to the incremental value that is  
1718 no longer provided to a first home investment zone as tax increment.
- 1719 (r) "Project area incremental revenue" means the same as that term is defined in Section  
1720 17C-1-1001.
- 1721 (s) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
- 1722 (t) "Property tax differential" means the same as that term is defined in Section  
1723 11-58-102.
- 1724 (u) "Qualifying exempt revenue" means revenue received:
- 1725 (i) for the previous calendar year;
- 1726 (ii) by a taxing entity;
- 1727 (iii) from tangible personal property contained on the prior year's tax rolls that is

- 1728 exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year  
1729 beginning on January 1, 2022; and
- 1730 (iv) on the aggregate 2021 year end taxable value of the tangible personal property  
1731 that exceeds \$15,300.
- 1732 (v) "Tax increment" means:
- 1733 (i) for a project created under Section 17C-1-201.5, the same as that term is defined  
1734 in Section 17C-1-102;
- 1735 (ii) for a housing and transit reinvestment zone or convention center reinvestment  
1736 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit  
1737 Reinvestment Zone Act, the same as [~~that term is~~] the term "property tax  
1738 increment" is defined in Section 63N-3-602;
- 1739 (iii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part  
1740 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter  
1741 27a, Part 12, Home Ownership Promotion Zone for Counties, the same as that  
1742 term is defined in Section 10-9a-1001 or Section 17-27a-1201; or
- 1743 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,  
1744 First Home Investment Zone Act, the same as that term is defined in Section  
1745 63N-3-1601.
- 1746 (2) Before June 1 of each year, the county assessor of each county shall deliver to the  
1747 county auditor and the commission the following statements:
- 1748 (a) a statement containing the aggregate valuation of all taxable real property a county  
1749 assessor assesses in accordance with Part 3, County Assessment, for each taxing  
1750 entity; and
- 1751 (b) a statement containing the taxable value of all personal property a county assessor  
1752 assesses in accordance with Part 3, County Assessment, from the prior year end  
1753 values.
- 1754 (3) The county auditor shall, on or before June 8, transmit to the governing body of each  
1755 taxing entity:
- 1756 (a) the statements described in Subsections (2)(a) and (b);
- 1757 (b) an estimate of the revenue from personal property;
- 1758 (c) the certified tax rate; and
- 1759 (d) all forms necessary to submit a tax levy request.
- 1760 (4)(a) Except as otherwise provided in this section, the certified tax rate shall be  
1761 calculated by dividing the ad valorem property tax revenue that a taxing entity

1762 budgeted for the prior year minus the qualifying exempt revenue by the amount  
1763 calculated under Subsection (4)(b).

1764 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall  
1765 calculate an amount as follows:

1766 (i) calculate for the taxing entity the difference between:

1767 (A) the aggregate taxable value of all property taxed; and

1768 (B) any adjustments for current year incremental value;

1769 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount  
1770 determined by increasing or decreasing the amount calculated under Subsection  
1771 (4)(b)(i) by the average of the percentage net change in the value of taxable  
1772 property for the equalization period for the three calendar years immediately  
1773 preceding the current calendar year;

1774 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the  
1775 product of:

1776 (A) the amount calculated under Subsection (4)(b)(ii); and

1777 (B) the percentage of property taxes collected for the five calendar years  
1778 immediately preceding the current calendar year; and

1779 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an  
1780 amount determined by:

1781 (A) multiplying the percentage of property taxes collected for the five calendar  
1782 years immediately preceding the current calendar year by eligible new growth;  
1783 and

1784 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the  
1785 amount calculated under Subsection (4)(b)(iii).

1786 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated  
1787 as follows:

1788 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified  
1789 tax rate is zero;

1790 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

1791 (i) in a county of the first, second, or third class, the levy imposed for municipal-type  
1792 services under Sections 17-34-1 and 17-36-9; and

1793 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county  
1794 purposes and such other levies imposed solely for the municipal-type services  
1795 identified in Section 17-34-1 and Subsection 17-36-3(23);

- 1796 (c) for a community reinvestment agency that received all or a portion of a taxing  
1797 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,  
1798 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in  
1799 Subsection (4) except that the commission shall treat the total revenue transferred to  
1800 the community reinvestment agency as ad valorem property tax revenue that the  
1801 taxing entity budgeted for the prior year; and
- 1802 (d) for debt service voted on by the public, the certified tax rate is the actual levy  
1803 imposed by that section, except that a certified tax rate for the following levies shall  
1804 be calculated in accordance with Section 59-2-913 and this section:
- 1805 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and  
1806 (ii) a levy to pay for the costs of state legislative mandates or judicial or  
1807 administrative orders under Section 59-2-1602.
- 1808 (6)(a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be imposed  
1809 at a rate that is sufficient to generate only the revenue required to satisfy one or more  
1810 eligible judgments.
- 1811 (b) The ad valorem property tax revenue generated by a judgment levy described in  
1812 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate  
1813 certified tax rate.
- 1814 (7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:
- 1815 (i) the taxable value of real property:
- 1816 (A) the county assessor assesses in accordance with Part 3, County Assessment;  
1817 and  
1818 (B) contained on the assessment roll;
- 1819 (ii) the year end taxable value of personal property:
- 1820 (A) a county assessor assesses in accordance with Part 3, County Assessment; and  
1821 (B) contained on the prior year's assessment roll; and
- 1822 (iii) the taxable value of real and personal property the commission assesses in  
1823 accordance with Part 2, Assessment of Property.
- 1824 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new  
1825 growth.
- 1826 (8)(a) On or before June 30, a taxing entity shall annually adopt a tentative budget.
- 1827 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify  
1828 the county auditor of:
- 1829 (i) the taxing entity's intent to exceed the certified tax rate; and

- 1830 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 1831 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
- 1832 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
- 1833 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through
- 1834 electronic means on or before July 31, to a taxing entity and the Revenue and
- 1835 Taxation Interim Committee if:
- 1836 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
- 1837 taxable value of the real and personal property the commission assesses in
- 1838 accordance with Part 2, Assessment of Property, for the previous year, adjusted
- 1839 for prior year end incremental value; and
- 1840 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
- 1841 end taxable value of the real and personal property of a taxpayer the commission
- 1842 assesses in accordance with Part 2, Assessment of Property, for the previous year.
- 1843 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
- 1844 subtracting the taxable value of real and personal property the commission assesses
- 1845 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
- 1846 current year incremental value, from the year end taxable value of the real and
- 1847 personal property the commission assesses in accordance with Part 2, Assessment of
- 1848 Property, for the previous year, adjusted for prior year end incremental value.
- 1849 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
- 1850 subtracting the total taxable value of real and personal property of a taxpayer the
- 1851 commission assesses in accordance with Part 2, Assessment of Property, for the
- 1852 current year, from the total year end taxable value of the real and personal property of
- 1853 a taxpayer the commission assesses in accordance with Part 2, Assessment of
- 1854 Property, for the previous year.
- 1855 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the
- 1856 requirement under Subsection (9)(a)(ii).
- 1857 Section 13. Section **59-2-924.2** is amended to read:
- 1858 **59-2-924.2 (Effective 01/01/26). Adjustments to the calculation of a taxing**
- 1859 **entity's certified tax rate.**
- 1860 (1) For purposes of this section, "certified tax rate" means a certified tax rate calculated in
- 1861 accordance with Section 59-2-924.
- 1862 (2) Beginning January 1, 1997, if a taxing entity receives increased revenues from uniform
- 1863 fees on tangible personal property under Section 59-2-405, 59-2-405.1, 59-2-405.2,

59-2-405.3, or 72-10-110.5 as a result of any county imposing a sales and use tax under Chapter 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax rate to offset the increased revenues.

- (3)(a) Beginning July 1, 1997, if a county has imposed a sales and use tax under Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:
- (i) decreased on a one-time basis by the amount of the estimated sales and use tax revenue to be distributed to the county under Subsection ~~59-12-1102(3)~~ 59-12-1102(4); and
  - (ii) increased by the amount necessary to offset the county's reduction in revenue from uniform fees on tangible personal property under Section 59-2-405, 59-2-405.1, 59-2-405.2, 59-2-405.3, or 72-10-110.5 as a result of the decrease in the certified tax rate under Subsection (3)(a)(i).

- (b) The commission shall determine estimates of sales and use tax distributions for purposes of Subsection (3)(a).

- (4) Beginning January 1, 1998, if a municipality has imposed an additional resort communities sales and use tax under Section 59-12-402, the municipality's certified tax rate shall be decreased on a one-time basis by the amount necessary to offset the first 12 months of estimated revenue from the additional resort communities sales and use tax imposed under Section 59-12-402.

- (5)(a) This Subsection (5) applies to each county that:

- (i) establishes a countywide special service district under Title 17D, Chapter 1, Special Service District Act, to provide jail service, as provided in Subsection 17D-1-201(10); and
- (ii) levies a property tax on behalf of the special service district under Section 17D-1-105.

- (b)(i) The certified tax rate of each county to which this Subsection (5) applies shall be decreased by the amount necessary to reduce county revenues by the same amount of revenues that will be generated by the property tax imposed on behalf of the special service district.
- (ii) Each decrease under Subsection (5)(b)(i) shall occur contemporaneously with the levy on behalf of the special service district under Section 17D-1-105.

- (6)(a) As used in this Subsection (6):

- (i) "Annexing county" means a county whose unincorporated area is included within a public safety district by annexation.



- 1898 (ii) "Annexing municipality" means a municipality whose area is included within a  
1899 public safety district by annexation.
- 1900 (iii) "Equalized public safety protection tax rate" means the tax rate that results from:  
1901 (A) calculating, for each participating county and each participating municipality,  
1902 the property tax revenue necessary:  
1903 (I) in the case of a fire district, to cover all of the costs associated with  
1904 providing fire protection, paramedic, and emergency services:  
1905 (Aa) for a participating county, in the unincorporated area of the county; and  
1906 (Bb) for a participating municipality, in the municipality; or  
1907 (II) in the case of a police district, to cover all the costs:  
1908 (Aa) associated with providing law enforcement service:  
1909 (Ii) for a participating county, in the unincorporated area of the county;  
1910 and  
1911 (Iiii) for a participating municipality, in the municipality; and  
1912 (Bb) that the police district board designates as the costs to be funded by a  
1913 property tax; and  
1914 (B) adding all the amounts calculated under Subsection (6)(a)(iii)(A) for all  
1915 participating counties and all participating municipalities and then dividing that  
1916 sum by the aggregate taxable value of the property, as adjusted in accordance  
1917 with Section 59-2-913:  
1918 (I) for participating counties, in the unincorporated area of all participating  
1919 counties; and  
1920 (II) for participating municipalities, in all the participating municipalities.
- 1921 (iv) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service  
1922 Area Act:  
1923 (A) created to provide fire protection, paramedic, and emergency services; and  
1924 (B) in the creation of which an election was not required under Subsection  
1925 17B-1-214(3)(d).
- 1926 (v) "Participating county" means a county whose unincorporated area is included  
1927 within a public safety district at the time of the creation of the public safety  
1928 district.
- 1929 (vi) "Participating municipality" means a municipality whose area is included within  
1930 a public safety district at the time of the creation of the public safety district.
- 1931 (vii) "Police district" means a service area under Title 17B, Chapter 2a, Part 9,

Service Area Act, within a county of the first class:

(A) created to provide law enforcement service; and

(B) in the creation of which an election was not required under Subsection 17B-1-214(3)(d).

(viii) "Public safety district" means a fire district or a police district.

(ix) "Public safety service" means:

(A) in the case of a public safety district that is a fire district, fire protection, paramedic, and emergency services; and

(B) in the case of a public safety district that is a police district, law enforcement service.

(b) In the first year following creation of a public safety district, the certified tax rate of each participating county and each participating municipality shall be decreased by the amount of the equalized public safety tax rate.

(c) In the first budget year following annexation to a public safety district, the certified tax rate of each annexing county and each annexing municipality shall be decreased by an amount equal to the amount of revenue budgeted by the annexing county or annexing municipality:

(i) for public safety service; and

(ii) in:

(A) for a taxing entity operating under a January 1 through December 31 fiscal year, the prior calendar year; or

(B) for a taxing entity operating under a July 1 through June 30 fiscal year, the prior fiscal year.

(d) Each tax levied under this section by a public safety district shall be considered to be levied by:

(i) each participating county and each annexing county for purposes of the county's tax limitation under Section 59-2-908; and

(ii) each participating municipality and each annexing municipality for purposes of the municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a city.

(e) The calculation of a public safety district's certified tax rate for the year of annexation shall be adjusted to include an amount of revenue equal to one half of the amount of revenue budgeted by the annexing entity for public safety service in the annexing entity's prior fiscal year if:

- 1966 (i) the public safety district operates on a January 1 through December 31 fiscal year;  
1967 (ii) the public safety district approves an annexation of an entity operating on a July 1  
1968 through June 30 fiscal year; and  
1969 (iii) the annexation described in Subsection (6)(e)(ii) takes effect on July 1.
- 1970 (7)(a) The base taxable value as defined in Section 17C-1-102 shall be reduced for any  
1971 year to the extent necessary to provide a community reinvestment agency established  
1972 under Title 17C, Limited Purpose Local Government Entities - Community  
1973 Reinvestment Agency Act, with approximately the same amount of money the  
1974 agency would have received without a reduction in the county's certified tax rate,  
1975 calculated in accordance with Section 59-2-924, if:
- 1976 (i) in that year there is a decrease in the certified tax rate under Subsection (2) or  
1977 (3)(a);  
1978 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of  
1979 the previous year; and  
1980 (iii) the decrease results in a reduction of the amount to be paid to the agency under  
1981 Section 17C-1-403 or 17C-1-404.
- 1982 (b) The base taxable value as defined in Section 17C-1-102 shall be increased in any  
1983 year to the extent necessary to provide a community reinvestment agency with  
1984 approximately the same amount of money as the agency would have received without  
1985 an increase in the certified tax rate that year if:
- 1986 (i) in that year the base taxable value as defined in Section 17C-1-102 is reduced due  
1987 to a decrease in the certified tax rate under Subsection (2) or (3)(a); and  
1988 (ii) the certified tax rate of a city, school district, special district, or special service  
1989 district increases independent of the adjustment to the taxable value of the base  
1990 year.
- 1991 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2) or (3)(a), the  
1992 amount of money allocated and, when collected, paid each year to a community  
1993 reinvestment agency established under Title 17C, Limited Purpose Local  
1994 Government Entities - Community Reinvestment Agency Act, for the payment of  
1995 bonds or other contract indebtedness, but not for administrative costs, may not be less  
1996 than that amount would have been without a decrease in the certified tax rate under  
1997 Subsection (2) or (3)(a).
- 1998 (8)(a) For the calendar year beginning on January 1, 2014, the calculation of a county  
1999 assessing and collecting levy shall be adjusted by the amount necessary to offset:

- 2000 (i) any change in the certified tax rate that may result from amendments to Part 16,  
 2001 Multicounty Assessing and Collecting Levy, in Laws of Utah 2014, Chapter 270,  
 2002 Section 3; and
- 2003 (ii) the difference in the amount of revenue a taxing entity receives from or  
 2004 contributes to the Property Tax Valuation Fund, created in Section 59-2-1602, that  
 2005 may result from amendments to Part 16, Multicounty Assessing and Collecting  
 2006 Levy, in Laws of Utah 2014, Chapter 270, Section 3.
- 2007 (b) A taxing entity is not required to comply with the notice and public hearing  
 2008 requirements in Section 59-2-919 for an adjustment to the county assessing and  
 2009 collecting levy described in Subsection (8)(a).
- 2010 (9) If a taxing entity receives decreased revenues from uniform fees on tangible personal  
 2011 property under Section 59-2-405 as a result of any error in applying uniform fees to  
 2012 motor vehicle registration in the calendar year beginning on January 1, 2023, the  
 2013 commission may, for the calendar year beginning on January 1, 2024, increase the  
 2014 taxing entity's budgeted revenue to offset the decreased revenues.
- 2015 Section 14. Section **59-12-103** is amended to read:
- 2016 **59-12-103 (Effective upon governor's approval). Sales and use tax base -- Rates**  
 2017 **-- Effective dates -- Use of sales and use tax revenue.**
- 2018 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales  
 2019 price for amounts paid or charged for the following transactions:
- 2020 (a) retail sales of tangible personal property made within the state;
- 2021 (b) amounts paid for:
- 2022 (i) telecommunications service, other than mobile telecommunications service, that  
 2023 originates and terminates within the boundaries of this state;
- 2024 (ii) mobile telecommunications service that originates and terminates within the  
 2025 boundaries of one state only to the extent permitted by the Mobile  
 2026 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
- 2027 (iii) an ancillary service associated with a:
- 2028 (A) telecommunications service described in Subsection (1)(b)(i); or  
 2029 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 2030 (c) sales of the following for commercial use:
- 2031 (i) gas;
- 2032 (ii) electricity;
- 2033 (iii) heat;

- 2034 (iv) coal;
- 2035 (v) fuel oil; or
- 2036 (vi) other fuels;
- 2037 (d) sales of the following for residential use:
- 2038 (i) gas;
- 2039 (ii) electricity;
- 2040 (iii) heat;
- 2041 (iv) coal;
- 2042 (v) fuel oil; or
- 2043 (vi) other fuels;
- 2044 (e) sales of prepared food;
- 2045 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 2046 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
- 2047 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
- 2048 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling
- 2049 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
- 2050 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
- 2051 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
- 2052 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
- 2053 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
- 2054 activity;
- 2055 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 2056 property, unless Section 59-12-104 provides for an exemption from sales and use tax
- 2057 for:
- 2058 (i) the tangible personal property; and
- 2059 (ii) parts used in the repairs or renovations of the tangible personal property described
- 2060 in Subsection (1)(g)(i), regardless of whether:
- 2061 (A) any parts are actually used in the repairs or renovations of that tangible
- 2062 personal property; or
- 2063 (B) the particular parts used in the repairs or renovations of that tangible personal
- 2064 property are exempt from a tax under this chapter;
- 2065 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted
- 2066 cleaning or washing of tangible personal property;
- 2067 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer

- 2068 court accommodations and services;
- 2069 (j) amounts paid or charged for laundry or dry cleaning services;
- 2070 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 2071 this state the tangible personal property is:
- 2072 (i) stored;
- 2073 (ii) used; or
- 2074 (iii) otherwise consumed;
- 2075 (l) amounts paid or charged for tangible personal property if within this state the tangible
- 2076 personal property is:
- 2077 (i) stored;
- 2078 (ii) used; or
- 2079 (iii) consumed;
- 2080 (m) amounts paid or charged for a sale:
- 2081 (i)(A) of a product transferred electronically; or
- 2082 (B) of a repair or renovation of a product transferred electronically; and
- 2083 (ii) regardless of whether the sale provides:
- 2084 (A) a right of permanent use of the product; or
- 2085 (B) a right to use the product that is less than a permanent use, including a right:
- 2086 (I) for a definite or specified length of time; and
- 2087 (II) that terminates upon the occurrence of a condition; and
- 2088 (n) sales of leased tangible personal property from the lessor to the lessee made in the
- 2089 state.
- 2090 (2)(a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are
- 2091 imposed on a transaction described in Subsection (1) equal to the sum of:
- 2092 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 2093 (A) 4.70% plus the rate specified in Subsection (11)(a); and
- 2094 (B)(I) the tax rate the state imposes in accordance with Part 18, Additional
- 2095 State Sales and Use Tax Act, if the location of the transaction as determined
- 2096 under Sections 59-12-211 through 59-12-215 is in a county in which the
- 2097 state imposes the tax under Part 18, Additional State Sales and Use Tax Act;
- 2098 and
- 2099 (II) the tax rate the state imposes in accordance with Part 20, Supplemental
- 2100 State Sales and Use Tax Act, if the location of the transaction as determined
- 2101 under Sections 59-12-211 through 59-12-215 is in a city, town, or the

unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

(b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to the sum of:

(i) a state tax imposed on the transaction at a tax rate of 2%; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

(c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed on amounts paid or charged for food and food ingredients equal to the sum of:

(i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of 1.75%; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or charged for food and food ingredients under this chapter other than this part.

(d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at a rate of 4.85%.

(e)(i)(A) If a shared vehicle owner certifies to the commission, on a form prescribed by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle owner.

(B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is required once during the time that the shared vehicle owner owns the shared vehicle.

(C) The commission shall verify that a shared vehicle is an individual-owned shared vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the purchase of the shared vehicle.

(D) The exception under Subsection (2)(e)(i)(A) applies to a certified individual-owned shared vehicle shared through a car-sharing program even if non-certified shared vehicles are also available to be shared through the same

- 2136 car-sharing program.
- 2137 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.
- 2138 (iii)(A) A car-sharing program may rely in good faith on a shared vehicle owner's
- 2139 representation that the shared vehicle is an individual-owned shared vehicle
- 2140 certified with the commission as described in Subsection (2)(e)(i).
- 2141 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
- 2142 representation that the shared vehicle is an individual-owned shared vehicle
- 2143 certified with the commission as described in Subsection (2)(e)(i), the
- 2144 car-sharing program is not liable for any tax, penalty, fee, or other sanction
- 2145 imposed on the shared vehicle owner.
- 2146 (iv) If all shared vehicles shared through a car-sharing program are certified as
- 2147 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has
- 2148 no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax
- 2149 period.
- 2150 (v) A car-sharing program is not required to list or otherwise identify an
- 2151 individual-owned shared vehicle on a return or an attachment to a return.
- 2152 (vi) A car-sharing program shall:
- 2153 (A) retain tax information for each car-sharing program transaction; and
- 2154 (B) provide the information described in Subsection (2)(e)(vi)(A) to the
- 2155 commission at the commission's request.
- 2156 (f)(i) For a bundled transaction that is attributable to food and food ingredients and
- 2157 tangible personal property other than food and food ingredients, a state tax and a
- 2158 local tax is imposed on the entire bundled transaction equal to the sum of:
- 2159 (A) a state tax imposed on the entire bundled transaction equal to the sum of:
- 2160 (I) the tax rate described in Subsection (2)(a)(i)(A); and
- 2161 (II)(Aa) the tax rate the state imposes in accordance with Part 18,
- 2162 Additional State Sales and Use Tax Act, if the location of the transaction
- 2163 as determined under Sections 59-12-211 through 59-12-215 is in a
- 2164 county in which the state imposes the tax under Part 18, Additional State
- 2165 Sales and Use Tax Act; and
- 2166 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental
- 2167 State Sales and Use Tax Act, if the location of the transaction as
- 2168 determined under Sections 59-12-211 through 59-12-215 is in a city,
- 2169 town, or the unincorporated area of a county in which the state imposes



- 2170 the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 2171 (B) a local tax imposed on the entire bundled transaction at the sum of the tax
- 2172 rates described in Subsection (2)(a)(ii).
- 2173 (ii) If an optional computer software maintenance contract is a bundled transaction
- 2174 that consists of taxable and nontaxable products that are not separately itemized
- 2175 on an invoice or similar billing document, the purchase of the optional computer
- 2176 software maintenance contract is 40% taxable under this chapter and 60%
- 2177 nontaxable under this chapter.
- 2178 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled
- 2179 transaction described in Subsection (2)(f)(i) or (ii):
- 2180 (A) if the sales price of the bundled transaction is attributable to tangible personal
- 2181 property, a product, or a service that is subject to taxation under this chapter
- 2182 and tangible personal property, a product, or service that is not subject to
- 2183 taxation under this chapter, the entire bundled transaction is subject to taxation
- 2184 under this chapter unless:
- 2185 (I) the seller is able to identify by reasonable and verifiable standards the
- 2186 tangible personal property, product, or service that is not subject to taxation
- 2187 under this chapter from the books and records the seller keeps in the seller's
- 2188 regular course of business; or
- 2189 (II) state or federal law provides otherwise; or
- 2190 (B) if the sales price of a bundled transaction is attributable to two or more items
- 2191 of tangible personal property, products, or services that are subject to taxation
- 2192 under this chapter at different rates, the entire bundled transaction is subject to
- 2193 taxation under this chapter at the higher tax rate unless:
- 2194 (I) the seller is able to identify by reasonable and verifiable standards the
- 2195 tangible personal property, product, or service that is subject to taxation
- 2196 under this chapter at the lower tax rate from the books and records the seller
- 2197 keeps in the seller's regular course of business; or
- 2198 (II) state or federal law provides otherwise.
- 2199 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
- 2200 seller's regular course of business includes books and records the seller keeps in
- 2201 the regular course of business for nontax purposes.
- 2202 (g)(i) Except as otherwise provided in this chapter and subject to Subsections
- 2203 (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible

personal property, a product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal property, other property, a product, or a service that is not subject to taxation under this chapter, the entire transaction is subject to taxation under this chapter unless the seller, at the time of the transaction:

- (A) separately states the portion of the transaction that is not subject to taxation under this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or
  - (B) is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.
- (ii) A purchaser and a seller may correct the taxability of a transaction if:
- (A) after the transaction occurs, the purchaser and the seller discover that the portion of the transaction that is not subject to taxation under this chapter was not separately stated on an invoice, bill of sale, or similar document provided to the purchaser because of an error or ignorance of the law; and
  - (B) the seller is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.
- (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.
- (h)(i) If the sales price of a transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate unless the seller, at the time of the transaction:
- (A) separately states the items subject to taxation under this chapter at each of the different rates on an invoice, bill of sale, or similar document provided to the purchaser; or
  - (B) is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business.
- (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the

- 2238 seller's regular course of business includes books and records the seller keeps in  
2239 the regular course of business for nontax purposes.
- 2240 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate  
2241 imposed under the following shall take effect on the first day of a calendar quarter:
- 2242 (i) Subsection (2)(a)(i)(A);  
2243 (ii) Subsection (2)(b)(i);  
2244 (iii) Subsection (2)(c)(i); or  
2245 (iv) Subsection (2)(f)(i)(A)(I).
- 2246 (j)(i) A tax rate increase takes effect on the first day of the first billing period that  
2247 begins on or after the effective date of the tax rate increase if the billing period for  
2248 the transaction begins before the effective date of a tax rate increase imposed  
2249 under:
- 2250 (A) Subsection (2)(a)(i)(A);  
2251 (B) Subsection (2)(b)(i);  
2252 (C) Subsection (2)(c)(i); or  
2253 (D) Subsection (2)(f)(i)(A)(I).
- 2254 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
2255 statement for the billing period is rendered on or after the effective date of the  
2256 repeal of the tax or the tax rate decrease imposed under:
- 2257 (A) Subsection (2)(a)(i)(A);  
2258 (B) Subsection (2)(b)(i);  
2259 (C) Subsection (2)(c)(i); or  
2260 (D) Subsection (2)(f)(i)(A)(I).
- 2261 (k)(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale  
2262 is computed on the basis of sales and use tax rates published in the catalogue, a  
2263 tax rate repeal or change in a tax rate takes effect:
- 2264 (A) on the first day of a calendar quarter; and  
2265 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate  
2266 change.
- 2267 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 2268 (A) Subsection (2)(a)(i)(A);  
2269 (B) Subsection (2)(b)(i);  
2270 (C) Subsection (2)(c)(i); or  
2271 (D) Subsection (2)(f)(i)(A)(I).

(iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(l)(i) For a location described in Subsection (2)(l)(ii), the commission shall determine the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

(ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil, or other fuel is furnished through a single meter for two or more of the following uses:

- (A) a commercial use;
- (B) an industrial use; or
- (C) a residential use.

(3)(a) The following state taxes shall be deposited into the General Fund:

- (i) the tax imposed by Subsection (2)(a)(i)(A);
- (ii) the tax imposed by Subsection (2)(b)(i);
- (iii) the tax imposed by Subsection (2)(c)(i); and
- (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b) The following local taxes shall be distributed to a county, city, or town as provided in this chapter:

- (i) the tax imposed by Subsection (2)(a)(ii);
- (ii) the tax imposed by Subsection (2)(b)(ii);
- (iii) the tax imposed by Subsection (2)(c)(ii); and
- (iv) the tax imposed by Subsection (2)(f)(i)(B).

(c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.

(4)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b) through (g):

- (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
  - (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
  - (B) for the fiscal year; or
- (ii) \$17,500,000.

(b)(i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Division of Wildlife Resources to:

- 2306 (A) implement the measures described in Subsections 23A-3-214(3)(a) through  
2307 (d) to protect sensitive plant and animal species; or
- 2308 (B) award grants, up to the amount authorized by the Legislature in an  
2309 appropriations act, to political subdivisions of the state to implement the  
2310 measures described in Subsections 23A-3-214(3)(a) through (d) to protect  
2311 sensitive plant and animal species.
- 2312 (ii) Money transferred to the Division of Wildlife Resources under Subsection  
2313 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or  
2314 any other person to list or attempt to have listed a species as threatened or  
2315 endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et  
2316 seq.
- 2317 (iii) At the end of each fiscal year:
- 2318 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to  
2319 the Water Resources Conservation and Development Fund created in Section  
2320 73-10-24;
- 2321 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
2322 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
- 2323 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
2324 Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 2325 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
2326 Subsection (4)(a) shall be deposited each year in the Agriculture Resource  
2327 Development Fund created in Section 4-18-106.
- 2328 (d)(i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount  
2329 described in Subsection (4)(a) shall be transferred each year as designated sales  
2330 and use tax revenue to the Division of Water Rights to cover the costs incurred in  
2331 hiring legal and technical staff for the adjudication of water rights.
- 2332 (ii) At the end of each fiscal year:
- 2333 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to  
2334 the Water Resources Conservation and Development Fund created in Section  
2335 73-10-24;
- 2336 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
2337 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
- 2338 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
2339 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

(e)(i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

(ii) In addition to the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24, the Water Resources Conservation and Development Fund may also be used to:

(A) conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;

(B) fund state required dam safety improvements; and

(C) protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.

(f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

(g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

(i) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;

(ii) develop underground sources of water, including springs and wells; and

(iii) develop surface water sources.

(5)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2006, the difference between the following amounts shall be expended as provided in this Subsection (5), if that difference is greater than \$1:

(i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

(ii) \$17,500,000.

- 2374 (b)(i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
- 2375 (A) transferred each fiscal year to the Department of Natural Resources as
- 2376 designated sales and use tax revenue; and
- 2377 (B) expended by the Department of Natural Resources for watershed rehabilitation
- 2378 or restoration.
- 2379 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
- 2380 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources
- 2381 Conservation and Development Fund created in Section 73-10-24.
- 2382 (c)(i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
- 2383 remaining difference described in Subsection (5)(a) shall be:
- 2384 (A) transferred each fiscal year to the Division of Water Resources as designated
- 2385 sales and use tax revenue; and
- 2386 (B) expended by the Division of Water Resources for cloud-seeding projects
- 2387 authorized by Title 73, Chapter 15, Modification of Weather.
- 2388 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
- 2389 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources
- 2390 Conservation and Development Fund created in Section 73-10-24.
- 2391 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
- 2392 remaining difference described in Subsection (5)(a) shall be deposited into the Water
- 2393 Resources Conservation and Development Fund created in Section 73-10-24 for use
- 2394 by the Division of Water Resources for:
- 2395 (i) preconstruction costs:
- 2396 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,
- 2397 Chapter 26, Bear River Development Act; and
- 2398 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
- 2399 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- 2400 (ii) the cost of employing a civil engineer to oversee any project authorized by Title
- 2401 73, Chapter 26, Bear River Development Act;
- 2402 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline
- 2403 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development
- 2404 Act; and
- 2405 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
- 2406 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i)
- 2407 through (iii).

(e) After making the transfers required by Subsections (5)(b) and (c), 15% of the remaining difference described in Subsection (5)(a) shall be deposited each year into the Water Rights Restricted Account created by Section 73-2-1.6.

(6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year.

(7)(a) Notwithstanding Subsection (3)(a) and subject to Subsections (7)(b), (c), and (d), for a fiscal year beginning on or after July 1, 2023, the commission shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

- (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- (ii) the tax imposed by Subsection (2)(b)(i);
- (iii) the tax imposed by Subsection (2)(c)(i); and
- (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall annually reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by an amount equal to .44% of the revenue collected from the following sales and use taxes:

- (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- (B) the tax imposed by Subsection (2)(b)(i);
- (C) the tax imposed by Subsection (2)(c)(i); and
- (D) the tax imposed by Subsection (2)(f)(i)(A)(I).

(ii) The commission shall annually deposit the amount described in Subsection (7)(b)(i) into the Cottonwood Canyons Transportation Investment Fund created in Section 72-2-124.

(c)(i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1, 2023, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

- (A) the amount of revenue generated in the current fiscal year by the portion of taxes listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv);



- 2442 (B) the amount of revenue generated in the current fiscal year by registration fees  
2443 designated under Section 41-1a-1201 to be deposited into the Transportation  
2444 Investment Fund of 2005; and
- 2445 (C) revenue transferred by the Division of Finance to the Transportation  
2446 Investment Fund of 2005 in accordance with Section 72-2-106 in the current  
2447 fiscal year.
- 2448 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a  
2449 given fiscal year.
- 2450 (iii) The commission shall annually deposit the amount described in Subsection  
2451 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection  
2452 72-2-124(11).
- 2453 (d)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall  
2454 annually reduce the deposit into the Transportation Investment Fund of 2005  
2455 under this Subsection (7) by an amount that is equal to 1% of the revenue  
2456 collected from the following sales and use taxes:
- 2457 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;  
2458 (B) the tax imposed by Subsection (2)(b)(i);  
2459 (C) the tax imposed by Subsection (2)(c)(i); and  
2460 (D) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 2461 (ii) The commission shall annually deposit the amount described in Subsection  
2462 (7)(d)(i) into the Commuter Rail Subaccount created in Section 72-2-124.
- 2463 (8)(a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
2464 Subsection (7), and subject to [~~Subsections (8)(b) and (d)(ii)~~] Subsection (8)(b), for a  
2465 fiscal year beginning on or after July 1, 2018, the commission shall annually deposit  
2466 into the Transportation Investment Fund of 2005 created by Section 72-2-124 a  
2467 portion of the taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the  
2468 revenue collected from the following taxes:
- 2469 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;  
2470 (ii) the tax imposed by Subsection (2)(b)(i);  
2471 (iii) the tax imposed by Subsection (2)(c)(i); and  
2472 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 2473 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually  
2474 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection  
2475 (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the

2476 current fiscal year by the portion of the tax imposed on motor and special fuel that is  
2477 sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

2478 (c) The commission shall annually deposit the amount described in Subsection (8)(b)  
2479 into the Transit Transportation Investment Fund created in Section 72-2-124.

2480 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
2481 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies  
2482 Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

2483 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal  
2484 year during which the commission receives notice under Section 63N-2-510 that  
2485 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the  
2486 commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the  
2487 revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact  
2488 Mitigation Fund, created in Section 63N-2-512.

2489 (11)(a) The rate specified in this subsection is 0.15%.

2490 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning  
2491 on or after July 1, 2019, annually transfer the amount of revenue collected from the  
2492 rate described in Subsection (11)(a) on the transactions that are subject to the sales  
2493 and use tax under Subsection (2)(a)(i)(A) into the Medicaid ACA Fund created in  
2494 Section 26B-1-315.

2495 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
2496 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated  
2497 credit solely for use of the Search and Rescue Financial Assistance Program created in,  
2498 and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

2499 (13)(a) For each fiscal year beginning with fiscal year 2020-21, the commission shall  
2500 annually transfer \$1,813,400 of the revenue deposited into the Transportation  
2501 Investment Fund of 2005 under Subsections (7) and (8) to the General Fund.

2502 (b) If the total revenue deposited into the Transportation Investment Fund of 2005 under  
2503 Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall  
2504 transfer the total revenue deposited into the Transportation Investment Fund of 2005  
2505 under Subsections (7) and (8) during the fiscal year to the General Fund.

2506 (14)(a) Notwithstanding Subsection (3)(a), and except as provided in Subsections (18)  
2507 and (19), and as described in Section 63N-3-610, beginning the first day of [the] a  
2508 calendar quarter one year after the sales and use tax boundary for a housing and  
2509 transit reinvestment zone is established under Title 63N, Chapter 3, Part 6, Housing

and Transit Reinvestment Zone Act, the commission, at least annually, shall transfer an amount equal to 15% of the sales and use tax increment from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within an established sales and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation Investment Fund created in Section 72-2-124.

(b) Beginning no sooner than January 1, 2026, notwithstanding Subsection (3)(a), and except as provided in Subsections (18) and (19), and as described in Section 63N-3-610.1, beginning the first day of a calendar quarter after the year set in the proposal and after the sales and use tax boundary for a convention center reinvestment zone is established in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the commission, at least annually, shall transfer an amount equal to 50% of the sales and use tax increment as defined in Section 63N-3-602 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within an established sales and use tax boundary, as defined in Section 63N-3-602, to a convention center public infrastructure district created in accordance with Section 17D-4-202.1 and specified in the convention center reinvestment zone proposal submitted pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

(15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection (3)(a) equal to 1% of the revenue collected from the following sales and use taxes:

- (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- (b) the tax imposed by Subsection (2)(b)(i);
- (c) the tax imposed by Subsection (2)(c)(i); and
- (d) the tax imposed by Subsection (2)(f)(i)(A)(I).

(16) Notwithstanding Subsection (3)(a), and except as provided in Subsections (18) and (19), beginning October 1, 2024 the commission shall transfer to the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within the district sales tax area, as defined in Section 11-70-101.

(17)(a) As used in this Subsection (17):

- (i) "Additional land" means point of the mountain state land described in Subsection 11-59-102(6)(b) that the point of the mountain authority acquires after the point of

- 2544 the mountain authority provides the commission a map under Subsection (17)(c).
- 2545 (ii) "Point of the mountain authority" means the Point of the Mountain State Land
- 2546 Authority, created in Section 11-59-201.
- 2547 (iii) "Point of the mountain state land" means the same as that term is defined in
- 2548 Section 11-59-102.
- 2549 (b) Notwithstanding Subsection (3)(a), and except as provided in Subsections (18) and
- 2550 (19), the commission shall distribute to the point of the mountain authority 50% of
- 2551 the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7%
- 2552 rate, on transactions occurring on the point of the mountain state land.
- 2553 (c) The distribution under Subsection (17)(b) shall begin the next calendar quarter that
- 2554 begins at least 90 days after the point of the mountain authority provides the
- 2555 commission a map that:
- 2556 (i) accurately describes the point of the mountain state land; and
- 2557 (ii) the point of the mountain authority certifies as accurate.
- 2558 (d) A distribution under Subsection (17)(b) with respect to additional land shall begin
- 2559 the next calendar quarter that begins at least 90 days after the point of the mountain
- 2560 authority provides the commission a map of point of the mountain state land that:
- 2561 (i) accurately describes the point of the mountain state land, including the additional
- 2562 land; and
- 2563 (ii) the point of the mountain authority certifies as accurate.
- 2564 (e)(i) Upon the payment in full of bonds secured by the sales and use tax revenue
- 2565 distributed to the point of the mountain authority under Subsection (17)(b), the
- 2566 point of the mountain authority shall immediately notify the commission in
- 2567 writing that the bonds are paid in full.
- 2568 (ii) The commission shall discontinue distributions of sales and use tax revenue under
- 2569 Subsection (17)(b) at the beginning of the calendar quarter that begins at least 90
- 2570 days after the date that the commission receives the written notice under
- 2571 Subsection (17)(e)(i).
- 2572 (18)(a) As used in Subsections (18) and (19):
- 2573 (i) "Applicable percentage" means, for a convention center reinvestment zone created
- 2574 in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit
- 2575 Reinvestment Zone Act, an amount equal to 50% of the sales and use tax
- 2576 increment, as that term is defined in Section 63N-3-602, from the sales and use tax
- 2577 imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the

2578 qualified development zone described in Subsection (18)(a)(ii).

2579 (ii) "Qualified development zone" means the sales and use tax boundary of a  
2580 convention center reinvestment zone created in a capital city under Title 63N,  
2581 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

2582 (iii) "Qualifying construction materials" means construction materials that are:

2583 (A) delivered to a delivery outlet within a qualified development zone; and

2584 (B) intended to be permanently attached to real property within the qualified  
2585 development zone.

2586 (b) For a sale of qualifying construction materials, the commission shall distribute the  
2587 product calculated in Subsection (18)(c) to a qualified development zone if the seller  
2588 of the construction materials:

2589 (i) establishes a delivery outlet with the commission within the qualified development  
2590 zone;

2591 (ii) reports the sales of the construction materials to the delivery outlet described in  
2592 Subsection (18)(b)(i); and

2593 (iii) does not report the sales of the construction materials on a simplified electronic  
2594 return.

2595 (c) For the purposes of Subsection (18)(b), the product is equal to:

2596 (i) the sales price or purchase price of the qualifying construction materials; and

2597 (ii) the applicable percentage.

2598 (19)(a) As used in this Subsection (19), "Schedule J sale" means a sale reported on State  
2599 Tax Commission Form TC-62M, Schedule J, or a substantially similar form as  
2600 designated by the commission.

2601 (b) Revenue generated from the applicable percentage by a Schedule J sale within a  
2602 qualified development zone shall be distributed into the General Fund.

2603 Section 15. Section **59-12-205** is amended to read:

2604 **59-12-205 (Effective upon governor's approval). Ordinances to conform with**  
2605 **statutory amendments -- Distribution of tax revenue -- Determination of population.**

2606 (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section

2607 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or  
2608 town's sales and use tax ordinances:

2609 (a) within 30 days of the day on which the state makes an amendment to an applicable  
2610 provision of Part 1, Tax Collection; and

2611 (b) as required to conform to the amendments to Part 1, Tax Collection.

(2)(a) Except as provided in Subsections [~~(3) and (4)~~] (3), (4), and (5) and subject to Subsection [~~(5)~~] (6):

(i) 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the percentage that the population of the county, city, or town bears to the total population of all counties, cities, and towns in the state; and

(ii)(A) except as provided in Subsections (2)(a)(ii)(B), (C), and (D), 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215;

(B) 50% of each dollar collected from the sales and use tax authorized by this part within a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act, shall be distributed to the military installation development authority created in Section 63H-1-201;

(C) beginning July 1, 2024, 20% of each dollar collected from the sales and use tax authorized by this part within a project area under Title 11, Chapter 58, Utah Inland Port Authority Act, shall be distributed to the Utah Inland Port Authority, created in Section 11-58-201; and

(D) 50% of each dollar collected from the sales and use tax authorized by this part within the lake authority boundary, as defined in Section 11-65-101, shall be distributed to the Utah Lake Authority, created in Section 11-65-201, beginning the next full calendar quarter following the creation of the Utah Lake Authority.

(b) Subsection (2)(a)(ii)(C) does not apply to sales and use tax revenue collected before July 1, 2022.

(3) Beginning no sooner than January 1, 2026, and before application of Subsections (2), (4), (5), and (6), and except as provided in Subsections (8) and (9), and as described in Section 63N-3-610.1, beginning the first day of a calendar quarter after the year set in the proposal and after the sales and use tax boundary for a convention center reinvestment zone is established under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the commission, at least annually, shall transfer an amount equal to 100% of the sales and use tax increment, as defined in Section 63N-3-602, from the sales and use tax imposed under this part on transactions occurring within an

established sales and use tax boundary, as defined in Section 63N-3-602, to the entity specified in the convention center reinvestment zone proposal submitted pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

~~[(3)]~~ (4)(a) As used in this Subsection ~~[(3)]~~ (4):

(i) "Eligible county, city, or town" means a county, city, or town that:

(A) for fiscal year 2012-13, received a tax revenue distribution under Subsection ~~[(3)(b)]~~ (4)(b) equal to the amount described in Subsection ~~[(3)(b)(ii)]~~ (4)(b)(ii); and

(B) does not impose a sales and use tax under Section 59-12-2103 on or before July 1, 2016.

(ii) "Minimum tax revenue distribution" means the total amount of tax revenue distributions an eligible county, city, or town received from a tax imposed in accordance with this part for fiscal year 2004-05.

(b) An eligible county, city, or town shall receive a tax revenue distribution for a tax imposed in accordance with this part equal to the greater of:

(i) the payment required by Subsection (2); or

(ii) the minimum tax revenue distribution.

~~(c)~~ For an eligible county, city, or town that qualifies to receive a distribution described in this Subsection (4), the commission shall apply the provisions of this Subsection (4) after the commission applies the provisions of Subsection (3).

~~[(4)]~~ (5)(a) For purposes of this Subsection ~~[(4)]~~ (5):

(i) "Annual local contribution" means the lesser of \$275,000 or an amount equal to 2.55% of the participating local government's tax revenue distribution amount under Subsection (2)(a)(i) for the previous fiscal year.

(ii) "Participating local government" means a county or municipality, as defined in Section 10-1-104, that is not an eligible municipality certified in accordance with Section 35A-16-404.

(b) For revenue collected from the tax authorized by this part that is distributed on or after January 1, 2019, the commission, before making a tax revenue distribution under Subsection (2)(a)(i) to a participating local government, shall:

(i) adjust a participating local government's tax revenue distribution under Subsection (2)(a)(i) by:

(A) subtracting an amount equal to one-twelfth of the annual local contribution for each participating local government from the participating local government's

2680 tax revenue distribution; and

2681 (B) if applicable, reducing the amount described in Subsection [~~(4)(b)(i)(A)~~]

2682 ~~(5)(b)(i)(A)~~ by an amount equal to one-twelfth of \$250 for each bed that is

2683 available at all homeless shelters located within the boundaries of the

2684 participating local government, as reported to the commission by the Office of

2685 Homeless Services in accordance with Section 35A-16-405; and

2686 (ii) deposit the resulting amount described in Subsection [~~(4)(b)(i)~~] ~~(5)(b)(i)~~ into the

2687 Homeless Shelter Cities Mitigation Restricted Account created in Section

2688 35A-16-402.

2689 (c) For a participating local government that qualifies to receive a distribution described

2690 in Subsection [~~(3)~~] ~~(4)~~, the commission shall apply the provisions of this Subsection [

2691 ~~(4)~~] ~~(5)~~ after the commission applies the provisions of [~~Subsection (3)~~] Subsections (3)

2692 and (4).

2693 [~~(5)~~] (6)(a) As used in this Subsection [~~(5)~~] (6):

2694 (i) "Annual dedicated sand and gravel sales tax revenue" means an amount equal to  
2695 the total revenue an establishment described in NAICS Code 327320, Ready-Mix  
2696 Concrete Manufacturing, of the 2022 North American Industry Classification  
2697 System of the federal Executive Office of the President, Office of Management  
2698 and Budget, collects and remits under this part for a calendar year.

2699 (ii) "Sand and gravel" means sand, gravel, or a combination of sand and gravel.

2700 (iii) "Sand and gravel extraction site" means a pit, quarry, or deposit that:

2701 (A) contains sand and gravel; and

2702 (B) is assessed by the commission in accordance with Section 59-2-201.

2703 (iv) "Ton" means a short ton of 2,000 pounds.

2704 (v) "Tonnage ratio" means the ratio of:

2705 (A) the total amount of sand and gravel, measured in tons, sold during a calendar  
2706 year from all sand and gravel extraction sites located within a county, city, or  
2707 town; to

2708 (B) the total amount of sand and gravel, measured in tons, sold during the same  
2709 calendar year from sand and gravel extraction sites statewide.

2710 (b) For purposes of calculating the ratio described in Subsection [~~(5)(a)(v)~~] (6)(a)(v), the  
2711 commission shall:

2712 (i) use the gross sales data provided to the commission as part of the commission's  
2713 property tax valuation process; and



- 2714 (ii) if a sand and gravel extraction site operates as a unit across municipal or county  
2715 lines, apportion the reported tonnage among the counties, cities, or towns based on  
2716 the percentage of the sand and gravel extraction site located in each county, city,  
2717 or town, as approximated by the commission.
- 2718 (c)(i) Beginning July 2023, and each July thereafter, the commission shall distribute  
2719 from total collections under this part an amount equal to the annual dedicated sand  
2720 and gravel sales tax revenue for the preceding calendar year to each county, city,  
2721 or town in the same proportion as the county's, city's, or town's tonnage ratio for  
2722 the preceding calendar year.
- 2723 (ii) The commission shall ensure that the revenue distributed under this Subsection [  
2724 ~~(5)(e)~~] ~~(6)(c)~~ is drawn from each jurisdiction's collections in proportion to the  
2725 jurisdiction's share of total collections for the preceding 12-month period.
- 2726 (d) A county, city, or town shall use revenue described in Subsection [~~(5)(e)~~] ~~(6)(c)~~ for  
2727 class B or class C roads.
- 2728 [~~(6)~~] (7)(a) Population figures for purposes of this section shall be based on the most  
2729 recent official census or census estimate of the United States Bureau of the Census.
- 2730 (b) If a needed population estimate is not available from the United States Bureau of the  
2731 Census, population figures shall be derived from the estimate from the Utah  
2732 Population Committee.
- 2733 (c) The population of a county for purposes of this section shall be determined only from  
2734 the unincorporated area of the county.
- 2735 (8)(a) As used in Subsections (8) and (9):
- 2736 (i) "Applicable percentage" means, for a convention center reinvestment zone created  
2737 under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act,  
2738 for sales occurring within the qualified development zone described in Subsection  
2739 (8)(a)(ii), 100% of the sales and use tax increment, as that term is defined in  
2740 Section 63N-3-602, from the sales and use tax:
- 2741 (A) imposed by a city of the first class in a county of the first class under this part;  
2742 (B) imposed by a city of the first class in a county of the first class under Section  
2743 59-12-402.1;
- 2744 (C) imposed by a county of the first class under Section 59-12-1102; and  
2745 (D) imposed by a county of the first class under Part 22, Local Option Sales and  
2746 Use Taxes for Transportation Act.
- 2747 (ii) "Qualified development zone" means the sales and use tax boundary of a

2748 convention center reinvestment zone created under Title 63N, Chapter 3, Part 6,  
2749 Housing and Transit Reinvestment Zone Act.

2750 (iii) "Qualifying construction materials" means construction materials that are:

2751 (A) delivered to a delivery outlet within a qualified development zone; and

2752 (B) intended to be permanently attached to real property within the qualified  
2753 development zone.

2754 (b) For a sale of qualifying construction materials, the commission shall distribute the  
2755 product calculated in Subsection (8)(c) to a qualified development zone if the seller  
2756 of the construction materials:

2757 (i) establishes a delivery outlet with the commission within the qualified development  
2758 zone;

2759 (ii) reports the sales of the construction materials to the delivery outlet described in  
2760 Subsection (8)(b)(i); and

2761 (iii) does not report the sales of the construction materials on a simplified electronic  
2762 return.

2763 (c) For the purposes of Subsection (8)(b), the product is equal to:

2764 (i) the sales price or purchase price of the qualifying construction materials; and

2765 (ii) the applicable percentage.

2766 (9)(a) As used in this Subsection (9), "Schedule J sale" means a sale reported on State  
2767 Tax Commission Form TC-62M, Schedule J, or a substantially similar form as  
2768 designated by the commission.

2769 (b) Revenue generated from the applicable percentage by a Schedule J sale within a  
2770 qualified development zone shall be distributed into the jurisdiction that would have  
2771 received the revenue in the absence of the qualified development zone.

2772 Section 16. Section **59-12-302** is amended to read:

2773 **59-12-302 (Effective upon governor's approval). Collection of tax --**

2774 **Administrative charge.**

2775 (1) Except as provided in Subsections (2), (3), and (4), the tax authorized under this part  
2776 shall be administered, collected, and enforced in accordance with:

2777 (a) the same procedures used to administer, collect, and enforce the tax under:

2778 (i) Part 1, Tax Collection; or

2779 (ii) Part 2, Local Sales and Use Tax Act; and

2780 (b) Chapter 1, General Taxation Policies.

2781 (2) The location of a transaction shall be determined in accordance with Sections 59-12-211

through 59-12-215.

(3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections 59-12-205(2) [~~through (5)~~] and (4) through (6).

(4) A county auditor may make referrals to the commission to assist the commission in determining whether to require an audit of any person that is required to remit a tax authorized under this part.

(5) The commission:

(a) shall distribute the revenue collected from the tax to the county within which the revenue was collected; and

(b) shall retain and deposit an administrative charge in accordance with Section 59-1-306 from revenue the commission collects from a tax under this part.

Section 17. Section **59-12-354** is amended to read:

**59-12-354 (Effective upon governor's approval). Collection of tax --**

**Administrative charge.**

(1) Except as provided in Subsections (2) and (3), the tax authorized under this part shall be administered, collected, and enforced in accordance with:

(a) the same procedures used to administer, collect, and enforce the tax under:

(i) Part 1, Tax Collection; or

(ii) Part 2, Local Sales and Use Tax Act; and

(b) Chapter 1, General Taxation Policies.

(2)(a) The location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

(b) Except as provided in Subsection (2)(c), the commission shall distribute the revenue collected from the tax to:

(i)(A) the municipality within which the revenue was collected, for a tax imposed under this part by a municipality; or

(B) the Utah Fairpark Area Investment and Restoration District, for a tax imposed under this part by the Utah Fairpark Area Investment and Restoration District; and

(ii) the Point of the Mountain State Land Authority, for a tax imposed under Subsection 59-12-352(6).

(c) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenue the commission collects from a tax under this part.

(3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections

2816 59-12-205(2) [~~through (5)~~] and (4) through (6).

2817 Section 18. Section **59-12-402.1** is amended to read:

2818 **59-12-402.1 (Effective upon governor's approval). State correctional facility**  
2819 **sales and use tax -- Base -- Rate -- Collection fees -- Imposition -- Prohibition of military**  
2820 **installation development authority imposition of tax.**

2821 (1) As used in this section, "new state correctional facility" means a new prison in the state:

2822 (a) that is operated by the Department of Corrections;

2823 (b) the construction of which begins on or after May 12, 2015; and

2824 (c) that provides a capacity of 2,500 or more inmate beds.

2825 (2) Subject to the other provisions of this part, a city or town legislative body may impose a  
2826 tax under this section if the construction of a new state correctional facility has begun  
2827 within the boundaries of the city or town.

2828 (3) For purposes of this section, the tax rate may not exceed .5%.

2829 (4) Except as provided in Subsection (5), a tax under this section shall be imposed on the  
2830 transactions described in Subsection 59-12-103(1) within the city or town.

2831 (5) A city or town may not impose a tax under this section on:

2832 (a) the sale of:

2833 (i) a motor vehicle;

2834 (ii) an aircraft;

2835 (iii) a watercraft;

2836 (iv) a modular home;

2837 (v) a manufactured home; or

2838 (vi) a mobile home;

2839 (b) the sales and uses described in Section 59-12-104 to the extent the sales and uses are  
2840 exempt under Section 59-12-104; and

2841 (c) except as provided in Subsection (7), amounts paid or charged for food and food  
2842 ingredients.

2843 (6) For purposes of this section, the location of a transaction shall be determined in  
2844 accordance with Sections 59-12-211 through 59-12-215.

2845 (7) A city or town that imposes a tax under this section shall impose the tax on the purchase  
2846 price or sales price for amounts paid or charged for food and food ingredients if the food  
2847 and food ingredients are sold as part of a bundled transaction attributable to food and  
2848 food ingredients and tangible personal property other than food and food ingredients.

2849 (8) Beginning no sooner than January 1, 2026, and subject to Section 59-12-205, before

distribution of a sales and use tax imposed under this section, and as described in  
Section 63N-3-610.1, beginning the first day of a calendar quarter after the year set in  
the proposal and after the sales and use tax boundary for a convention center  
reinvestment zone is established under Title 63N, Chapter 3, Part 6, Housing and Transit  
Reinvestment Zone Act, the commission, at least annually, shall transfer an amount  
equal to 100% of the sales and use tax increment as defined in Section 63N-3-602, from  
the sales and use tax imposed under this section on transactions occurring within an  
established sales and use tax boundary, as defined in Section 63N-3-602, to a  
convention center public infrastructure district created in accordance with Section  
17D-4-202.1.

~~[(8)]~~ (9) A city or town may impose a tax under this section by majority vote of the  
members of the city or town legislative body.

~~[(9)]~~ (10) A city or town that imposes a tax under this section is not subject to Section  
59-12-405.

~~[(10)]~~ (11) A military installation development authority may not impose a tax under this  
section.

Section 19. Section **59-12-403** is amended to read:

**59-12-403 (Effective upon governor's approval). Enactment or repeal of tax --**  
**Tax rate change -- Effective date -- Notice requirements -- Administration, collection,**  
**and enforcement of tax -- Administrative charge.**

(1) For purposes of this section:

(a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part  
4, Annexation.

(b) "Annexing area" means an area that is annexed into a city or town.

(2)(a) Except as provided in Subsection (2)(c) or (d), if, on or after April 1, 2008, a city  
or town enacts or repeals a tax or changes the rate of a tax under this part, the  
enactment, repeal, or change shall take effect:

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

(ii) after a 90-day period beginning on the date the commission receives notice  
meeting the requirements of Subsection (2)(b) from the city or town.

(b) The notice described in Subsection (2)(a)(ii) shall state:

(i) that the city or town will enact or repeal a tax or change the rate of a tax under this  
part;

(ii) the statutory authority for the tax described in Subsection (2)(b)(i);

- 2884 (iii) the effective date of the tax described in Subsection (2)(b)(i); and  
2885 (iv) if the city or town enacts the tax or changes the rate of the tax described in  
2886 Subsection (2)(b)(i), the rate of the tax.
- 2887 (c)(i) If the billing period for a transaction begins before the effective date of the  
2888 enactment of the tax or the tax rate increase imposed under Section 59-12-401,  
2889 59-12-402, or 59-12-402.1, the enactment of the tax or the tax rate increase takes  
2890 effect on the first day of the first billing period that begins on or after the effective  
2891 date of the enactment of the tax or the tax rate increase.
- 2892 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
2893 statement for the billing period is produced on or after the effective date of the  
2894 repeal of the tax or the tax rate decrease imposed under Section 59-12-401,  
2895 59-12-402, or 59-12-402.1.
- 2896 (d)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
2897 sales and use tax rates published in the catalogue, an enactment, repeal, or change  
2898 in the rate of a tax described in Subsection (2)(a) takes effect:
- 2899 (A) on the first day of a calendar quarter; and  
2900 (B) beginning 60 days after the effective date of the enactment, repeal, or change  
2901 in the rate of the tax under Subsection (2)(a).
- 2902 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
2903 the commission may by rule define the term "catalogue sale."
- 2904 (3)(a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs on  
2905 or after July 1, 2004, the annexation will result in the enactment, repeal, or change in  
2906 the rate of a tax under this part for an annexing area, the enactment, repeal, or change  
2907 shall take effect:
- 2908 (i) on the first day of a calendar quarter; and  
2909 (ii) after a 90-day period beginning on the date the commission receives notice  
2910 meeting the requirements of Subsection (3)(b) from the city or town that annexes  
2911 the annexing area.
- 2912 (b) The notice described in Subsection (3)(a)(ii) shall state:
- 2913 (i) that the annexation described in Subsection (3)(a) will result in an enactment,  
2914 repeal, or change in the rate of a tax under this part for the annexing area;  
2915 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);  
2916 (iii) the effective date of the tax described in Subsection (3)(b)(i); and  
2917 (iv) if the city or town enacts the tax or changes the rate of the tax described in

Subsection (3)(b)(i), the rate of the tax.

(c)(i) If the billing period for a transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Section 59-12-401, 59-12-402, or 59-12-402.1, the enactment of the tax or the tax rate increase takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax or the tax rate increase.

(ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax or the tax rate decrease imposed under Section 59-12-401, 59-12-402, or 59-12-402.1.

(d)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax described in Subsection (3)(a) takes effect:

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

(B) beginning 60 days after the effective date of the enactment, repeal, or change in the rate of the tax under Subsection (3)(a).

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(4)(a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be administered, collected, and enforced in accordance with:

(i) the same procedures used to administer, collect, and enforce the tax under:

(A) Part 1, Tax Collection; or

(B) Part 2, Local Sales and Use Tax Act; and

(ii) Chapter 1, General Taxation Policies.

(b) A tax under this part is not subject to Subsections 59-12-205(2) ~~[through (5)]~~ and (4) through (6).

(5) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenue the commission collects from a tax under this part.

Section 20. Section **59-12-603** is amended to read:

**59-12-603 (Effective upon governor's approval). County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance required -- Advisory board -- Administration -- Collection -- Administrative charge -- Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice requirements.**

(1)(a) In addition to any other taxes, a county legislative body may, as provided in this

part, impose a tax as follows:

- (i)(A) a county legislative body of any county may impose a tax of not to exceed 3% on all short-term rentals of motor vehicles, except for short-term rentals of motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement; and
- (B) a county legislative body of any county imposing a tax under Subsection (1)(a)(i)(A) may, in addition to imposing the tax under Subsection (1)(a)(i)(A), impose a tax of not to exceed 4% on all short-term rentals of motor vehicles, except for short-term rentals of motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement;
- (ii) a county legislative body of any county may impose a tax of not to exceed 7% on all short-term rentals of off-highway vehicles and recreational vehicles;
- (iii) a county legislative body of any county may impose a tax of not to exceed 1% of all sales of the following that are sold by a restaurant:
  - (A) alcoholic beverages;
  - (B) food and food ingredients; or
  - (C) prepared food;
- (iv) a county legislative body of a county of the first class may impose a tax of not to exceed .5% on charges for the accommodations and services described in Subsection 59-12-103(1)(i); and
- (v) if a county legislative body of any county imposes a tax under Subsection (1)(a)(i), a tax at the same rate applies to car sharing of less than 30 days, except for car sharing for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement.

(b) A tax imposed under Subsection (1)(a) is subject to the audit provisions of Section 17-31-5.5.

(2)(a) Subject to Subsection (2)(c), a county may use revenue from the imposition of a tax under Subsection (1) for:

- (i) financing tourism promotion; and
- (ii) the development, operation, and maintenance of:
  - (A) an airport facility;
  - (B) a convention facility;



- 2986 (C) a cultural facility;  
2987 (D) a recreation facility; or  
2988 (E) a tourist facility.
- 2989 (b)(i) In addition to the uses described in Subsection (2)(a) and subject to Subsection  
2990 (2)(b)(ii), a county of the fourth, fifth, or sixth class or a county with a population  
2991 density of fewer than 15 people per square mile may expend the revenue from the  
2992 imposition of a tax under Subsections (1)(a)(i) and (ii) on the following activities  
2993 to mitigate the impacts of tourism:
- 2994 (A) solid waste disposal;  
2995 (B) search and rescue activities;  
2996 (C) law enforcement activities;  
2997 (D) emergency medical services; or  
2998 (E) fire protection services.
- 2999 (ii) A county may only expend the revenue as outlined in Subsection (2)(b)(i) if the  
3000 county's tourism tax advisory board created under Subsection 17-31-8(1)(a) has  
3001 prioritized the use of revenue to mitigate the impacts of tourism.
- 3002 (c) A county of the first class shall expend at least \$450,000 each year of the revenue  
3003 from the imposition of a tax authorized by Subsection (1)(a)(iv) within the county to  
3004 fund a marketing and ticketing system designed to:
- 3005 (i) promote tourism in ski areas within the county by persons that do not reside within  
3006 the state; and  
3007 (ii) combine the sale of:
- 3008 (A) ski lift tickets; and  
3009 (B) accommodations and services described in Subsection 59-12-103(1)(i).
- 3010 (3) A tax imposed under this part may be pledged as security for bonds, notes, or other  
3011 evidences of indebtedness incurred by a county, city, or town under Title 11, Chapter 14,  
3012 Local Government Bonding Act, or a community reinvestment agency under Title 17C,  
3013 Chapter 1, Part 5, Agency Bonds, to finance:
- 3014 (a) an airport facility;  
3015 (b) a convention facility;  
3016 (c) a cultural facility;  
3017 (d) a recreation facility; or  
3018 (e) a tourist facility.
- 3019 (4)(a) To impose a tax under Subsection (1), the county legislative body shall adopt an

ordinance imposing the tax.

(b) The ordinance under Subsection (4)(a) shall include provisions substantially the same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on those items and sales described in Subsection (1).

(c) The name of the county as the taxing agency shall be substituted for that of the state where necessary, and an additional license is not required if one has been or is issued under Section 59-12-106.

(5) To maintain in effect a tax ordinance adopted under this part, each county legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1, Tax Collection, adopt amendments to the county's tax ordinance to conform with the applicable amendments to Part 1, Tax Collection.

(6)(a) Regardless of whether a county of the first class creates a tourism tax advisory board in accordance with Section 17-31-8, the county legislative body of the county of the first class shall create a tax advisory board in accordance with this Subsection (6).

(b) The tax advisory board shall be composed of nine members appointed as follows:

(i) four members shall be residents of a county of the first class appointed by the county legislative body of the county of the first class; and

(ii) subject to Subsections (6)(c) and (d), five members shall be mayors of cities or towns within the county of the first class appointed by an organization representing all mayors of cities and towns within the county of the first class.

(c) Five members of the tax advisory board constitute a quorum.

(d) The county legislative body of the county of the first class shall determine:

(i) terms of the members of the tax advisory board;

(ii) procedures and requirements for removing a member of the tax advisory board;

(iii) voting requirements, except that action of the tax advisory board shall be by at least a majority vote of a quorum of the tax advisory board;

(iv) chairs or other officers of the tax advisory board;

(v) how meetings are to be called and the frequency of meetings; and

(vi) the compensation, if any, of members of the tax advisory board.

(e) The tax advisory board under this Subsection (6) shall advise the county legislative body of the county of the first class on the expenditure of revenue collected within the county of the first class from the taxes described in Subsection (1)(a).

(7)(a)(i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part

shall be administered, collected, and enforced in accordance with:

(A) the same procedures used to administer, collect, and enforce the tax under:

(I) Part 1, Tax Collection; or

(II) Part 2, Local Sales and Use Tax Act; and

(B) Chapter 1, General Taxation Policies.

(ii) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections 59-12-205(2) [~~through (5)~~] and (4) through (6).

(b) Except as provided in Subsection (7)(c):

(i) for a tax under this part other than the tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenue to the county imposing the tax; and

(ii) for a tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenue according to the distribution formula provided in Subsection (8).

(c) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenue the commission collects from a tax under this part.

(8) The commission shall distribute the revenue generated by the tax under Subsection (1)(a)(i)(B) to each county collecting a tax under Subsection (1)(a)(i)(B) according to the following formula:

(a) the commission shall distribute 70% of the revenue based on the percentages generated by dividing the revenue collected by each county under Subsection (1)(a)(i)(B) by the total revenue collected by all counties under Subsection (1)(a)(i)(B); and

(b) the commission shall distribute 30% of the revenue based on the percentages generated by dividing the population of each county collecting a tax under Subsection (1)(a)(i)(B) by the total population of all counties collecting a tax under Subsection (1)(a)(i)(B).

(9)(a) For purposes of this Subsection (9):

(i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2, County Annexation.

(ii) "Annexing area" means an area that is annexed into a county.

(b)(i) Except as provided in Subsection (9)(c), if a county enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:

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

(B) after a 90-day period beginning on the day on which the commission receives

notice meeting the requirements of Subsection (9)(b)(ii) from the county.

(ii) The notice described in Subsection (9)(b)(i)(B) shall state:

(A) that the county will enact or repeal a tax or change the rate of a tax under this part;

(B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and

(D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(b)(ii)(A), the rate of the tax.

(c)(i) If the billing period for a transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of the tax or the tax rate increase shall take effect on the first day of the first billing period that begins after the effective date of the enactment of the tax or the tax rate increase.

(ii) If the billing period for a transaction begins before the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax rate decrease shall take effect on the first day of the last billing period that began before the effective date of the repeal of the tax or the tax rate decrease.

(d)(i) Except as provided in Subsection (9)(e), if the annexation will result in the enactment, repeal, or change in the rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

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

(B) after a 90-day period beginning on the day on which the commission receives notice meeting the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

(ii) The notice described in Subsection (9)(d)(i)(B) shall state:

(A) that the annexation described in Subsection (9)(d)(i) will result in an enactment, repeal, or change in the rate of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

(C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

(D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(d)(ii)(A), the rate of the tax.

(e)(i) If the billing period for a transaction begins before the effective date of the

enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of the tax or the tax rate increase shall take effect on the first day of the first billing period that begins after the effective date of the enactment of the tax or the tax rate increase.

(ii) If the billing period for a transaction begins before the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax rate decrease shall take effect on the first day of the last billing period that began before the effective date of the repeal of the tax or the tax rate decrease.

Section 21. Section **59-12-703** is amended to read:

**59-12-703 (Effective upon governor's approval). Opinion question election -- Base -- Rate -- Imposition of tax -- Expenditure of revenues -- Administration -- Enactment or repeal of tax -- Effective date -- Notice requirements.**

(1)(a) Subject to the other provisions of this section, a county legislative body may submit an opinion question to the residents of that county, by majority vote of all members of the legislative body, so that each resident of the county, except residents in municipalities that have already imposed a sales and use tax under Part 14, City or Town Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, has an opportunity to express the resident's opinion on the imposition of a local sales and use tax of .1% on the transactions described in Subsection 59-12-103(1) located within the county, to:

(i) fund cultural facilities, recreational facilities, and zoological facilities, botanical organizations, cultural organizations, and zoological organizations, and rural radio stations, in that county; or

(ii) provide funding for a botanical organization, cultural organization, or zoological organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in furtherance of the botanical organization's, cultural organization's, or zoological organization's primary purpose.

(b) The opinion question required by this section shall state:

"Shall (insert the name of the county), Utah, be authorized to impose a .1% sales and use tax for (list the purposes for which the revenue collected from the sales and use tax shall be expended)?"

(c) A county legislative body may not impose a tax under this section on:

(i) the sales and uses described in Section 59-12-104 to the extent the sales and uses

- 3156 are exempt from taxation under Section 59-12-104;
- 3157 (ii) sales and uses within a municipality that has already imposed a sales and use tax
- 3158 under Part 14, City or Town Option Funding for Botanical, Cultural, Recreational,
- 3159 and Zoological Organizations or Facilities; and
- 3160 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and
- 3161 food ingredients.
- 3162 (d) For purposes of this Subsection (1), the location of a transaction shall be determined
- 3163 in accordance with Sections 59-12-211 through 59-12-215.
- 3164 (e) A county legislative body imposing a tax under this section shall impose the tax on
- 3165 the purchase price or sales price for amounts paid or charged for food and food
- 3166 ingredients if the food and food ingredients are sold as part of a bundled transaction
- 3167 attributable to food and food ingredients and tangible personal property other than
- 3168 food and food ingredients.
- 3169 (f) The election shall follow the procedures outlined in Title 11, Chapter 14, Local
- 3170 Government Bonding Act.
- 3171 (2)(a) If the county legislative body determines that a majority of the county's registered
- 3172 voters voting on the imposition of the tax have voted in favor of the imposition of the
- 3173 tax as prescribed in Subsection (1), the county legislative body may impose the tax
- 3174 by a majority vote of all members of the legislative body on the transactions:
- 3175 (i) described in Subsection (1); and
- 3176 (ii) within the county, including the cities and towns located in the county, except
- 3177 those cities and towns that have already imposed a sales and use tax under Part 14,
- 3178 City or Town Option Funding for Botanical, Cultural, Recreational, and
- 3179 Zoological Organizations or Facilities.
- 3180 (b) A county legislative body may revise county ordinances to reflect statutory changes
- 3181 to the distribution formula or eligible recipients of revenue generated from a tax
- 3182 imposed under Subsection (2)(a) without submitting an opinion question to residents
- 3183 of the county.
- 3184 (3) Subject to Section 59-12-704, revenue collected from a tax imposed under Subsection
- 3185 (2) shall be expended:
- 3186 (a) to fund cultural facilities, recreational facilities, and zoological facilities located
- 3187 within the county or a city or town located in the county, except a city or town that
- 3188 has already imposed a sales and use tax under Part 14, City or Town Option Funding
- 3189 for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities;

- 3190 (b) to fund ongoing operating expenses of:
- 3191 (i) recreational facilities described in Subsection (3)(a);
- 3192 (ii) botanical organizations, cultural organizations, and zoological organizations
- 3193 within the county; and
- 3194 (iii) rural radio stations within the county; and
- 3195 (c) as stated in the opinion question described in Subsection (1).
- 3196 (4)(a) A tax authorized under this part shall be:
- 3197 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
- 3198 accordance with:
- 3199 (A) the same procedures used to administer, collect, and enforce the tax under:
- 3200 (I) Part 1, Tax Collection; or
- 3201 (II) Part 2, Local Sales and Use Tax Act; and
- 3202 (B) Chapter 1, General Taxation Policies; and
- 3203 (ii) levied for a period of 10 years and may be reauthorized at the end of the ~~[ten]~~ 10
- 3204 -year period in accordance with this section.
- 3205 (b) A tax under this part is not subject to Subsections 59-12-205(2) ~~[through (5)]~~ and (4)
- 3206 through (6).
- 3207 (5)(a) For purposes of this Subsection (5):
- 3208 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,
- 3209 County Annexation.
- 3210 (ii) "Annexing area" means an area that is annexed into a county.
- 3211 (b)(i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
- 3212 county enacts or repeals a tax under this part, the enactment or repeal shall take
- 3213 effect:
- 3214 (A) on the first day of a calendar quarter; and
- 3215 (B) after a 90-day period beginning on the date the commission receives notice
- 3216 meeting the requirements of Subsection (5)(b)(ii) from the county.
- 3217 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:
- 3218 (A) that the county will enact or repeal a tax under this part;
- 3219 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);
- 3220 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and
- 3221 (D) if the county enacts the tax described in Subsection (5)(b)(ii)(A), the rate of
- 3222 the tax.
- 3223 (c)(i) If the billing period for a transaction begins before the effective date of the

enactment of the tax under this section, the enactment of the tax takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax.

(ii) The repeal of a tax applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax imposed under this section.

(d)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in Subsection (5)(b)(i) takes effect:

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

(B) beginning 60 days after the effective date of the enactment or repeal under Subsection (5)(b)(i).

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(e)(i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this part for an annexing area, the enactment or repeal shall take effect:

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

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(e)(ii) from the county that annexes the annexing area.

(ii) The notice described in Subsection (5)(e)(i)(B) shall state:

(A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or repeal of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

(C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

(D) the rate of the tax described in Subsection (5)(e)(ii)(A).

(f)(i) If the billing period for a transaction begins before the effective date of the enactment of the tax under this section, the enactment of the tax takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax.

(ii) The repeal of a tax applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax imposed under this section.



(g)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in Subsection (5)(e)(i) takes effect:

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

(B) beginning 60 days after the effective date of the enactment or repeal under Subsection (5)(e)(i).

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

Section 22. Section **59-12-802** is amended to read:

**59-12-802 (Effective upon governor's approval). Imposition of rural county health care tax -- Expenditure of tax revenue -- Base -- Rate -- Administration, collection, and enforcement of tax -- Administrative charge.**

(1)(a) A county legislative body of the following counties may impose a sales and use tax of up to 1% on the transactions described in Subsection 59-12-103(1) located within the county:

(i) a county of the third, fourth, fifth, or sixth class; or

(ii) a county of the second class that has:

(A) a national park within or partially within the county's boundaries; and

(B) two or more state parks within or partially within the county's boundaries.

(b) Notwithstanding Subsection (1)(a), a county legislative body may not impose a tax under this section on:

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

(ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in a city that imposes a tax under Section 59-12-804; and

(iii) except as provided in Subsection (1)(d), amounts paid or charged for food and food ingredients.

(c) For purposes of this Subsection (1), the location of a transaction is determined in accordance with Sections 59-12-211 through 59-12-215.

(d) A county legislative body imposing a tax under this section shall impose the tax on the purchase price or sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.

- 3292 (2)(a) Except as provided in Subsection (5)(b), before imposing a tax under Subsection  
3293 (1), a county legislative body shall obtain approval to impose the tax from a majority  
3294 of the:
- 3295 (i) members of the county's legislative body; and
  - 3296 (ii) county's registered voters voting on the imposition of the tax.
- 3297 (b) The county legislative body shall conduct the election according to the procedures  
3298 and requirements of Title 11, Chapter 14, Local Government Bonding Act.
- 3299 (3) Subject to Subsection (4), a county legislative body may use money collected from a tax  
3300 imposed under Subsection (1) to fund:
- 3301 (a) for a county described in Subsection (1)(a)(i):
    - 3302 (i) the following costs associated with a federally qualified health center within the
    - 3303 county, a freestanding urgent care center within the county, a rural county health
    - 3304 care facility within the county, or a rural health clinic within the county:
    - 3305 (A) ongoing operating expenses of the center, clinic, or facility;
    - 3306 (B) the acquisition of land for the center, clinic, or facility; or
    - 3307 (C) the design, construction, equipping, or furnishing of the center, clinic, or
    - 3308 facility;
  - 3309 (ii) rural emergency medical services within the county; or
  - 3310 (iii) a combination of the activities described in this Subsection (3)(a); and
  - 3311 (b) for a county described in Subsection (1)(a)(ii), emergency medical services that are
  - 3312 provided by a political subdivision within that county, subject to Subsection (5)(c).
- 3313 (4)(a) For a tax enacted on or after July 1, 2024, by a county described in Subsection  
3314 (1)(a)(i), a county legislative body may use money collected from a tax imposed  
3315 under Subsection (1) to fund:
- 3316 (i) the costs described in Subsection (3)(a)(i);
  - 3317 (ii) the following activities to mitigate the impacts of visitors within the county:
    - 3318 (A) emergency medical services;
    - 3319 (B) solid waste disposal;
    - 3320 (C) search and rescue activities;
    - 3321 (D) law enforcement activities; or
    - 3322 (E) fire protection services;
  - 3323 (iii) avalanche forecasting within the county; or
  - 3324 (iv) a combination of the activities described in this Subsection (4)(a).
- 3325 (b) For a tax increased on or after July 1, 2024, by a county described in Subsection

- 3326 (1)(a)(i), a county legislative body may use the money collected from the increased  
3327 tax rate to fund the activities described in Subsections (4)(a)(i) through (iv).
- 3328 (5)(a) A county described in Subsection (1)(a)(ii) may impose a tax under this section  
3329 within a portion of the county if the affected area includes:
- 3330 (i) the entire unincorporated area of the county; and  
3331 (ii) the entire boundaries of any municipality located within the affected area.
- 3332 (b) Before a county described in Subsection (1)(a)(ii) may impose a tax under this  
3333 section within a portion of the county, the county legislative body shall obtain  
3334 approval to impose the tax from a majority of:
- 3335 (i) the members of the county's legislative body;  
3336 (ii) the county's registered voters within the affected area voting on the imposition of  
3337 the tax, in an election conducted according to the procedures and requirements of  
3338 Title 11, Chapter 14, Local Government Bonding Act; and  
3339 (iii)(A) the members of the legislative body of each municipality located within  
3340 the affected area; or  
3341 (B) the members of the governing body of a special service district established  
3342 under Title 17D, Chapter 1, Special Service District Act, to provide emergency  
3343 medical services within the affected area.
- 3344 (c) A county described in Subsection (1)(a)(ii) that imposes a tax under this section  
3345 within a portion of the county in accordance with this Subsection (5) may use the  
3346 money collected from the tax to fund emergency medical services that are provided  
3347 by a political subdivision within the affected area.
- 3348 (6)(a) A tax under this section shall be:
- 3349 (i) except as provided in Subsection (6)(b), administered, collected, and enforced in  
3350 accordance with:
- 3351 (A) the same procedures used to administer, collect, and enforce the tax under:  
3352 (I) Part 1, Tax Collection; or  
3353 (II) Part 2, Local Sales and Use Tax Act; and  
3354 (B) Chapter 1, General Taxation Policies; and  
3355 (ii) levied for a period of 10 years and may be reauthorized at the end of the 10-year  
3356 period by the county legislative body as provided in Subsection (1).
- 3357 (b) A tax under this section is not subject to Subsections 59-12-205(2) [~~through (5)~~] and  
3358 (4) through (6).
- 3359 (c) A county legislative body shall distribute money collected from a tax under this

3360 section quarterly.

3361 (7) The commission shall retain and deposit an administrative charge in accordance with  
3362 Section 59-1-306 from the revenue the commission collects from a tax under this section.

3363 Section 23. Section **59-12-804** is amended to read:

3364 **59-12-804 (Effective upon governor's approval). Imposition of rural city hospital**  
3365 **tax -- Base -- Rate -- Administration, collection, and enforcement of tax -- Administrative**  
3366 **charge.**

3367 (1)(a) A city legislative body may impose a sales and use tax of up to 1%:

3368 (i) on the transactions described in Subsection 59-12-103(1) located within the city;  
3369 and

3370 (ii) to fund rural city hospitals in that city.

3371 (b) Notwithstanding Subsection (1)(a)(i), a city legislative body may not impose a tax  
3372 under this section on:

3373 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses  
3374 are exempt from taxation under Section 59-12-104; and

3375 (ii) except as provided in Subsection (1)(d), amounts paid or charged for food and  
3376 food ingredients.

3377 (c) For purposes of this Subsection (1), the location of a transaction shall be determined  
3378 in accordance with Sections 59-12-211 through 59-12-215.

3379 (d) A city legislative body imposing a tax under this section shall impose the tax on the  
3380 purchase price or sales price for amounts paid or charged for food and food  
3381 ingredients if the food and food ingredients are sold as part of a bundled transaction  
3382 attributable to food and food ingredients and tangible personal property other than  
3383 food and food ingredients.

3384 (2)(a) Before imposing a tax under Subsection (1)(a), a city legislative body shall obtain  
3385 approval to impose the tax from a majority of the:

3386 (i) members of the city legislative body; and

3387 (ii) city's registered voters voting on the imposition of the tax.

3388 (b) The city legislative body shall conduct the election according to the procedures and  
3389 requirements of Title 11, Chapter 14, Local Government Bonding Act.

3390 (3) The money collected from a tax imposed under Subsection (1) may only be used to fund:

3391 (a) ongoing operating expenses of a rural city hospital;

3392 (b) the acquisition of land for a rural city hospital; or

3393 (c) the design, construction, equipping, or furnishing of a rural city hospital.

- 3394 (4)(a) A tax under this section shall be:
- 3395 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
- 3396 accordance with:
- 3397 (A) the same procedures used to administer, collect, and enforce the tax under:
- 3398 (I) Part 1, Tax Collection; or
- 3399 (II) Part 2, Local Sales and Use Tax Act; and
- 3400 (B) Chapter 1, General Taxation Policies; and
- 3401 (ii) levied for a period of 10 years and may be reauthorized at the end of the ~~[ten]~~ 10
- 3402 -year period by the city legislative body as provided in Subsection (1).
- 3403 (b) A tax under this section is not subject to Subsections 59-12-205(2) ~~[through (5)]~~ and
- 3404 (4) through (6).
- 3405 (5) The commission shall retain and deposit an administrative charge in accordance with
- 3406 Section 59-1-306 from the revenue the commission collects from a tax under this section.
- 3407 Section 24. Section **59-12-1102** is amended to read:
- 3408 **59-12-1102 (Effective upon governor's approval). Base -- Rate -- Imposition of**
- 3409 **tax -- Distribution of revenue -- Administration -- Administrative charge -- Commission**
- 3410 **requirement to retain an amount to be deposited into the Qualified Emergency Food**
- 3411 **Agencies Fund -- Enactment or repeal of tax -- Effective date -- Notice requirements.**
- 3412 (1)(a)(i) Subject to Subsections (2) through ~~[(6)]~~ (7), and in addition to any other tax
- 3413 authorized by this chapter, a county may impose by ordinance a county option
- 3414 sales and use tax of .25% upon the transactions described in Subsection
- 3415 59-12-103(1).
- 3416 (ii) Notwithstanding Subsection (1)(a)(i), a county may not impose a tax under this
- 3417 section on the sales and uses described in Section 59-12-104 to the extent the sales
- 3418 and uses are exempt from taxation under Section 59-12-104.
- 3419 (b) For purposes of this Subsection (1), the location of a transaction shall be determined
- 3420 in accordance with Sections 59-12-211 through 59-12-215.
- 3421 (c) The county option sales and use tax under this section shall be imposed:
- 3422 (i) upon transactions that are located within the county, including transactions that are
- 3423 located within municipalities in the county; and
- 3424 (ii) except as provided in Subsection (1)(d) or ~~[(5)]~~ (6), beginning on the first day of
- 3425 January:
- 3426 (A) of the next calendar year after adoption of the ordinance imposing the tax if
- 3427 the ordinance is adopted on or before May 25; or

(B) of the second calendar year after adoption of the ordinance imposing the tax if the ordinance is adopted after May 25.

(d) The county option sales and use tax under this section shall be imposed:

(i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before September 4, 1997; or

(ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during 1997 but after September 4, 1997.

(2)(a) Before imposing a county option sales and use tax under Subsection (1), a county shall hold two public hearings on separate days in geographically diverse locations in the county.

(b)(i) At least one of the hearings required by Subsection (2)(a) shall have a starting time of no earlier than 6 p.m.

(ii) The earlier of the hearings required by Subsection (2)(a) shall be no less than seven days after the day the first advertisement required by Subsection (2)(c) is published.

(c)(i) Before holding the public hearings required by Subsection (2)(a), the county shall advertise:

(A) its intent to adopt a county option sales and use tax;

(B) the date, time, and location of each public hearing; and

(C) a statement that the purpose of each public hearing is to obtain public comments regarding the proposed tax.

(ii) The advertisement shall be published:

(A) in a newspaper of general circulation in the county once each week for the two weeks preceding the earlier of the two public hearings; and

(B) for the county, as a class A notice under Section 63G-30-102, for two weeks before the day on which the first of the two public hearings is held.

(iii) The advertisement described in Subsection (2)(c)(ii)(A) shall be no less than 1/8 page in size, and the type used shall be no smaller than 18 point and surrounded by a 1/4-inch border.

(iv) The advertisement described in Subsection (2)(c)(ii)(A) may not be placed in that portion of the newspaper where legal notices and classified advertisements appear.

(v) In accordance with Subsection (2)(c)(ii)(A), whenever possible:

(A) the advertisement shall appear in a newspaper that is published at least five days a week, unless the only newspaper in the county is published less than

3462 five days a week; and

3463 (B) the newspaper selected shall be one of general interest and readership in the  
3464 community, and not one of limited subject matter.

3465 (d) The adoption of an ordinance imposing a county option sales and use tax is subject to  
3466 a local referendum election and shall be conducted as provided in Title 20A, Chapter  
3467 7, Part 6, Local Referenda - Procedures.

3468 (3) Beginning no sooner than January 1, 2026, and subject to Section 59-12-205, before  
3469 application of Subsections (4) through (7), and as described in Section 63N-3-610.1,  
3470 beginning the first day of a calendar quarter after the year set in the proposal and after  
3471 the sales and use tax boundary for a convention center reinvestment zone is established  
3472 under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the  
3473 commission, at least annually, shall transfer an amount equal to 100% of the sales and  
3474 use tax increment as defined in Section 63N-3-602, from the sales and use tax imposed  
3475 under this part on transactions occurring within an established sales and use tax  
3476 boundary, as defined in Section 63N-3-602, to a convention center public infrastructure  
3477 district created in accordance with Section 17D-4-202.1.

3478 [(3)] (4)(a) Subject to Subsection [(5)] (6), if the aggregate population of the counties  
3479 imposing a county option sales and use tax under Subsection (1) is less than 75% of  
3480 the state population, the tax levied under Subsection (1) shall be distributed to the  
3481 county in which the tax was collected.

3482 (b) Subject to Subsection [(5)] (6), if the aggregate population of the counties imposing a  
3483 county option sales and use tax under Subsection (1) is greater than or equal to 75%  
3484 of the state population:

3485 (i) 50% of the tax collected under Subsection (1) in each county shall be distributed  
3486 to the county in which the tax was collected; and

3487 (ii) except as provided in Subsection [(3)(e)] (4)(c), 50% of the tax collected under  
3488 Subsection (1) in each county shall be distributed proportionately among all  
3489 counties imposing the tax, based on the total population of each county.

3490 (c) Except as provided in Subsection [(5)] (6), the amount to be distributed annually to a  
3491 county under Subsection [(3)(b)(ii)] (4)(b)(ii), when combined with the amount  
3492 distributed to the county under Subsection [(3)(b)(i)] (4)(b)(i), does not equal at least  
3493 \$75,000, then:

3494 (i) the amount to be distributed annually to that county under Subsection [(3)(b)(ii)]  
3495 (4)(b)(ii) shall be increased so that, when combined with the amount distributed to

- 3496 the county under Subsection [~~(3)(b)(i)~~] (4)(b)(i), the amount distributed annually to  
3497 the county is \$75,000; and
- 3498 (ii) the amount to be distributed annually to all other counties under Subsection [  
3499 ~~(3)(b)(ii)~~] (4)(b)(ii) shall be reduced proportionately to offset the additional  
3500 amount distributed under Subsection (3)(c)(i).
- 3501 (d) The commission shall establish rules to implement the distribution of the tax under  
3502 Subsections [~~(3)(a)~~] (4)(a), (b), and (c).
- 3503 [~~(4)~~] (5)(a) Except as provided in Subsection [~~(4)(b)~~] (5)(b) or (c), a tax authorized under  
3504 this part shall be administered, collected, and enforced in accordance with:
- 3505 (i) the same procedures used to administer, collect, and enforce the tax under:  
3506 (A) Part 1, Tax Collection; or  
3507 (B) Part 2, Local Sales and Use Tax Act; and  
3508 (ii) Chapter 1, General Taxation Policies.
- 3509 (b) A tax under this part is not subject to Subsections 59-12-205(2) [~~through (5)~~] and (4)  
3510 through (6).
- 3511 (c)(i) Subject to Subsection [~~(4)(e)(ii)~~] (5)(c)(ii), the commission shall retain and  
3512 deposit an administrative charge in accordance with Section 59-1-306 from the  
3513 revenue the commission collects from a tax under this part.
- 3514 (ii) Notwithstanding Section 59-1-306, the administrative charge described in  
3515 Subsection [~~(4)(e)(i)~~] (5)(c)(i) shall be calculated by taking a percentage described  
3516 in Section 59-1-306 of the distribution amounts resulting after:  
3517 (A) the applicable distribution calculations under Subsection [~~(3)~~] (4) have been  
3518 made; and  
3519 (B) the commission retains the amount required by Subsection [~~(5)~~] (6).
- 3520 [~~(5)~~] (6)(a) Beginning on July 1, 2009, the commission shall calculate and retain a  
3521 portion of the sales and use tax collected under this part as provided in this  
3522 Subsection [~~(5)~~] (6).
- 3523 (b) For a county that imposes a tax under this part, the commission shall calculate a  
3524 percentage each month by dividing the sales and use tax collected under this part for  
3525 that month within the boundaries of that county by the total sales and use tax  
3526 collected under this part for that month within the boundaries of all of the counties  
3527 that impose a tax under this part.
- 3528 (c) For a county that imposes a tax under this part, the commission shall retain each  
3529 month an amount equal to the product of:



- 3530 (i) the percentage the commission determines for the month under Subsection [~~(5)~~(b)]  
3531 (6)(b) for the county; and
- 3532 (ii) \$6,354.
- 3533 (d) The commission shall deposit an amount the commission retains in accordance with  
3534 this Subsection [~~(5)~~] (6) into the Qualified Emergency Food Agencies Fund created  
3535 by Section 35A-8-1009.
- 3536 (e) An amount the commission deposits into the Qualified Emergency Food Agencies  
3537 Fund shall be expended as provided in Section 35A-8-1009.
- 3538 [~~(6)~~] (7)(a) For purposes of this Subsection [~~(6)~~] (7):
- 3539 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, County  
3540 Consolidations and Annexations.
- 3541 (ii) "Annexing area" means an area that is annexed into a county.
- 3542 (b)(i) Except as provided in Subsection [~~(6)~~(e)] (7)(c) or (d), if, on or after July 1,  
3543 2004, a county enacts or repeals a tax under this part:
- 3544 (A)(I) the enactment shall take effect as provided in Subsection (1)(c); or  
3545 (II) the repeal shall take effect on the first day of a calendar quarter; and  
3546 (B) after a 90-day period beginning on the date the commission receives notice  
3547 meeting the requirements of Subsection [~~(6)~~(b)(ii)] (7)(b)(ii) from the county.
- 3548 (ii) The notice described in Subsection [~~(6)~~(b)(i)(B)] (7)(b)(i)(B) shall state:
- 3549 (A) that the county will enact or repeal a tax under this part;  
3550 (B) the statutory authority for the tax described in Subsection [~~(6)~~(b)(ii)(A)]  
3551 (7)(b)(ii)(A);  
3552 (C) the effective date of the tax described in Subsection [~~(6)~~(b)(ii)(A)] (7)(b)(ii)(A);  
3553 and  
3554 (D) if the county enacts the tax described in Subsection [~~(6)~~(b)(ii)(A)] (7)(b)(ii)(A),  
3555 the rate of the tax.
- 3556 (c)(i) If the billing period for a transaction begins before the effective date of the  
3557 enactment of the tax under Subsection (1), the enactment of the tax takes effect on  
3558 the first day of the first billing period that begins on or after the effective date of  
3559 the enactment of the tax.
- 3560 (ii) The repeal of a tax applies to a billing period if the billing statement for the  
3561 billing period is produced on or after the effective date of the repeal of the tax  
3562 imposed under Subsection (1).
- 3563 (d)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of

sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in Subsection ~~[(6)(b)(i)]~~ (7)(b)(i) takes effect:

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

(B) beginning 60 days after the effective date of the enactment or repeal under Subsection ~~[(6)(b)(i)]~~ (7)(b)(i).

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(e)(i) Except as provided in Subsection ~~[(6)(f)]~~ (7)(f) or (g), if, for an annexation that occurs on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this part for an annexing area, the enactment or repeal shall take effect:

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

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection ~~[(6)(e)(ii)]~~ (7)(e)(i) from the county that annexes the annexing area.

(ii) The notice described in Subsection ~~[(6)(e)(i)(B)]~~ (7)(e)(i)(B) shall state:

(A) that the annexation described in Subsection ~~[(6)(e)(i)]~~ (7)(b)(i) will result in an enactment or repeal of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection ~~[(6)(e)(ii)(A)]~~ (7)(e)(ii)(A);

(C) the effective date of the tax described in Subsection ~~[(6)(e)(ii)(A)]~~ (7)(e)(ii)(A); and

(D) the rate of the tax described in Subsection ~~[(6)(e)(ii)(A)]~~ (7)(e)(ii)(A).

(f)(i) If the billing period for a transaction begins before the effective date of the enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax.

(ii) The repeal of a tax applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax imposed under Subsection (1).

(g)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in Subsection ~~[(6)(e)(i)]~~ (7)(e)(i) takes effect:

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

(B) beginning 60 days after the effective date of the enactment or repeal under Subsection [(6)(e)(i)] (7)(e)(i).

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

Section 25. Section **59-12-1302** is amended to read:

**59-12-1302 (Effective upon governor's approval). Imposition of tax -- Base -- Rate -- Enactment or repeal of tax -- Tax rate change -- Effective date -- Notice requirements -- Administration, collection, and enforcement of tax -- Administrative charge.**

(1) Beginning on or after January 1, 1998, the governing body of a town may impose a tax as provided in this part in an amount that does not exceed 1%.

(2) A town may impose a tax as provided in this part if the town imposed a license fee or tax on businesses based on gross receipts under Section 10-1-203 on or before January 1, 1996.

(3) A town imposing a tax under this section shall:

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

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

(4)(a) A town may not impose a tax under this section on:

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

(ii) except as provided in Subsection (4)(c), amounts paid or charged for food and food ingredients.

(b) For purposes of this Subsection (4), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

(c) A town imposing a tax under this section shall impose the tax on the purchase price or sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.

(5)(a) For purposes of this Subsection (5):

(i) "Annexation" means an annexation to a town under Title 10, Chapter 2, Part 4, Annexation.

(ii) "Annexing area" means an area that is annexed into a town.

(b)(i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a

town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:

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

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(b)(ii) from the town.

(ii) The notice described in Subsection (5)(b)(i)(B) shall state:

(A) that the town will enact or repeal a tax or change the rate of a tax under this part;

(B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

(D) if the town enacts the tax or changes the rate of the tax described in Subsection (5)(b)(ii)(A), the rate of the tax.

(c)(i) If the billing period for the transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of the tax or the tax rate increase takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax or the tax rate increase.

(ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1).

(d)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax described in Subsection (5)(b)(i) takes effect:

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

(B) beginning 60 days after the effective date of the enactment, repeal, or change in the rate of the tax under Subsection (5)(b)(i).

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(e)(i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

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

(B) after a 90-day period beginning on the date the commission receives notice

- 3666 meeting the requirements of Subsection (5)(e)(ii) from the town that annexes  
3667 the annexing area.
- 3668 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:
- 3669 (A) that the annexation described in Subsection (5)(e)(i) will result in an  
3670 enactment, repeal, or change in the rate of a tax under this part for the annexing  
3671 area;
- 3672 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);
- 3673 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and
- 3674 (D) if the town enacts the tax or changes the rate of the tax described in  
3675 Subsection (5)(e)(ii)(A), the rate of the tax.
- 3676 (f)(i) If the billing period for a transaction begins before the effective date of the  
3677 enactment of the tax or the tax rate increase imposed under Subsection (1), the  
3678 enactment of the tax or the tax rate increase takes effect on the first day of the first  
3679 billing period that begins on or after the effective date of the enactment of the tax  
3680 or the tax rate increase.
- 3681 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
3682 statement for the billing period is produced on or after the effective date of the  
3683 repeal of the tax or the tax rate decrease imposed under Subsection (1).
- 3684 (g)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
3685 sales and use tax rates published in the catalogue, an enactment, repeal, or change  
3686 in the rate of a tax described in Subsection (5)(e)(i) takes effect:
- 3687 (A) on the first day of a calendar quarter; and
- 3688 (B) beginning 60 days after the effective date of the enactment, repeal, or change  
3689 in the rate of the tax under Subsection (5)(e)(i).
- 3690 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
3691 the commission may by rule define the term "catalogue sale."
- 3692 (6) The commission shall:
- 3693 (a) distribute the revenue generated by the tax under this section to the town imposing  
3694 the tax; and
- 3695 (b) except as provided in Subsection (8), administer, collect, and enforce the tax  
3696 authorized under this section in accordance with:
- 3697 (i) the same procedures used to administer, collect, and enforce the tax under:
- 3698 (A) Part 1, Tax Collection; or
- 3699 (B) Part 2, Local Sales and Use Tax Act; and

(ii) Chapter 1, General Taxation Policies.

(7) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenue the commission collects from a tax under this part.

(8) A tax under this section is not subject to Subsections 59-12-205(2) [~~through (5)~~] and (4) through (6).

Section 26. Section **59-12-1402** is amended to read:

**59-12-1402 (Effective upon governor's approval). Opinion question election -- Base -- Rate -- Imposition of tax -- Expenditure of revenue -- Enactment or repeal of tax -- Effective date -- Notice requirements.**

(1)(a) Subject to the other provisions of this section, a city or town legislative body subject to this part may submit an opinion question to the residents of that city or town, by majority vote of all members of the legislative body, so that each resident of the city or town has an opportunity to express the resident's opinion on the imposition of a local sales and use tax of .1% on the transactions described in Subsection 59-12-103(1) located within the city or town, to:

(i) fund cultural facilities, recreational facilities, and zoological facilities and botanical organizations, cultural organizations, and zoological organizations in that city or town; or

(ii) provide funding for a botanical organization, cultural organization, or zoological organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in furtherance of the botanical organization's, cultural organization's, or zoological organization's primary purpose.

(b) The opinion question required by this section shall state:

"Shall (insert the name of the city or town), Utah, be authorized to impose a .1% sales and use tax for (list the purposes for which the revenue collected from the sales and use tax shall be expended)?"

(c) A city or town legislative body may not impose a tax under this section:

(i) if the county in which the city or town is located imposes a tax under Part 7, County Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities;

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

(iii) except as provided in Subsection (1)(e), on amounts paid or charged for food and food ingredients.

(d) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

(e) A city or town legislative body imposing a tax under this section shall impose the tax on the purchase price or sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.

(f) Except as provided in Subsection (6), the election shall be held at a regular general election or a municipal general election, as those terms are defined in Section 20A-1-102, and shall follow the procedures outlined in Title 11, Chapter 14, Local Government Bonding Act.

(2) If the city or town legislative body determines that a majority of the city's or town's registered voters voting on the imposition of the tax have voted in favor of the imposition of the tax as prescribed in Subsection (1), the city or town legislative body may impose the tax by a majority vote of all members of the legislative body.

(3) Subject to Section 59-12-1403, revenue collected from a tax imposed under Subsection (2) shall be expended:

(a) to finance cultural facilities, recreational facilities, and zoological facilities within the city or town or within the geographic area of entities that are parties to an interlocal agreement, to which the city or town is a party, providing for cultural facilities, recreational facilities, or zoological facilities;

(b) to finance ongoing operating expenses of:

(i) recreational facilities described in Subsection (3)(a) within the city or town or within the geographic area of entities that are parties to an interlocal agreement, to which the city or town is a party, providing for recreational facilities; or

(ii) botanical organizations, cultural organizations, and zoological organizations within the city or town or within the geographic area of entities that are parties to an interlocal agreement, to which the city or town is a party, providing for the support of botanical organizations, cultural organizations, or zoological organizations; and

(c) as stated in the opinion question described in Subsection (1).

(4)(a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be:

(i) administered, collected, and enforced in accordance with:

(A) the same procedures used to administer, collect, and enforce the tax under:

(I) Part 1, Tax Collection; or

(II) Part 2, Local Sales and Use Tax Act; and

(B) Chapter 1, General Taxation Policies; and

(ii)(A) levied for a period of eight years; and

(B) may be reauthorized at the end of the eight-year period in accordance with this section.

(b)(i) If a tax under this part is imposed for the first time on or after July 1, 2011, the tax shall be levied for a period of 10 years.

(ii) If a tax under this part is reauthorized in accordance with Subsection (4)(a) on or after July 1, 2011, the tax shall be reauthorized for a ~~[ten]~~ 10-year period.

(c) A tax under this section is not subject to Subsections 59-12-205(2) ~~[through (5)]~~ and (4) through (6).

(5)(a) For purposes of this Subsection (5):

(i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part 4, Annexation.

(ii) "Annexing area" means an area that is annexed into a city or town.

(b)(i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a city or town enacts or repeals a tax under this part, the enactment or repeal shall take effect:

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

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(b)(ii) from the city or town.

(ii) The notice described in Subsection (5)(b)(i)(B) shall state:

(A) that the city or town will enact or repeal a tax under this part;

(B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

(D) if the city or town enacts the tax described in Subsection (5)(b)(ii)(A), the rate of the tax.

(c)(i) If the billing period for a transaction begins before the effective date of the enactment of the tax under this section, the enactment of the tax takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax.

(ii) The repeal of a tax applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax



imposed under this section.

(d)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in Subsection (5)(b)(i) takes effect:

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

(B) beginning 60 days after the effective date of the enactment or repeal under Subsection (5)(b)(i).

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(e)(i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this part for an annexing area, the enactment or repeal shall take effect:

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

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(e)(ii) from the city or town that annexes the annexing area.

(ii) The notice described in Subsection (5)(e)(i)(B) shall state:

(A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or repeal a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

(C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

(D) the rate of the tax described in Subsection (5)(e)(ii)(A).

(f)(i) If the billing period for a transaction begins before the effective date of the enactment of the tax under this section, the enactment of the tax takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax.

(ii) The repeal of a tax applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax imposed under this section.

(g)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in Subsection (5)(e)(i) takes effect:

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

(B) beginning 60 days after the effective date of the enactment or repeal under

3836 Subsection (5)(e)(i).

3837 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
3838 the commission may by rule define the term "catalogue sale."

3839 (6)(a) Before a city or town legislative body submits an opinion question to the residents  
3840 of the city or town under Subsection (1), the city or town legislative body shall:

3841 (i) submit to the county legislative body in which the city or town is located a written  
3842 notice of the intent to submit the opinion question to the residents of the city or  
3843 town; and

3844 (ii) receive from the county legislative body:

3845 (A) a written resolution passed by the county legislative body stating that the  
3846 county legislative body is not seeking to impose a tax under Part 7, County  
3847 Option Funding for Botanical, Cultural, Recreational, and Zoological  
3848 Organizations or Facilities; or

3849 (B) a written statement that in accordance with Subsection (6)(b) the results of a  
3850 county opinion question submitted to the residents of the county under Part 7,  
3851 County Option Funding for Botanical, Cultural, Recreational, and Zoological  
3852 Organizations or Facilities, permit the city or town legislative body to submit  
3853 the opinion question to the residents of the city or town in accordance with this  
3854 part.

3855 (b)(i) Within 60 days after the day the county legislative body receives from a city or  
3856 town legislative body described in Subsection (6)(a) the notice of the intent to  
3857 submit an opinion question to the residents of the city or town, the county  
3858 legislative body shall provide the city or town legislative body:

3859 (A) the written resolution described in Subsection (6)(a)(ii)(A); or

3860 (B) written notice that the county legislative body will submit an opinion question  
3861 to the residents of the county under Part 7, County Option Funding for  
3862 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities,  
3863 for the county to impose a tax under that part.

3864 (ii) If the county legislative body provides the city or town legislative body the  
3865 written notice that the county legislative body will submit an opinion question as  
3866 provided in Subsection (6)(b)(i)(B), the county legislative body shall submit the  
3867 opinion question by no later than, from the date the county legislative body sends  
3868 the written notice, the later of:

3869 (A) a 12-month period;

3870 (B) the next regular primary election; or

3871 (C) the next regular general election.

3872 (iii) Within 30 days of the date of the canvass of the election at which the opinion  
3873 question under Subsection (6)(b)(ii) is voted on, the county legislative body shall  
3874 provide the city or town legislative body described in Subsection (6)(a) written  
3875 results of the opinion question submitted by the county legislative body under Part  
3876 7, County Option Funding for Botanical, Cultural, Recreational, and Zoological  
3877 Organizations or Facilities, indicating that:

3878 (A)(I) the city or town legislative body may not impose a tax under this part  
3879 because a majority of the county's registered voters voted in favor of the  
3880 county imposing the tax and the county legislative body by a majority vote  
3881 approved the imposition of the tax; or

3882 (II) for at least 12 months from the date the written results are submitted to the  
3883 city or town legislative body, the city or town legislative body may not  
3884 submit to the county legislative body a written notice of the intent to submit  
3885 an opinion question under this part because a majority of the county's  
3886 registered voters voted against the county imposing the tax and the majority  
3887 of the registered voters who are residents of the city or town described in  
3888 Subsection (6)(a) voted against the imposition of the county tax; or

3889 (B) the city or town legislative body may submit the opinion question to the  
3890 residents of the city or town in accordance with this part because although a  
3891 majority of the county's registered voters voted against the county imposing the  
3892 tax, the majority of the registered voters who are residents of the city or town  
3893 voted for the imposition of the county tax.

3894 (c) Notwithstanding Subsection (6)(b), at any time a county legislative body may  
3895 provide a city or town legislative body described in Subsection (6)(a) a written  
3896 resolution passed by the county legislative body stating that the county legislative  
3897 body is not seeking to impose a tax under Part 7, County Option Funding for  
3898 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, which  
3899 permits the city or town legislative body to submit under Subsection (1) an opinion  
3900 question to the city's or town's residents.

3901 Section 27. Section **59-12-2103** is amended to read:

3902 **59-12-2103 (Effective upon governor's approval). Imposition of tax -- Base --**  
3903 **Rate -- Expenditure of revenue collected from the tax -- Administration, collection, and**

**enforcement of tax by commission -- Administrative charge -- Enactment or repeal of tax  
-- Annexation -- Notice.**

- (1)(a) As used in this section, "eligible city or town" means a city or town that imposed a tax under this part on July 1, 2016.
- (b) Subject to the other provisions of this section and except as provided in Subsection (2) or (3), the legislative body of an eligible city or town may impose a sales and use tax of up to .20% on the transactions:
- (i) described in Subsection 59-12-103(1); and
  - (ii) within the city or town.
- (c) A city or town legislative body that imposes a tax under Subsection (1)(b) shall expend the revenue collected from the tax for the same purposes for which the city or town may expend the city's or town's general fund revenue.
- (d) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.
- (2)(a) A city or town legislative body may not impose a tax under this section on:
- (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and
  - (ii) except as provided in Subsection (2)(b), amounts paid or charged for food and food ingredients.
- (b) A city or town legislative body imposing a tax under this section shall impose the tax on the purchase price or sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.
- (3) An eligible city or town may impose a tax under this part until no later than June 30, 2030.
- (4) The commission shall transmit revenue collected within a city or town from a tax under this part:
- (a) to the city or town legislative body;
  - (b) monthly; and
  - (c) by electronic funds transfer.
- (5)(a) Except as provided in Subsection (5)(b), the commission shall administer, collect, and enforce a tax under this part in accordance with:
- (i) the same procedures used to administer, collect, and enforce the tax under:

3938 (A) Part 1, Tax Collection; or

3939 (B) Part 2, Local Sales and Use Tax Act; and

3940 (ii) Chapter 1, General Taxation Policies.

3941 (b) A tax under this part is not subject to Subsections 59-12-205(2) [~~through (5)~~] and (4)  
3942 through (6).

3943 (6) The commission shall retain and deposit an administrative charge in accordance with  
3944 Section 59-1-306 from the revenue the commission collects from a tax under this part.

3945 (7)(a)(i) Except as provided in Subsection (7)(b) or (c), if, on or after January 1,  
3946 2009, a city or town enacts or repeals a tax or changes the rate of a tax under this  
3947 part, the enactment, repeal, or change shall take effect:

3948 (A) on the first day of a calendar quarter; and

3949 (B) after a 90-day period beginning on the date the commission receives notice  
3950 meeting the requirements of Subsection (7)(a)(i) from the city or town.

3951 (ii) The notice described in Subsection (7)(a)(i)(B) shall state:

3952 (A) that the city or town will enact or repeal a tax or change the rate of the tax  
3953 under this part;

3954 (B) the statutory authority for the tax described in Subsection (7)(a)(ii)(A);

3955 (C) the effective date of the tax described in Subsection (7)(a)(ii)(A); and

3956 (D) if the city or town enacts the tax or changes the rate of the tax described in  
3957 Subsection (7)(a)(ii)(A), the rate of the tax.

3958 (b)(i) If the billing period for a transaction begins before the enactment of the tax or  
3959 the tax rate increase under Subsection (1), the enactment of the tax or the tax rate  
3960 increase takes effect on the first day of the first billing period that begins on or  
3961 after the effective date of the enactment of the tax or the tax rate increase.

3962 (ii) If the billing period for a transaction begins before the effective date of the repeal  
3963 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the  
3964 tax or the tax rate decrease applies to a billing period if the billing statement for  
3965 the billing period is rendered on or after the effective date of the repeal of the tax  
3966 or the tax rate decrease.

3967 (c)(i) If a tax due under this part on a catalogue sale is computed on the basis of sales  
3968 and use tax rates published in the catalogue, an enactment, repeal, or change in the  
3969 rate of a tax described in Subsection (7)(a)(i) takes effect:

3970 (A) on the first day of a calendar quarter; and

3971 (B) beginning 60 days after the effective date of the enactment, repeal, or change

- 3972 in the rate of the tax under Subsection (7)(a)(i).
- 3973 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 3974 the commission may by rule define the term "catalogue sale."
- 3975 (d)(i) Except as provided in Subsection (7)(e) or (f), if, for an annexation that occurs
- 3976 on or after January 1, 2009, the annexation will result in the enactment, repeal, or
- 3977 change in the rate of a tax under this part for an annexing area, the enactment,
- 3978 repeal, or change shall take effect:
- 3979 (A) on the first day of a calendar quarter; and
- 3980 (B) after a 90-day period beginning on the date the commission receives notice
- 3981 meeting the requirements of Subsection (7)(d)(ii) from the city or town that
- 3982 annexes the annexing area.
- 3983 (ii) The notice described in Subsection (7)(d)(i)(B) shall state:
- 3984 (A) that the annexation described in Subsection (7)(d)(i)(B) will result in the
- 3985 enactment, repeal, or change in the rate of a tax under this part for the annexing
- 3986 area;
- 3987 (B) the statutory authority for the tax described in Subsection (7)(d)(ii)(A);
- 3988 (C) the effective date of the tax described in Subsection (7)(d)(ii)(A); and
- 3989 (D) if the city or town enacts the tax or changes the rate of the tax described in
- 3990 Subsection (7)(d)(ii)(A), the rate of the tax.
- 3991 (e)(i) If the billing period for a transaction begins before the effective date of the
- 3992 enactment of the tax or a tax rate increase under Subsection (1), the enactment of a
- 3993 tax or a tax rate increase takes effect on the first day of the first billing period that
- 3994 begins on or after the effective date of the enactment of the tax or the tax rate
- 3995 increase.
- 3996 (ii) If the billing period for a transaction begins before the effective date of the repeal
- 3997 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the
- 3998 tax or the tax rate decrease applies to a billing period if the billing statement for
- 3999 the billing period is rendered on or after the effective date of the repeal of the tax
- 4000 or the tax rate decrease.
- 4001 (f)(i) If a tax due under this part on a catalogue sale is computed on the basis of sales
- 4002 and use tax rates published in the catalogue, an enactment, repeal, or change in the
- 4003 rate of a tax described in Subsection (7)(d)(i) takes effect:
- 4004 (A) on the first day of a calendar quarter; and
- 4005 (B) beginning 60 days after the effective date of the enactment, repeal, or change

under Subsection (7)(d)(i).

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

Section 28. Section **59-12-2206** is amended to read:

**59-12-2206 (Effective upon governor's approval). Administration, collection, and enforcement of a sales and use tax under this part -- Transmission of revenue monthly by electronic funds transfer -- Transfer of revenue to a public transit district or eligible political subdivision.**

(1) Except as provided in Subsection (2), the commission shall administer, collect, and enforce a sales and use tax imposed under this part.

(2) The commission shall administer, collect, and enforce a sales and use tax imposed under this part in accordance with:

(a) the same procedures used to administer, collect, and enforce a tax under:

(i) Part 1, Tax Collection; or

(ii) Part 2, Local Sales and Use Tax Act; and

(b) Chapter 1, General Taxation Policies.

(3) A sales and use tax under this part is not subject to Subsections 59-12-205(2) [through (5)] and (4) through (6).

(4) Subject to Section 59-12-2207 and except as provided in [~~Subsection (5)~~] Subsections (5) and (6) or another provision of this part, the state treasurer shall transmit revenue collected within a county, city, or town from a sales and use tax under this part to the county, city, or town legislative body monthly by electronic funds transfer.

(5) Beginning no sooner than January 1, 2026, and subject to Section 59-12-205, before transmitting revenue as described in Subsection (4), and before application of Subsection (6), and as described in Section 63N-3-610.1, beginning the first day of a calendar quarter after the year set in the proposal and after the sales and use tax boundary for a convention center reinvestment zone is established under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the commission, at least annually, shall transfer an amount equal to 100% of the sales and use tax increment, as that term is defined in Section 63N-3-602, from a sales and use tax on transactions occurring within an established sales and use tax boundary, as that term is defined in Section 63N-3-602, to a convention center public infrastructure district created in accordance with Section 17D-4-202.1 for sales and use taxes imposed by a county of the first class pursuant to:

(a) Section 59-12-2213;

(b) Section 59-12-2214;

(c) Section 59-12-2217;

(d) Section 59-12-2219; and

(e) Section 59-12-2220.

[(5)] (6)(a) Subject to Section 59-12-2207, and except as provided in Subsection [(5)(b)]

(6)(b), the state treasurer shall transfer revenue collected within a county, city, or town from a sales and use tax under this part directly to a public transit district organized under Title 17B, Chapter 2a, Part 8, Public Transit District Act, or an eligible political subdivision as defined in Section 59-12-2219, if the county, city, or town legislative body:

(i) provides written notice to the commission and the state treasurer requesting the transfer; and

(ii) designates the public transit district or eligible political subdivision to which the county, city, or town legislative body requests the state treasurer to transfer the revenue.

(b) The commission shall transmit a portion of the revenue collected within a county, city, or town from a sales and use tax under this part that would be transferred to a public transit district or an eligible political subdivision under Subsection [(5)(a)] (6)(a) to the county, city, or town to fund public transit fixed guideway safety oversight under Section 72-1-214 if the county, city, or town legislative body:

(i) provides written notice to the commission and the state treasurer requesting the transfer; and

(ii) specifies the amount of revenue required to be transmitted to the county, city, or town.

Section 29. Section **59-12-2214** is amended to read:

**59-12-2214 (Effective upon governor's approval). County, city, or town option sales and use tax to fund a system for public transit, an airport facility, a water conservation project, or to be deposited into the County of the First Class Highway Projects Fund -- Base -- Rate.**

(1) Subject to the other provisions of this part, a county, city, or town may impose a sales and use tax of .25% on the transactions described in Subsection 59-12-103(1) located within the county, city, or town.

(2) Notwithstanding Section 59-12-2212.2, and subject to Subsections (3) and (4), a county,



city, or town that imposes a sales and use tax under this section shall expend the revenues collected from the sales and use tax:

(a) to fund a system for public transit;

(b) to fund a project or service related to an airport facility for the portion of the project or service that is performed within the county, city, or town within which the sales and use tax is imposed:

(i) for a county that imposes the sales and use tax, if the airport facility is part of the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or

(ii) for a city or town that imposes the sales and use tax, if:

(A) that city or town is located within a county of the second class;

(B) that city or town owns or operates the airport facility; and

(C) an airline is headquartered in that city or town; or

(c) for a combination of Subsections (2)(a) and (b).

(3) ~~[A-]~~ After application of Subsection 59-12-2206(5), a county of the first class that imposes a sales and use tax under this section shall expend the revenues collected from the sales and use tax as follows:

(a) 80% of the revenues collected from the sales and use tax shall be expended to fund a system for public transit; and

(b) 20% of the revenues collected from the sales and use tax shall be deposited into the County of the First Class Highway Projects Fund created by Section 72-2-121.

(4)(a) A county of the third class that has a portion of the county annexed into a large public transit district and that has imposed a sales and use tax under this section as of January 1, 2020, may change the list of purposes for which the sales and use tax revenue may be expended if:

(i) the proposed uses of the sales and use tax revenue are allowed uses described in this section; and

(ii) in coordination with a relevant large public transit district, the county legislative body passes an ordinance describing the allowed uses of the sales and use tax revenue.

(b) Notwithstanding Section 59-12-2208, and regardless of whether the imposition of the sales and use tax imposed under this section was submitted to the voters as described in Section 59-12-2208, the county legislative body is not required to submit an opinion question to the county's registered voters to change the allowed uses as

4108 described in Subsection (4)(a).

4109 Section 30. Section **59-12-2217** is amended to read:

4110 **59-12-2217 (Effective upon governor's approval). County option sales and use**  
4111 **tax for transportation -- Base -- Rate -- Written prioritization process -- Approval by**  
4112 **county legislative body.**

4113 (1) Subject to the other provisions of this part, and subject to Subsection (8), a county  
4114 legislative body may impose a sales and use tax of up to .25% on the transactions  
4115 described in Subsection 59-12-103(1) within the county, including the cities and towns  
4116 within the county.

4117 (2)(a) Except as provided in Subsection (2)(b), and subject to Subsections (3) through (6)  
4118 and Section 59-12-2207, the revenue collected from a sales and use tax under this  
4119 section may only be expended as described in Section 59-12-2212.2.

4120 (b) Subject to Subsections (3) through (6), and after application of Subsection  
4121 59-12-2206(5), in a county of the first or second class, or if a county is part of an area  
4122 metropolitan planning organization, that portion of the county within the  
4123 metropolitan planning organization, the revenue collected from a sales and use tax  
4124 under this section may only be expended as described in Section 59-12-2212.2, and  
4125 only if the expenditure is for:

4126 (i) a project or service:

4127 (A) relating to a regionally significant transportation facility or collector road for  
4128 the portion of the project or service that is performed within the county;

4129 (B) for new capacity or congestion mitigation, and not for operation or  
4130 maintenance, if the project or service is performed within the county; and

4131 (C) on a priority list created by the county's council of governments in accordance  
4132 with Subsection (5) and approved by the county legislative body in accordance  
4133 with Subsection (5);

4134 (ii) corridor preservation for a project or service described in Subsection (2)(b)(i)(A)  
4135 or (B); or

4136 (iii) debt service or bond issuance costs related to a project or service described in  
4137 Subsection (2)(b)(i)(A) or (B).

4138 (c) The restriction in Subsection (2)(b)(i)(B) from using revenue for operation or  
4139 maintenance does not apply to any revenue subject to rights or obligations under a  
4140 contract entered into before January 1, 2019, between a county and a public transit  
4141 district.

- 4142 (3) For revenue expended under this section for a project or service described in Subsection  
4143 (2) that is on or part of a regionally significant transportation facility and that constructs  
4144 or adds a new through lane or interchange, or provides new fixed guideway public  
4145 transit service, the project shall be part of:
- 4146 (a) the statewide long-range plan; or
  - 4147 (b) a regional transportation plan of the area metropolitan planning organization if a  
4148 metropolitan planning organization area exists for the area.
- 4149 (4)(a) As provided in this Subsection (4), a council of governments shall:
- 4150 (i) develop a written prioritization process for the prioritization of projects to be  
4151 funded by revenues collected from a sales and use tax under this section;
  - 4152 (ii) create a priority list of transportation projects or services described in Section  
4153 59-12-2212.2 in accordance with Subsection (5); and
  - 4154 (iii) present the priority list to the county legislative body for approval in accordance  
4155 with Subsection (5).
- 4156 (b) The written prioritization process described in Subsection (4)(a)(i) shall include:
- 4157 (i) a definition of the type of projects to which the written prioritization process  
4158 applies;
  - 4159 (ii) subject to Subsection (4)(c), the specification of a weighted criteria system that  
4160 the council of governments will use to rank proposed projects and how that  
4161 weighted criteria system will be used to determine which proposed projects will  
4162 be prioritized;
  - 4163 (iii) the specification of data that is necessary to apply the weighted criteria system;
  - 4164 (iv) application procedures for a project to be considered for prioritization by the  
4165 council of governments; and
  - 4166 (v) any other provision the council of governments considers appropriate.
- 4167 (c) The weighted criteria system described in Subsection (4)(b)(ii) shall include the  
4168 following:
- 4169 (i) the cost effectiveness of a project;
  - 4170 (ii) the degree to which a project will mitigate regional congestion;
  - 4171 (iii) the compliance requirements of applicable federal laws or regulations;
  - 4172 (iv) the economic impact of a project;
  - 4173 (v) the degree to which a project will require tax revenues to fund maintenance and  
4174 operation expenses; and
  - 4175 (vi) any other provision the council of governments considers appropriate.

- 4176 (d) A council of governments of a county of the first or second class shall submit the  
4177 written prioritization process described in Subsection (4)(a)(i) to the Executive  
4178 Appropriations Committee for approval prior to taking final action on:  
4179 (i) the written prioritization process; or  
4180 (ii) any proposed amendment to the written prioritization process.
- 4181 (5)(a) A council of governments shall use the weighted criteria system adopted in the  
4182 written prioritization process developed in accordance with Subsection (4) to create a  
4183 priority list of transportation projects or services for which revenues collected from a  
4184 sales and use tax under this section may be expended.
- 4185 (b) Before a council of governments may finalize a priority list or the funding level of a  
4186 project, the council of governments shall conduct a public meeting on:  
4187 (i) the written prioritization process; and  
4188 (ii) the merits of the projects that are prioritized as part of the written prioritization  
4189 process.
- 4190 (c) A council of governments shall make the weighted criteria system ranking for each  
4191 project prioritized as part of the written prioritization process publicly available  
4192 before the public meeting required by Subsection (5)(b) is held.
- 4193 (d) If a council of governments prioritizes a project over another project with a higher  
4194 rank under the weighted criteria system, the council of governments shall:  
4195 (i) identify the reasons for prioritizing the project over another project with a higher  
4196 rank under the weighted criteria system at the public meeting required by  
4197 Subsection (5)(b); and  
4198 (ii) make the reasons described in Subsection (5)(d)(i) publicly available.
- 4199 (e) Subject to Subsections (5)(f) and (g), after a council of governments finalizes a  
4200 priority list in accordance with this Subsection (5), the council of governments shall:  
4201 (i) submit the priority list to the county legislative body for approval; and  
4202 (ii) obtain approval of the priority list from a majority of the members of the county  
4203 legislative body.
- 4204 (f) A council of governments may only submit one priority list per calendar year to the  
4205 county legislative body.
- 4206 (g) A county legislative body may only consider and approve one priority list submitted  
4207 under Subsection (5)(e) per calendar year.
- 4208 (6) In a county of the first class, revenues collected from a sales and use tax under this  
4209 section that a county allocates for a purpose described in Section 59-12-2212.2 shall be:

(a) deposited in or transferred to the County of the First Class Highway Projects Fund created by Section 72-2-121; and

(b) expended as provided in Section 72-2-121.

(7) Notwithstanding Section 59-12-2208, a county legislative body may, but is not required to, submit an opinion question to the county's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

(8)(a)(i) Notwithstanding any other provision in this section, if the entire boundary of a county is annexed into a large public transit district, if the county legislative body wishes to impose a sales and use tax under this section, the county legislative body shall pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.

(ii) If the entire boundary of a county is annexed into a large public transit district, the county legislative body may not pass an ordinance to impose a sales and use tax under this section on or after July 1, 2022.

(b) Notwithstanding the deadline described in Subsection (8)(a), any sales and use tax imposed under this section on or before June 30, 2022, may remain in effect.

Section 31. Section **59-12-2219** is amended to read:

**59-12-2219 (Effective upon governor's approval). County option sales and use tax for highways and public transit -- Base -- Rate -- Distribution and expenditure of revenue -- Revenue may not supplant existing budgeted transportation revenue.**

(1) Subject to the other provisions of this part, and subject to Subsection (13), a county legislative body may impose a sales and use tax of .25% on the transactions described in Subsection 59-12-103(1) within the county, including the cities and towns within the county.

(2) Subject to Subsection (9), the commission shall distribute sales and use tax revenue collected under this section as provided in Subsections (3) through (8).

(3) ~~[If]~~ After application of Subsection 59-12-2206(5), if the entire boundary of a county that imposes a sales and use tax under this section is annexed into a single public transit district, the commission shall distribute the sales and use tax revenue collected within the county as follows:

(a) .10% shall be transferred to the public transit district in accordance with Section 59-12-2206;

(b) .10% shall be distributed as provided in Subsection (6); and

(c) .05% shall be distributed to the county legislative body.

- 4244 (4) If the entire boundary of a county that imposes a sales and use tax under this section is  
4245 not annexed into a single public transit district, but a city or town within the county is  
4246 annexed into a single large public transit district, the commission shall distribute the  
4247 sales and use tax revenue collected within the county as follows:
- 4248 (a) for a city or town within the county that is annexed into a single public transit  
4249 district, the commission shall distribute the sales and use tax revenue collected within  
4250 that city or town as follows:
- 4251 (i) .10% shall be transferred to the public transit district in accordance with Section  
4252 59-12-2206;
- 4253 (ii) .10% shall be distributed as provided in Subsection (6); and  
4254 (iii) .05% shall be distributed to the county legislative body;
- 4255 (b) for an eligible political subdivision within the county, the commission shall  
4256 distribute the sales and use tax revenue collected within that eligible political  
4257 subdivision as follows:
- 4258 (i) .10% shall be transferred to the eligible political subdivision in accordance with  
4259 Section 59-12-2206;
- 4260 (ii) .10% shall be distributed as provided in Subsection (6); and  
4261 (iii) .05% shall be distributed to the county legislative body; and
- 4262 (c) the commission shall distribute the sales and use tax revenue, except for the sales and  
4263 use tax revenue described in Subsections (4)(a) and (b), as follows:
- 4264 (i) .10% shall be distributed as provided in Subsection (6); and  
4265 (ii) .15% shall be distributed to the county legislative body.
- 4266 (5) For a county not described in Subsection (3) or (4), if a county of the second, third,  
4267 fourth, fifth, or sixth class imposes a sales and use tax under this section, the  
4268 commission shall distribute the sales and use tax revenue collected within the county as  
4269 follows:
- 4270 (a) for a city or town within the county that is annexed into a single public transit  
4271 district, the commission shall distribute the sales and use tax revenue collected within  
4272 that city or town as follows:
- 4273 (i) .10% shall be distributed as provided in Subsection (6);  
4274 (ii) .10% shall be distributed as provided in Subsection (7); and  
4275 (iii) .05% shall be distributed to the county legislative body;
- 4276 (b) for an eligible political subdivision within the county, the commission shall  
4277 distribute the sales and use tax revenue collected within that eligible political

subdivision as follows:

(i) .10% shall be distributed as provided in Subsection (6);

(ii) .10% shall be distributed as provided in Subsection (7); and

(iii) .05% shall be distributed to the county legislative body; and

(c) the commission shall distribute the sales and use tax revenue, except for the sales and use tax revenue described in Subsections (5)(a) and (b), as follows:

(i) .10% shall be distributed as provided in Subsection (6); and

(ii) .15% shall be distributed to the county legislative body.

(6)(a) Subject to Subsection (6)(b), the commission shall make the distributions required by Subsections (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i), (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) as follows:

(i) 50% of the total revenue collected under Subsections (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i), (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and cities that impose a tax under this section shall be distributed to the unincorporated areas, cities, and towns within those counties and cities on the basis of the percentage that the population of each unincorporated area, city, or town bears to the total population of all of the counties and cities that impose a tax under this section; and

(ii) 50% of the total revenue collected under Subsections (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i), (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and cities that impose a tax under this section shall be distributed to the unincorporated areas, cities, and towns within those counties and cities on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215.

(b)(i) Population for purposes of this Subsection (6) shall be determined on the basis of the most recent official census or census estimate of the United States Bureau of the Census.

(ii) If a needed population estimate is not available from the United States Bureau of the Census, population figures shall be derived from an estimate from the Utah Population Committee.

(7)(a)(i) Subject to the requirements in Subsections (7)(b) and (c), a county legislative body:

(A) for a county that obtained approval from a majority of the county's registered voters voting on the imposition of a sales and use tax under this section prior to

- 4312 May 10, 2016, may, in consultation with any cities, towns, or eligible political  
4313 subdivisions within the county, and in compliance with the requirements for  
4314 changing an allocation under Subsection (7)(e), allocate the revenue under  
4315 Subsection (5)(a)(ii) or (5)(b)(ii) by adopting a resolution specifying the  
4316 percentage of revenue under Subsection (5)(a)(ii) or (5)(b)(ii) that will be  
4317 allocated to a public transit district or an eligible political subdivision; or  
4318 (B) for a county that imposes a sales and use tax under this section on or after  
4319 May 10, 2016, shall, in consultation with any cities, towns, or eligible political  
4320 subdivisions within the county, allocate the revenue under Subsection (5)(a)(ii)  
4321 or (5)(b)(ii) by adopting a resolution specifying the percentage of revenue  
4322 under Subsection (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit  
4323 district or an eligible political subdivision.
- 4324 (ii) If a county described in Subsection (7)(a)(i)(A) does not allocate the revenue  
4325 under Subsection (5)(a)(ii) or (5)(b)(ii) in accordance with Subsection (7)(a)(i)(A),  
4326 the commission shall distribute 100% of the revenue under Subsection (5)(a)(ii) or  
4327 (5)(b)(ii) to:
- 4328 (A) a public transit district for a city or town within the county that is annexed into  
4329 a single public transit district; or  
4330 (B) an eligible political subdivision within the county.
- 4331 (b) If a county legislative body allocates the revenue as described in Subsection (7)(a)(i),  
4332 the county legislative body shall allocate not less than 25% of the revenue under  
4333 Subsection (5)(a)(ii) or (5)(b)(ii) to:
- 4334 (i) a public transit district for a city or town within the county that is annexed into a  
4335 single public transit district; or  
4336 (ii) an eligible political subdivision within the county.
- 4337 (c) Notwithstanding Section 59-12-2208, the opinion question described in Section  
4338 59-12-2208 shall state the allocations the county legislative body makes in  
4339 accordance with this Subsection (7).
- 4340 (d) The commission shall make the distributions required by Subsection (5)(a)(ii) or  
4341 (5)(b)(ii) as follows:
- 4342 (i) the percentage specified by a county legislative body shall be distributed in  
4343 accordance with a resolution adopted by a county legislative body under  
4344 Subsection (7)(a) to an eligible political subdivision or a public transit district  
4345 within the county; and



- 4346 (ii) except as provided in Subsection (7)(a)(ii), if a county legislative body allocates  
4347 less than 100% of the revenue under Subsection (5)(a)(ii) or (5)(b)(ii) to a public  
4348 transit district or an eligible political subdivision, the remainder of the revenue  
4349 under Subsection (5)(a)(ii) or (5)(b)(ii) not allocated by a county legislative body  
4350 through a resolution under Subsection (7)(a) shall be distributed as follows:  
4351 (A) 50% of the revenue as provided in Subsection (6); and  
4352 (B) 50% of the revenue to the county legislative body.
- 4353 (e) If a county legislative body seeks to change an allocation specified in a resolution  
4354 under Subsection (7)(a), the county legislative body may change the allocation by:  
4355 (i) adopting a resolution in accordance with Subsection (7)(a) specifying the  
4356 percentage of revenue under Subsection (5)(a)(ii) or (5)(b)(ii) that will be  
4357 allocated to a public transit district or an eligible political subdivision;  
4358 (ii) obtaining approval to change the allocation of the sales and use tax by a majority  
4359 of all the members of the county legislative body; and  
4360 (iii) subject to Subsection (7)(f):  
4361 (A) in accordance with Section 59-12-2208, submitting an opinion question to the  
4362 county's registered voters voting on changing the allocation so that each  
4363 registered voter has the opportunity to express the registered voter's opinion on  
4364 whether the allocation should be changed; and  
4365 (B) in accordance with Section 59-12-2208, obtaining approval to change the  
4366 allocation from a majority of the county's registered voters voting on changing  
4367 the allocation.
- 4368 (f) Notwithstanding Section 59-12-2208, the opinion question required by Subsection  
4369 (7)(e)(iii)(A) shall state the allocations specified in the resolution adopted in  
4370 accordance with Subsection (7)(e) and approved by the county legislative body in  
4371 accordance with Subsection (7)(e)(ii).
- 4372 (g)(i) If a county makes an allocation by adopting a resolution under Subsection  
4373 (7)(a) or changes an allocation by adopting a resolution under Subsection (7)(e),  
4374 the allocation shall take effect on the first distribution the commission makes  
4375 under this section after a 90-day period that begins on the date the commission  
4376 receives written notice meeting the requirements of Subsection (7)(g)(ii) from the  
4377 county.
- 4378 (ii) The notice described in Subsection (7)(g)(i) shall state:  
4379 (A) that the county will make or change the percentage of an allocation under

4380 Subsection (7)(a) or (e); and

4381 (B) the percentage of revenue under Subsection (5)(a)(ii) or (5)(b)(ii) that will be  
4382 allocated to a public transit district or an eligible political subdivision.

4383 (8)(a) If a public transit district is organized after the date a county legislative body first  
4384 imposes a tax under this section, a change in a distribution required by this section  
4385 may not take effect until the first distribution the commission makes under this  
4386 section after a 90-day period that begins on the date the commission receives written  
4387 notice from the public transit district of the organization of the public transit district.

4388 (b) If an eligible political subdivision intends to provide public transit service within a  
4389 county after the date a county legislative body first imposes a tax under this section, a  
4390 change in a distribution required by this section may not take effect until the first  
4391 distribution the commission makes under this section after a 90-day period that  
4392 begins on the date the commission receives written notice from the eligible political  
4393 subdivision stating that the eligible political subdivision intends to provide public  
4394 transit service within the county.

4395 (9)(a)(i) Notwithstanding Subsections (3) through (8), for a county that has not  
4396 imposed a sales and use tax under this section before May 8, 2018, and if the  
4397 county imposes a sales and use tax under this section before June 30, 2019, the  
4398 commission shall distribute all of the sales and use tax revenue collected by the  
4399 county before June 30, 2019, to the county for the purposes described in  
4400 Subsection (9)(a)(ii).

4401 (ii) For any revenue collected by a county pursuant to Subsection (9)(a)(i) before  
4402 June 30, 2019, the county may expend that revenue for:

4403 (A) reducing transportation related debt;

4404 (B) a regionally significant transportation facility; or

4405 (C) a public transit project of regional significance.

4406 (b) For a county that has not imposed a sales and use tax under this section before May  
4407 8, 2018, and if the county imposes a sales and use tax under this section before June  
4408 30, 2019, the commission shall distribute the sales and use tax revenue collected by  
4409 the county on or after July 1, 2019, as described in Subsections (3) through (8).

4410 (c) For a county that has not imposed a sales and use tax under this section before June  
4411 30, 2019, if the entire boundary of that county is annexed into a large public transit  
4412 district, and if the county imposes a sales and use tax under this section on or after  
4413 July 1, 2019, the commission shall distribute the sales and use tax revenue collected

by the county as described in Subsections (3) through (8).

(10)(a) [A] Except as provided in Subsection (10)(b), a county, city, or town may expend revenue collected from a tax under this section, except for revenue the commission distributes in accordance with Subsection (3)(a), (4)(a)(i), (4)(b)(i), or (7)(d)(i), for a purpose described in Section 59-12-2212.2.

(b) In addition to the uses permitted in Subsection (10)(a), a county of the first class may transfer the portion allocated to the county under this section to a convention center public infrastructure district created in accordance with Section 17D-4-202.1 for revitalization of a convention center owned by the county within a city of the first class and surrounding revitalization projects related to the convention center.

(11)(a) A public transit district or an eligible political subdivision may expend revenue the commission distributes in accordance with Subsection (3)(a), (4)(a)(i), (4)(b)(i), or (7)(d)(i) for capital expenses and service delivery expenses of the public transit district or eligible political subdivision.

(b) As provided in Section 59-12-2212.2, for the .10% designated for public transit described in Subsection (3)(a) that is not contractually obligated for debt service, beginning on July 1, 2025, a public transit district shall make available to the Department of Transportation an amount equal to 10% of the .10% to be used for public transit innovation grants as provided in Title 72, Chapter 2, Part [3] 4, Public Transit Innovation Grants.

(12) Notwithstanding Section 59-12-2208, a county, city, or town legislative body may, but is not required to, submit an opinion question to the county's, city's, or town's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

(13)(a)(i) Notwithstanding any other provision in this section, if the entire boundary of a county is annexed into a large public transit district, if the county legislative body wishes to impose a sales and use tax under this section, the county legislative body shall pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.

(ii) If the entire boundary of a county is annexed into a large public transit district, the county legislative body may not pass an ordinance to impose a sales and use tax under this section on or after July 1, 2022.

(b) Notwithstanding the deadline described in Subsection (13)(a), any sales and use tax imposed under this section by passage of a county ordinance on or before June 30,

- 2022, may remain in effect.
- (14)(a) Beginning on July 1, 2020, and subject to Subsection (15), if a county has not imposed a sales and use tax under this section, subject to the provisions of this part, the legislative body of a city or town described in Subsection (14)(b) may impose a .25% sales and use tax on the transactions described in Subsection 59-12-103(1) within the city or town.
- (b) The following cities or towns may impose a sales and use tax described in Subsection (14)(a):
- (i) a city or town that has been annexed into a public transit district; or
  - (ii) an eligible political subdivision.
- (c) If a city or town imposes a sales and use tax as provided in this section, the commission shall distribute the sales and use tax revenue collected by the city or town as follows:
- (i) .125% to the city or town that imposed the sales and use tax, to be distributed as provided in Subsection (6); and
  - (ii) .125%, as applicable, to:
    - (A) the public transit district in which the city or town is annexed; or
    - (B) the eligible political subdivision for public transit services.
- (d) If a city or town imposes a sales and use tax under this section and the county subsequently imposes a sales and use tax under this section, the commission shall distribute the sales and use tax revenue collected within the city or town as described in Subsection (14)(c).
- (15)(a)(i) Notwithstanding any other provision in this section, if a city or town legislative body wishes to impose a sales and use tax under this section, the city or town legislative body shall pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.
- (ii) A city or town legislative body may not pass an ordinance to impose a sales and use tax under this section on or after July 1, 2022.
- (b) Notwithstanding the deadline described in Subsection (15)(a), any sales and use tax imposed under this section by passage of an ordinance by a city or town legislative body on or before June 30, 2022, may remain in effect.
- Section 32. Section **59-12-2220** is amended to read:
- 59-12-2220 (Effective upon governor's approval). County option sales and use tax to fund highways or a system for public transit -- Base -- Rate.**

- (1) Subject to the other provisions of this part and subject to the requirements of this section, the following counties may impose a sales and use tax under this section:
- (a) a county legislative body may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county if:
- (i) the entire boundary of a county is annexed into a large public transit district; and
- (ii) the maximum amount of sales and use tax authorizations allowed pursuant to Section 59-12-2203 and authorized under the following sections has been imposed:
- (A) Section 59-12-2213;
- (B) Section 59-12-2214;
- (C) Section 59-12-2215;
- (D) Section 59-12-2216;
- (E) Section 59-12-2217;
- (F) Section 59-12-2218; and
- (G) Section 59-12-2219;
- (b) if the county is not annexed into a large public transit district, the county legislative body may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county if:
- (i) the county is an eligible political subdivision; or
- (ii) a city or town within the boundary of the county is an eligible political subdivision; or
- (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county.
- (2) For purposes of Subsection (1) and subject to the other provisions of this section, a county legislative body that imposes a sales and use tax under this section may impose the tax at a rate of .2%.
- (3)(a) The commission shall distribute sales and use tax revenue collected under this section as determined by a county legislative body as described in Subsection (3)(b).
- (b) If a county legislative body imposes a sales and use tax as described in this section, the county legislative body may elect to impose a sales and use tax revenue distribution as described in Subsection (4), (5), (6), or (7), depending on the class of county, and presence and type of a public transit provider in the county.

- 4516 (4) ~~[If]~~ After application of Subsection 59-12-2206(5), if a county legislative body imposes  
4517 a sales and use tax as described in this section, and the entire boundary of the county is  
4518 annexed into a large public transit district, and the county is a county of the first class,  
4519 the commission shall distribute the sales and use tax revenue as follows:
- 4520 (a) .10% to a public transit district as described in Subsection (11);
  - 4521 (b) .05% to the cities and towns as provided in Subsection (8); and
  - 4522 (c) .05% to the county legislative body.
- 4523 (5) If a county legislative body imposes a sales and use tax as described in this section and  
4524 the entire boundary of the county is annexed into a large public transit district, and the  
4525 county is a county not described in Subsection (4), the commission shall distribute the  
4526 sales and use tax revenue as follows:
- 4527 (a) .10% to a public transit district as described in Subsection (11);
  - 4528 (b) .05% to the cities and towns as provided in Subsection (8); and
  - 4529 (c) .05% to the county legislative body.
- 4530 (6)(a) Except as provided in Subsection (12)(c), if the entire boundary of a county that  
4531 imposes a sales and use tax as described in this section is not annexed into a single  
4532 public transit district, but a city or town within the county is annexed into a single  
4533 public transit district, or if the city or town is an eligible political subdivision, the  
4534 commission shall distribute the sales and use tax revenue collected within the county  
4535 as provided in Subsection (6)(b) or (c).
- 4536 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is  
4537 annexed into the single public transit district, or an eligible political subdivision, the  
4538 commission shall distribute the sales and use tax revenue collected within the portion  
4539 of the county that is within a public transit district or eligible political subdivision as  
4540 follows:
- 4541 (i) .05% to a public transit provider as described in Subsection (11);
  - 4542 (ii) .075% to the cities and towns as provided in Subsection (8); and
  - 4543 (iii) .075% to the county legislative body.
- 4544 (c) Except as provided in Subsection (12)(c), for a city, town, or portion of the county  
4545 described in Subsection (6)(a) that is not annexed into a single public transit district  
4546 or eligible political subdivision in the county, the commission shall distribute the  
4547 sales and use tax revenue collected within that portion of the county as follows:
- 4548 (i) .08% to the cities and towns as provided in Subsection (8); and
  - 4549 (ii) .12% to the county legislative body.

- (7) For a county without a public transit service that imposes a sales and use tax as described in this section, the commission shall distribute the sales and use tax revenue collected within the county as follows:
- (a) .08% to the cities and towns as provided in Subsection (8); and
  - (b) .12% to the county legislative body.
- (8)(a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:
- (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4) through (7) shall be distributed to the unincorporated areas, cities, and towns within those counties on the basis of the percentage that the population of each unincorporated area, city, or town bears to the total population of all of the counties that impose a tax under this section; and
  - (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4) through (7) shall be distributed to the unincorporated areas, cities, and towns within those counties on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215.
- (b)(i) Population for purposes of this Subsection (8) shall be determined on the basis of the most recent official census or census estimate of the United States Census Bureau.
- (ii) If a needed population estimate is not available from the United States Census Bureau, population figures shall be derived from an estimate from the Utah Population Estimates Committee created by executive order of the governor.
- (c)(i) Beginning on January 1, 2024, if the Housing and Community Development Division within the Department of Workforce Services determines that a city or town is ineligible for funds in accordance with Subsection 10-9a-408(7), beginning the first day of the calendar quarter after receiving 90 days' notice, the commission shall distribute the distribution that city or town would have received under Subsection (8)(a) to cities or towns to which Subsection 10-9a-408(7) does not apply.
- (ii) Beginning on January 1, 2024, if the Housing and Community Development Division within the Department of Workforce Services determines that a county is ineligible for funds in accordance with Subsection 17-27a-408(7), beginning the

first day of the calendar quarter after receiving 90 days' notice, the commission shall distribute the distribution that county would have received under Subsection (8)(a) to counties to which Subsection 17-27a-408(7) does not apply.

(9) If a public transit service is organized after the date a county legislative body first imposes a tax under this section, a change in a distribution required by this section may not take effect until the first distribution the commission makes under this section after a 90-day period that begins on the date the commission receives written notice from the public transit provider that the public transit service has been organized.

(10)(a) Except as provided in [~~Subsection (10)(b)~~] Subsections (10)(b) and (c), a county, city, or town that received distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii), (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in Section 59-12-2212.2.

(b) If a county described in Subsection (1)(a) that is a county of the first class imposes the sales and use tax authorized in this section, the county may also use funds distributed in accordance with Subsection (4)(c) for public safety purposes.

(c) In addition to the purposes described in Subsections (10)(a) and (b), for a city relevant to a project area, as that term is defined in Section 63N-3-1401, an allowable use of revenue from a sales and use tax under this section includes the revitalization of a convention center owned by the county within a city of the first class and surrounding revitalization projects related to the convention center.

(11)(a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit as described in this section may be used for capital expenses and service delivery expenses of:

- (i) a public transit district;
- (ii) an eligible political subdivision; or
- (iii) another entity providing a service for public transit or a transit facility within the relevant county, as those terms are defined in Section 17B-2a-802.

(b)(i)(A) If a county of the first class imposes a sales and use tax described in this section, for a three-year period following the date on which the county imposes the sales and use tax under this section, revenue designated for public transit within a county of the first class as described in Subsection (4)(a) shall be transferred to the County of the First Class Highway Projects Fund created in Section 72-2-121.

(B) Revenue deposited into the County of the First Class Highway Projects Fund



created in Section 72-2-121 as described in Subsection (11)(b)(i)(A) may be used for public transit innovation grants as provided in Title 72, Chapter 2, Part [3] 4, Public Transit Innovation Grants.

(ii) If a county of the first class imposes a sales and use tax described in this section, beginning on the day three years after the date on which the county imposed the tax as described in Subsection (11)(b)(i), for revenue designated for public transit as described in Subsection (4)(a):

(A) 50% of the revenue from a sales and use tax imposed under this section in a county of the first class shall be transferred to the County of the First Class Highway Projects Fund created in Section 72-2-121; and

(B) 50% of the revenue from a sales and use tax imposed under this section in a county of the first class shall be transferred to the Transit Transportation Investment Fund created in Subsection 72-2-124(9).

(c)(i) If a county that is not a county of the first class for which the entire boundary of the county is annexed into a large public transit district imposes a sales and use tax described in this section, for a three-year period following the date on which the county imposes the sales and use tax under this section, revenue designated for public transit as described in Subsection (5)(a) shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).

(ii) If a county that is not a county of the first class for which the entire boundary of the county is annexed into a large public transit district imposes a sales and use tax described in this section, beginning on the day three years after the date on which the county imposed the tax as described in Subsection (11)(c)(i), for the revenue that is designated for public transit in Subsection (5)(a):

(A) 50% shall be transferred to the Transit Transportation Investment Fund created in Subsection 72-2-124(9); and

(B) 50% shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).

(d) Except as provided in Subsection (12)(c), for a county that imposes a sales and use tax under this section, for revenue designated for public transit as described in Subsection (6)(b)(i), the revenue shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).

(12) For a city described in Subsection (10)(c), during the bondable term of a revitalization project described in Subsection (10)(c), the city shall transfer at least 50%, and may

transfer up to 100%, of any revenue the city receives from a distribution under Subsection (4)(b) to a convention center public infrastructure district created in accordance with Section 17D-4-202.1 for revitalization of a convention center owned by the county within a city of the first class and surrounding revitalization projects related to the convention center as permitted in Subsection (10)(c).

~~[(12)]~~ (13)(a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not required to, submit an opinion question to the county's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

(b) If a county passes an ordinance to impose a sales and use tax as described in this section, the sales and use tax shall take effect on the first day of the calendar quarter after a 90-day period that begins on the date the commission receives written notice from the county of the passage of the ordinance.

(c) A county that imposed the local option sales and use tax described in this section before January 1, 2023, may maintain that county's distribution allocation in place as of January 1, 2023.

~~[(13)]~~ (14)(a) Revenue collected from a sales and use tax under this section may not be used to supplant existing General Fund appropriations that a county, city, or town budgeted for transportation or public transit as of the date the tax becomes effective for a county, city, or town.

(b) The limitation under Subsection ~~[(13)(a)]~~ (14)(a) does not apply to a designated transportation or public transit capital or reserve account a county, city, or town established before the date the tax becomes effective.

Section 33. Section **63H-1-205** is amended to read:

**63H-1-205 (Effective upon governor's approval). MIDA accommodations tax.**

(1) As used in this section:

(a) "Accommodations and services" means an accommodation or service described in Subsection 59-12-103(1)(i).

(b) "Accommodations and services" does not include amounts paid or charged that are not part of a rental room rate.

(2) By ordinance, the authority board may impose a MIDA accommodations tax on a provider for amounts paid or charged for accommodations and services, if the place of accommodation is located within a project area and on:

(a) authority-owned or other government-owned property[-];

(b) privately owned property on which the authority owns a condominium unit that is

- 4686 part of the place of accommodation; or
- 4687 (c) privately owned property on which the authority board finds that a provider is
- 4688 providing a significant long-term benefit, including lodging but not including a
- 4689 benefit that is commonly provided, to members of the military at the property.
- 4690 (3) The maximum rate of the MIDA accommodations tax is 15% of the amounts paid to or
- 4691 charged by the provider for accommodations and services.
- 4692 (4) A provider may recover an amount equal to the MIDA accommodations tax from
- 4693 customers, if the provider includes the amount as a separate billing line item.
- 4694 (5) If the authority imposes the tax described in this section, neither the authority nor a
- 4695 public entity may impose, on the amounts paid or charged for accommodations and
- 4696 services, any other tax described in:
- 4697 (a) Title 59, Chapter 12, Sales and Use Tax Act; or
- 4698 (b) Title 59, Chapter 28, State Transient Room Tax Act.
- 4699 (6) Except as provided in Subsection (7) or (8), the tax imposed under this section shall be
- 4700 administered, collected, and enforced in accordance with:
- 4701 (a) the same procedures used to administer, collect, and enforce the tax under:
- 4702 (i) Title 59, Chapter 12, Part 1, Tax Collection; or
- 4703 (ii) Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and
- 4704 (b) Title 59, Chapter 1, General Taxation Policies.
- 4705 (7) The location of a transaction shall be determined in accordance with Sections 59-12-211
- 4706 through 59-12-215.
- 4707 (8)(a) A tax under this section is not subject to Section 59-12-107.1 or 59-12-123 or
- 4708 Subsections 59-12-205(2) ~~[through (5)]~~ and (4) through (6).
- 4709 (b) The exemptions described in Sections 59-12-104, 59-12-104.1, and 59-12-104.6 do
- 4710 not apply to a tax imposed under this section.
- 4711 (9) The State Tax Commission shall:
- 4712 (a) except as provided in Subsection (9)(b), distribute the revenue collected from the tax
- 4713 to the authority; and
- 4714 (b) retain and deposit an administrative charge in accordance with Section 59-1-306
- 4715 from revenue the commission collects from a tax under this section.
- 4716 (10)(a) If the authority imposes, repeals, or changes the rate of tax under this section, the
- 4717 implementation, repeal, or change shall take effect:
- 4718 (i) on the first day of a calendar quarter; and
- 4719 (ii) after a 90-day period beginning on the date the State Tax Commission receives

the notice described in Subsection (10)(b) from the authority.

(b) The notice required in Subsection (10)(a)(ii) shall state:

(i) that the authority will impose, repeal, or change the rate of a tax under this section;

(ii) the effective date of the implementation, repeal, or change of the tax; and

(iii) the rate of the tax.

(11) In addition to the uses permitted under Section 63H-1-502, the authority may allocate revenue from the MIDA accommodations tax to a county in which a place of accommodation that is subject to the MIDA accommodations tax is located, if:

(a) the county had a transient room tax described in Section 59-12-301 in effect at the time the authority board imposed a MIDA accommodations tax by ordinance; and

(b) the revenue replaces revenue that the county received from a county transient room tax described in Section 59-12-301 for the county's general operations and administrative expenses.

Section 34. Section **63N-2-512** is amended to read:

**63N-2-512 (Effective upon governor's approval). Hotel Impact Mitigation Fund.**

(1) As used in this section:

(a) "Affected hotel" means a hotel built in the state before July 1, 2014.

(b) "City-wide event" means an event hosted at a convention facility pursuant to a contract by a nonprofit corporation responsible for the promotion of convention business.

~~[(b) "Direct losses" means affected hotels' losses of hotel guest business attributable to the qualified hotel room supply being added to the market in the state.]~~

(c) "Mitigation fund" means the Hotel Impact Mitigation Fund, created in Subsection (2).

(d) "Qualified losses" means revenue lost by an affected hotel for city-wide events attributable to the qualified hotel room supply being added to the market in the state, calculated by taking the difference between:

(i) an affected hotel's average total annual room-night revenue for city-wide events for the three-year period between January 1, 2017, and December 31, 2019; and

(ii) the affected hotel's total annual room-night revenue for city-wide events for the applicable year.

(2) There is created an expendable special revenue fund known as the Hotel Impact Mitigation Fund.

(3) The mitigation fund shall:

(a) be administered by GOEO;

(b) earn interest; and

(c) be funded by:

(i) payments required to be deposited into the mitigation fund by the Division of Finance under Subsection 59-12-103(10);

(ii) money required to be deposited into the mitigation fund under Subsection 17-31-9(2) by the county in which a qualified hotel is located; and

(iii) any money deposited into the mitigation fund under Subsection ~~[(6)]~~ (7).

(4) Interest earned by the mitigation fund shall be deposited into the mitigation fund.

(5) In accordance with office rules and Subsection (6), GOEO shall annually pay \$2,100,000 from the mitigation fund to affected hotels to mitigate qualified losses as follows:

(a) for calendar years 2023 and 2024, on or before June 1, 2025;

(b) for calendar year 2025, on or before February 28, 2026; and

(c) for calendar year 2026, on or before February 28, 2026.

~~[(5)(a) In accordance with office rules, GOEO shall annually pay up to \$2,100,000 of money in the mitigation fund:]~~

~~[(i) to affected hotels;]~~

~~[(ii) for four consecutive years, beginning 12 months after the date of initial occupancy of the qualified hotel occurs; and]~~

~~[(iii) to mitigate direct losses.]~~

~~[(b)(i) If the amount GOEO pays under Subsection (5)(a) in any year is less than \$2,100,000, GOEO shall pay to the Stay Another Day and Bounce Back Fund, created in Section 63N-2-511, the difference between \$2,100,000 and the amount paid under Subsection (5)(a).]~~

~~[(ii) GOEO shall make any required payment under Subsection (5)(b)(i) within 90 days after the end of the year for which a determination is made of how much GOEO is required to pay to affected hotels under Subsection (5)(a).]~~

(6) Each calendar year, GOEO shall award the available \$2,100,000 to affected hotels proportionally, according to each affected hotel's qualified losses in relation to the total qualified losses suffered collectively by all affected hotels.

~~[(6)]~~ (7) A host local government or qualified hotel owner may make payments to the Division of Finance for deposit into the mitigation fund.

~~[(7)]~~ (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office shall, in consultation with the Utah Hotel and Lodging Association and the county

in which the qualified hotel is located, make rules establishing procedures and criteria governing payments under Subsection [(5)(a)] (5) to affected hotels.

Section 35. Section **63N-3-602** is amended to read:

**63N-3-602 (Effective upon governor's approval). Definitions.**

As used in this part:

- (1) "Affordable housing" means housing occupied or reserved for occupancy by households with a gross household income:
  - (a) equal to or less than 80% of the county median gross income [~~of the applicable municipal or county statistical area~~] for households of the same size, in certain circumstances as provided in this part; or
  - (b) equal to or less than 60% of the county median gross income [~~of the applicable municipal or county statistical area~~] for households of the same size, in certain circumstances as provided in this part.
- (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- (3) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.
- (4) "Base year" means, for each property tax increment collection period triggered within a proposed housing and transit reinvestment zone or convention center reinvestment zone project area, the calendar year prior to the calendar year the property tax increment begins to be collected for [those] the parcels that are in a project that is triggered for that collection period.
- (5) "Bus rapid transit" means a high-quality bus-based transit system that delivers fast and efficient service that may include dedicated lanes, busways, traffic signal priority, off-board fare collection, elevated platforms, and enhanced stations.
- (6) "Bus rapid transit station" means an existing station, stop, or terminal, or a proposed station, stop, or terminal that is specifically identified as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan and in phase one of the relevant public transit district's adopted long-range transit plan:
  - (a) along an existing bus rapid transit line; or
  - (b) along an extension to an existing bus rapid transit line or new bus rapid transit line.
- (7) "Capital city" means the same as that term is defined in Section 17D-4-102.
- [(7)] (8)(a) "Commuter rail" means a [~~heavy-rail~~] regional passenger rail transit facility operated by a large public transit district.
- (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public

4822 transit district.

4823 [(8)] (9) "Commuter rail station" means an existing station, stop, or terminal, or a proposed  
4824 station, stop, or terminal, which has been specifically identified as needed in phase one  
4825 of a metropolitan planning organization's adopted long-range transportation plan and in  
4826 phase one of the relevant public transit district's adopted long-range transit plan:

4827 (a) along an existing commuter rail line;

4828 (b) along an extension to an existing commuter rail line or new commuter rail line;[-or]

4829 (c) along a fixed guideway extension from an existing commuter rail line[-] ; or

4830 (d) at the landing point of a pedestrian bridge or vehicle bridge extending from an  
4831 existing commuter rail station.

4832 (10) "Convention center" means a convention center owned by a county of the first class  
4833 within a city of the first class.

4834 (11) "Convention center revitalization project" means a project within a city of the first  
4835 class within a county of the first class for the revitalization, activation, and  
4836 modernization of a convention center and the surrounding area, including projects  
4837 meeting the objectives described in Section 63N-3-603.1.

4838 (12) "Convention center reinvestment zone" means a convention center reinvestment zone  
4839 created under this part.

4840 [(9)] (13)(a) "Developable area" means the portion of land within a housing and transit  
4841 reinvestment zone available for development and construction of business and  
4842 residential uses.

4843 (b) "Developable area" does not include portions of land within a housing and transit  
4844 reinvestment zone that are allocated to:

4845 (i) parks;

4846 (ii) recreation facilities;

4847 (iii) open space;

4848 (iv) trails;

4849 (v) publicly-owned roadway facilities; or

4850 (vi) other public facilities.

4851 [(10)] (14) "Dwelling unit" means one or more rooms arranged for the use of one or more  
4852 individuals living together, as a single housekeeping unit normally having cooking,  
4853 living, sanitary, and sleeping facilities.

4854 (15) "Eligible municipality" means a city that:

4855 (a)(i) is the county seat of a county of the first class; or

- 4856           (ii) a city of the first class located in a county of the first class; and  
4857           (b) has a convention center within the boundary of the city.
- 4858   ~~[(11)]~~ (16) "Enhanced development" means the construction of mixed uses including  
4859           housing, commercial uses, and related facilities.
- 4860   ~~[(12)]~~ (17) "Enhanced development costs" means extra costs associated with structured  
4861           parking costs, vertical construction costs, horizontal construction costs, life safety costs,  
4862           structural costs, conveyor or elevator costs, and other costs incurred due to the increased  
4863           height of buildings or enhanced development.
- 4864   ~~[(13)]~~ (18) "First home investment zone" means the same as that term is defined in Section  
4865           63N-3-1601.
- 4866   ~~[(14)]~~ (19) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- 4867   ~~[(15)]~~ (20) "Horizontal construction costs" means the additional costs associated with  
4868           earthwork, over excavation, utility work, transportation infrastructure, and landscaping  
4869           to achieve enhanced development in the housing and transit reinvestment zone.
- 4870   ~~[(16)]~~ (21) "Housing and transit reinvestment zone" means a housing and transit  
4871           reinvestment zone created pursuant to this part.
- 4872   ~~[(17)]~~ (22) "Housing and transit reinvestment zone committee" means a housing and transit  
4873           reinvestment zone committee created pursuant to Section 63N-3-605.
- 4874   ~~[(18)]~~ (23) "Large public transit district" means the same as that term is defined in Section  
4875           17B-2a-802.
- 4876   ~~[(19)]~~ (24) "Light rail" means a passenger rail public transit system with right-of-way and  
4877           fixed rails:
- 4878           (a) dedicated to exclusive use by light-rail public transit vehicles;  
4879           (b) that may cross streets at grade; and  
4880           (c) that may share parts of surface streets.
- 4881   ~~[(20)]~~ (25) "Light rail station" means an existing station, stop, or terminal or a proposed  
4882           station, stop, or terminal, which has been specifically identified as needed in phase one  
4883           of a metropolitan planning organization's adopted long-range transportation plan and in  
4884           phase one of the relevant public transit district's adopted long-range plan:
- 4885           (a) along an existing light rail line; or  
4886           (b) along an extension to an existing light rail line or new light rail line.
- 4887   ~~[(21)]~~ (26) "Metropolitan planning organization" means the same as that term is defined in  
4888           Section 72-1-208.5.
- 4889   ~~[(22)]~~ (27) "Mixed use development" means development with a mix of:



(a) multi-family residential use; and

(b) at least one additional land use, which shall be a significant part of the overall development.

~~[(23)]~~ (28) "Municipality" means the same as that term is defined in Section 10-1-104.

~~[(24)]~~ (29) "Participant" means the same as that term is defined in Section 17C-1-102.

~~[(25)]~~ (30) "Participation agreement" means the same as that term is defined in Section 17C-1-102, except that the agency may not provide and the person may not receive a direct subsidy.

(31) "Project" means a housing and transit reinvestment zone or convention center reinvestment zone created under this part.

(32)(a) "Property tax increment" means the difference between:

(i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a housing and transit reinvestment zone or convention center reinvestment zone designated in the applicable reinvestment zone proposal as the area from which tax increment is to be collected, using the current assessed value and each taxing entity's current certified tax rate as defined in Section 59-2-924; and

(ii) the amount of property tax revenue that would be generated from that same area using the base taxable value and each taxing entity's current certified tax rate as defined in Section 59-2-924.

(b) "Property tax increment" does not include property tax revenue from:

(i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);

(ii) a county additional property tax described in Subsection 59-2-1602(4); or

(iii) a public library fund levy described in Subsection 9-7-501(2).

~~[(26)]~~ (33) "Public transit county" means a county that has created a small public transit district.

~~[(27)]~~ (34) "Public transit hub" means a public transit depot or station where four or more routes serving separate parts of the county-created transit district stop to transfer riders between routes.

~~[(28)]~~ (35) "Sales and use tax base year" means:

(a) for a housing and transit reinvestment zone, a sales and use tax year determined by the first year pertaining to the tax imposed in Section 59-12-103 after the sales and use tax boundary for a housing and transit reinvestment zone is established[-] ; or

(b) for a convention center reinvestment zone, a sales and use tax year determined by the

year specified in the approved proposal for a convention center reinvestment zone, pertaining to the taxes:

(i) imposed under Section 59-12-103;

(ii) imposed by a city of the first class in a county of the first class under Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act;

(iii) imposed by a city of the first class in a county of the first class under Section 59-12-402.1;

(iv) imposed by a county of the first class under Section 59-12-1102; and

(v) imposed by a county of the first class under Title 59, Chapter 12, Part 22, Local Option Sales and Use Taxes for Transportation Act.

~~[(29)]~~ (36) "Sales and use tax boundary" means:

(a) for a housing and transit reinvestment zone, a boundary created as described in Section 63N-3-604, based on state sales and use tax collection boundaries that [corresponds] correspond as closely as reasonably practicable to the housing and transit reinvestment zone boundary[-] ; or

(b) for a convention center reinvestment zone, a boundary created as described in Section 63N-3-604.1, based on state sales and use tax collection boundaries that correspond as closely as reasonably practicable to the convention center reinvestment zone boundary.

~~[(30)]~~ (37) "Sales and use tax increment" means:

(a) for a housing and transit reinvestment zone, the difference between:

~~[(a)]~~ (i) the amount of state sales and use tax revenue generated each year following the sales and use tax base year by the sales and use tax from the area within a housing and transit reinvestment zone designated in the housing and transit reinvestment zone proposal as the area from which sales and use tax increment is to be collected; and

~~[(b)]~~ (ii) the amount of state sales and use tax revenue that was generated from that same area during the sales and use tax base year[-] ; or

(b) for a convention center reinvestment zone, the difference between:

(i) the amount of sales and use tax revenue generated each year following the sales and use tax base year by the sales and use tax from the area within a convention center reinvestment zone designated in the convention center reinvestment zone proposal as the area from which sales and use tax increment is to be collected; and

(ii) the amount of sales and use tax revenue that was generated from that same area

4958 during the sales and use tax base year.

4959 [(31)] (38) "Sales and use tax revenue" means:

4960 (a) for a housing and transit reinvestment zone, revenue that is generated from the tax

4961 imposed under Section 59-12-103[-] ; or

4962 (b) for a convention center reinvestment zone, revenue that is generated from:

4963 (i) the sales and use taxes imposed under Section 59-12-103; and

4964 (ii) the sales and use taxes:

4965 (A) imposed by a city of the first class in a county of the first class under Title 59,

4966 Chapter 12, Part 2, Local Sales and Use Tax Act;

4967 (B) imposed by a city of the first class in a county of the first class under Section

4968 59-12-402.1;

4969 (C) imposed by a county of the first class under Section 59-12-1102; and

4970 (D) imposed by a county of the first class under Title 59, Chapter 12, Part 22,

4971 Local Option Sales and Use Taxes for Transportation Act.

4972 [(32)] (39) "Small public transit district" means the same as that term is defined in Section

4973 17B-2a-802.

4974 [(33)] (40) "Tax Commission" means the State Tax Commission created in Section 59-1-201.

4975 [(34)(a) "Tax increment" means the difference between:]

4976 [(i) ~~the amount of property tax revenue generated each tax year by a taxing entity~~

4977 ~~from the area within a housing and transit reinvestment zone designated in the~~

4978 ~~housing and transit reinvestment zone proposal as the area from which tax~~

4979 ~~increment is to be collected, using the current assessed value and each taxing~~

4980 ~~entity's current certified tax rate as defined in Section 59-2-924; and]~~

4981 [(ii) ~~the amount of property tax revenue that would be generated from that same area~~

4982 ~~using the base taxable value and each taxing entity's current certified tax rate as~~

4983 ~~defined in Section 59-2-924.]~~

4984 [(b) ~~"Tax increment" does not include property tax revenue from:]~~

4985 [(i) ~~a multicounty assessing and collecting levy described in Subsection 59-2-1602~~

4986 ~~(2); or]~~

4987 [(ii) ~~a county additional property tax described in Subsection 59-2-1602(4).]~~

4988 [(35)] (41) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

4989 [(36)] (42) "Vertical construction costs" means the additional costs associated with

4990 construction above four stories and structured parking to achieve enhanced development

4991 in the housing and transit reinvestment zone.

Section 36. Section **63N-3-603** is amended to read:

**63N-3-603 (Effective upon governor's approval). Applicability, requirements, and limitations on a housing and transit reinvestment zone.**

(1) A housing and transit reinvestment zone proposal created under this part shall [promote] demonstrate how the proposal addresses the following objectives:

- (a) higher utilization of public transit;
- (b) increasing availability of housing, including affordable housing, and fulfillment of moderate income housing plans;
- (c) promoting and encouraging development of owner-occupied housing;
- (d) improving efficiencies in parking and transportation, including walkability of communities near public transit facilities;
- (e) overcoming development impediments and market conditions that render a development cost prohibitive absent the proposal and incentives;
- (f) conserving water resources through efficient land use;
- (g) improving air quality by reducing fuel consumption and motor vehicle trips;
- (h) encouraging transformative mixed-use development and investment in transportation and public transit infrastructure in strategic areas;
- (i) strategic land use and municipal planning in major transit investment corridors as described in Subsection 10-9a-403(2);
- (j) increasing access to employment and educational opportunities; and
- (k) increasing access to child care.

(2)(a) In order to accomplish the objectives described in Subsection (1), a municipality or public transit county that initiates the process to create a housing and transit reinvestment zone as described in this part shall ensure that the proposal for a housing and transit reinvestment zone includes:

- (i) except as provided in Subsection (3), at least 12% of the proposed dwelling units within the housing and transit reinvestment zone are affordable housing units, with:
  - (A) up to 9% of the proposed dwelling units occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the county median gross income[~~of the applicable municipal or county statistical area~~] for households of the same size; and
  - (B) at least 3% of the proposed dwelling units occupied or reserved for occupancy by households with a gross household income equal to or less than 60% of the

5026 county median gross income [~~of the applicable municipal or county statistical~~  
5027 ~~area~~] for households of the same size;

5028 (ii) except as provided in Subsection (2)(c), a housing and transit reinvestment zone  
5029 shall include:

5030 (A) at least 51% of the developable area within a housing and transit reinvestment  
5031 zone as residential uses; and

5032 (B) an average of at least 50 dwelling units per acre within the acreage of the  
5033 housing and transit reinvestment zone dedicated to residential uses;

5034 (iii) mixed-use development; and

5035 (iv) a mix of dwelling units to ensure that [~~a reasonable percentage~~] at least 25% of  
5036 the dwelling units [~~has~~] have more than one bedroom.

5037 (b)(i) If a housing and transit reinvestment zone is phased, a municipality or public  
5038 transit county shall ensure that a housing and transit reinvestment zone is phased  
5039 and developed to provide the required 12% of affordable housing units in each  
5040 phase of development.

5041 (ii) A municipality or public transit county may allow a housing and transit  
5042 reinvestment zone to be phased and developed in a manner to provide more of the  
5043 required affordable housing units in early phases of development.

5044 (iii) A municipality or public transit county shall include in a housing and transit  
5045 reinvestment zone proposal an affordable housing plan, which may include deed  
5046 restrictions, to ensure the affordable housing required in the proposal will continue  
5047 to meet the definition of affordable housing at least throughout the entire term of  
5048 the housing and transit reinvestment zone.

5049 (c) For a housing and transit reinvestment zone proposed by a public transit county at a  
5050 public transit hub, or for a housing and transit reinvestment zone proposed by a  
5051 municipality at a bus rapid transit station, the housing and transit reinvestment zone  
5052 shall include:

5053 (i) at least 51% of the developable area within a housing and transit reinvestment  
5054 zone as residential uses; and

5055 (ii) an average of at least 39 dwelling units per acre within the acreage of the housing  
5056 and transit reinvestment zone dedicated to residential uses.

5057 (3) A municipality or public transit county that, at the time the housing and transit  
5058 reinvestment zone proposal is approved by the housing and transit reinvestment zone  
5059 committee, meets the affordable housing guidelines of the United States Department of

Housing and Urban Development at 60% area median income is exempt from the requirement described in Subsection (2)(a).

(4)(a) A municipality may only propose a housing and transit reinvestment zone at a commuter rail station, and a public transit county may only propose a housing and transit reinvestment zone at a public transit hub, that:

(i) subject to Subsection (5)(a):

(A)(I) except as provided in Subsection (4)(a)(i)(A)(II), for a municipality, does not exceed a 1/3 mile radius of a commuter rail station;

(II) for a municipality that is a city of the first or second class [~~with a population greater than 150,000~~] that is within a county of the first or second class, with an opportunity zone created pursuant to Section 1400Z-1, Internal Revenue Code, does not exceed a 1/2 mile radius of a commuter rail station located within the opportunity zone; or

(III) for a public transit county, does not exceed a 1/3 mile radius of a public transit hub; and

(B) has a total area of no more than 125 noncontiguous acres;

(ii) subject to Section 63N-3-607, proposes the capture of a maximum of 80% of each taxing entity's property tax increment above the base year for a term of no more than 25 consecutive years on each parcel within a 45-year period not to exceed the property tax increment amount approved in the housing and transit reinvestment zone proposal; and

(iii) the commencement of collection of property tax increment, for all or a portion of the housing and transit reinvestment zone~~[-will]~~ project area, shall be triggered by providing notice as described in Subsection (6), but a housing and transit reinvestment zone proposal may not propose or include triggering more than three property tax increment collection periods for the same project during the applicable 45-year period.

(b) A municipality or public transit county may only propose a housing and transit reinvestment zone at a light rail station or bus rapid transit station that:

(i) subject to Subsection (5):

(A) does not exceed:

(I) except as provided in Subsection (4)(b)(i)(A)(II), (III), or (4)(e), a 1/4 mile radius of a bus rapid transit station or light rail station;

(II) for a municipality that is a city of the first class with a population greater than 150,000 that

is within a county of the first class, a 1/2 mile radius of a light rail station located in an opportunity zone created pursuant to Section 1400Z-1, Internal Revenue Code; or

(III) a 1/2 mile radius of a light rail station located within a master-planned development of 500 acres or more; and

(B) has a total area of no more than 100 noncontiguous acres;

- (ii) subject to Subsection (4)(c) and Section 63N-3-607, proposes the capture of a maximum of 80% of each taxing entity's property tax increment above the base year for a term of no more than 15 consecutive years on each parcel within a 30-year period not to exceed the property tax increment amount approved in the housing and transit reinvestment zone proposal; and
- (iii) the commencement of collection of property tax increment, for all or a portion of the housing and transit reinvestment zone~~[- will]~~ project area, shall be triggered by providing notice as described in Subsection (6), but a housing and transit reinvestment zone proposal may not propose or include triggering more than three property tax increment collection periods for the same project during the applicable 30-year period.

(c) For a housing and transit reinvestment zone proposed by a public transit county at a public transit hub, or for a housing and transit reinvestment zone proposed by a municipality at a bus rapid transit station, if the proposed housing density within the housing and transit reinvestment zone is between 39 and 49 dwelling units per acre, the maximum capture of each taxing entity's property tax increment above the base year is 60%.

(d) A municipality that is a city of the first class with a population greater than 150,000 in a county of the first class as described in Subsections (4)(a)(i)(A)(II) and (4)(b)(i)(A)(II) may only propose one housing and transit reinvestment zone within an opportunity zone.

(e)(i) Subject to Subsection (4)(e)(ii), the radius restrictions described in Subsection (4)(b)(i) do not apply, and a housing and transit reinvestment zone may extend to an area between two light rail stations located within a city of the third class if the two light rail stations are within a .95 mile distance on the same light rail line.

(ii) If a housing and transit reinvestment zone is extended to accommodate two light rail stations as described in Subsection (4)(e)(i):

(A) the housing and transit reinvestment zone is limited to a total area not to

5128 exceed 100 noncontiguous acres; and

5129 (B) the housing and transit reinvestment zone may not exceed a 1/4 mile radius  
5130 from the light rail stations or any point on the light rail line between the two  
5131 stations.

5132 (f) If a parcel within the housing and transit reinvestment zone is included as an area that  
5133 is part of a project area, as that term is defined in Section 17C-1-102, and created  
5134 under Title 17C, Chapter 1, Agency Operations, that parcel may not be triggered for  
5135 collection unless the project area funds collection period, as that term is defined in  
5136 Section 17C-1-102, has expired.

5137 (5)(a) For a housing and transit reinvestment zone for a commuter rail station, if a parcel  
5138 is ~~[bisected]~~ intersected by the relevant radius limitation, the full parcel may be  
5139 included as part of the housing and transit reinvestment zone area and will not count  
5140 against the limitations described in Subsection (4)(a)(i).

5141 (b) For a housing and transit reinvestment zone for a light rail or bus rapid transit  
5142 station, if a parcel is ~~[bisected]~~ intersected by the relevant radius limitation, the full  
5143 parcel may be included as part of the housing and transit reinvestment zone area and  
5144 will not count against the limitations described in Subsection (4)(b)(i).

5145 (c) A housing and transit reinvestment zone may not be smaller than 10 acres.

5146 (6)(a) The notice of commencement of collection of property tax increment required in  
5147 Subsection (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to the  
5148 following entities no later than ~~[January 1]~~ December 31 of the year before the year  
5149 for which the property tax increment collection is proposed to commence:

5150 ~~[(a)]~~ (i) the ~~[tax commission]~~ State Tax Commission;

5151 ~~[(b)]~~ (ii) the State Board of Education;

5152 ~~[(c)]~~ (iii) the state auditor;

5153 ~~[(d)]~~ (iv) the auditor of the county in which the housing and transit reinvestment zone  
5154 is located;

5155 ~~[(e)]~~ (v) each taxing entity affected by the collection of property tax increment from  
5156 the housing and transit reinvestment zone; and

5157 ~~[(f)]~~ (vi) the Governor's Office of Economic Opportunity.

5158 (b) The notice described in Subsection (4)(a)(iii) or (4)(b)(iii) may not be triggered until  
5159 the date on which the housing and transit reinvestment zone proposal is approved by  
5160 the housing and transit reinvestment zone committee.

5161 (7)(a) The maximum number of housing and transit reinvestment zones at light rail



stations, not including a convention center reinvestment zone, is eight in any given county.

(b) Within a county of the first class, the maximum number of housing and transit reinvestment zones at bus rapid transit stations is three.

(c) Within a county of the first class, the maximum total combined number of housing and transit reinvestment zones described in Subsections (7)(a) and (b) and first home investment zones created under Part 16, First Home Investment Zone Act, is 11.

(8)(a) For purposes of this Subsection (8), "entitlement agreement" means:

(i) a land use application;

(ii) a rezone petition; or

(iii) a request, petition, or application to:

(A) enact or approve a development agreement; or

(B) to amend or modify a development agreement.

(b) This Subsection (8) applies to a specified county, as defined in Section 17-27a-408, that has created a small public transit district on or before January 1, 2022.

(c) To accomplish the objectives described in Subsection (1), an owner of undeveloped property within an unincorporated county shall have the right to develop and build a mixed-use development if:

(i) the owner has submitted an entitlement agreement to the county on or before December 31, 2022, and is within a 1/3 mile radius of a public transit hub in a county described in Subsection (8)(b), including parcels that are intersected by the 1/3 mile radius; and

(ii) the county described in Subsection (8)(b) has failed to approve the entitlement agreement described in Subsection (8)(c)(i) by ordinance before December 31, 2022.

(d) The mixed use development described in Subsection (8)(c) shall include the following:

(i)(A)(I) a maximum number of dwelling units equal to 30 multiplied by the total acres of developable area within the mixed-use development dedicated exclusively to residential use; or

(II) a maximum number of dwelling units equal to 15 multiplied by the total acres of the mixed-use development; and

(B) at least 33% of the dwelling units as affordable housing;

(ii) commercial uses, including office, retail, educational, and healthcare in support of

the mixed-use development constituting no more than 1/3 of the total planned gross building square footage of the subject parcels; and

(iii) any other infrastructure element necessary or reasonable to support the mixed-use development, including:

(A) parking infrastructure;

(B) streets;

(C) sidewalks;

(D) parks; and

(E) trails.

(e)(i) The mixed-use development described in this Subsection (8) may qualify for a housing and transit reinvestment zone described in Subsection (4)(a).

(ii) The county described in Subsection (8)(b) may propose a housing and transit reinvestment zone pursuant to this part, if the housing and transit reinvestment zone includes:

(A)(I) an average of at least 30 dwelling units per acre within the acreage of the housing and transit reinvestment zone dedicated to residential use; or

(II) a minimum number of 14 dwelling units per acre on average within the acreage of the housing and transit reinvestment zone; and

(B) at least 33% of the dwelling units as affordable housing units.

(f) A county may not take an action or enforce an agreement, ordinance, regulation, or requirement that prevents or creates development impediments to the development of a mixed-use development as described in this Subsection (8).

(g) A county action to approve or implement the development of a mixed-use development as described in this Subsection (8) shall constitute an administrative action taken by the county and does not require county legislative action.

~~[(8)(a) This Subsection (8) applies to a specified county, as defined in Section 17-27a-408, that has created a small public transit district on or before January 1, 2022.]~~

~~[(b)(i) A county described in Subsection (8)(a) shall, in accordance with Section 63N-3-604, prepare and submit to the Governor's Office of Economic Opportunity a proposal to create a housing and transit reinvestment zone on or before December 31, 2022.]~~

~~[(ii) A county described in Subsection (8)(a) that, on December 31, 2022, was noncompliant under Section 17-27a-408 for failure to demonstrate in the county's~~

moderate income housing report that the county complied with Subsection (8)(b)(i), may cure the deficiency in the county's moderate income housing report by submitting satisfactory proof to the Housing and Community Development Division that, notwithstanding the deadline in Subsection (8)(b)(i), the county has submitted to the Governor's Office of Economic Opportunity a proposal to create a housing and transit reinvestment zone.]

[(e)(i) A county described in Subsection (8)(a) may not propose a housing and transit reinvestment zone if more than 15% of the acreage within the housing and transit reinvestment zone boundary is owned by the county.]

[(ii) For purposes of determining the percentage of acreage owned by the county as described in Subsection (8)(c)(i), a county may exclude any acreage owned that is used for highways, bus rapid transit, light rail, or commuter rail within the boundary of the housing and transit reinvestment zone.]

[(d) To accomplish the objectives described in Subsection (1), if a county described in Subsection (8)(a) has failed to comply with Subsection (8)(b)(i) by failing to submit an application before December 31, 2022, an owner of undeveloped property who has submitted a land use application to the county on or before December 31, 2022, and is within a 1/3 mile radius of a public transit hub in a county described in Subsection (8)(a), including parcels that are bisected by the 1/3 mile radius, shall have the right to develop and build a mixed-use development including the following:]

[(i) excluding the parcels devoted to commercial uses as described in Subsection (8)(d)(ii), at least 39 dwelling units per acre on average over the developable area, with at least 10% of the dwelling units as affordable housing units;]

[(ii) commercial uses including office, retail, educational, and healthcare in support of the mixed-use development constituting up to 1/3 of the total planned gross building square footage of the subject parcels; and]

[(iii) any other infrastructure element necessary or reasonable to support the mixed-use development, including parking infrastructure, streets, sidewalks, parks, and trails.]

Section 37. Section **63N-3-603.1** is enacted to read:

**63N-3-603.1 (Effective upon governor's approval). Applicability, requirements, and limitations on a convention center reinvestment zone.**

(1) A convention center reinvestment zone proposal created under this part shall demonstrate how the proposal addresses the following objectives:

- (a) redevelopment of a convention center and the surrounding area's infrastructure and assets;
- (b) activation of unrealized economic opportunities related to the convention center and surrounding infrastructure and assets;
- (c) modernization of infrastructure and design of the convention center and surrounding area and related public spaces;
- (d) encouragement of transformative development and investment, including parking improvements;
- (e) promotion of economic development and employment opportunities;
- (f) improvement of the aesthetic, functionality, and walkability of the convention center and surrounding area;
- (g) enhancement of tourism opportunities; and
- (h) creation of outdoor event space to accommodate events or festivals open to the public.
- (2) A convention center reinvestment zone in a capital city proposal created under this part shall also demonstrate how the proposal addresses the following objectives:
- (a) redevelopment of a convention center and surrounding infrastructure and assets that directly serve the convention center, including parking facilities;
- (b) modernization of infrastructure and design of the convention center; and
- (c) improvement of the aesthetic, functionality, and walkability of the convention center.
- (3) The Governor's Office of Economic Opportunity shall propose a convention center reinvestment zone to accomplish the objectives described in Subsections (1) and (2).
- (4)(a)(i) A convention center reinvestment zone proposal may propose the capture of 100% of the property tax increment and 100% of the sales and use tax increment described in Subsection 63N-3-602(38)(b)(ii) for a period of 30 years.
- (ii) For a convention center reinvestment zone in a capital city, in addition to the proposed capture of property tax increment and sales and use tax increment described in Subsection (4)(a)(i), the convention center reinvestment zone may propose the capture of 50% of the sales and use tax increment described in Subsection 63N-3-602(38)(b)(i).
- (b) The convention center reinvestment zone proposal shall include the respective start date and base year date from which to calculate:
- (i) the 30-year period of property tax increment; and
- (ii) the 30-year period of the sales and use tax increment.

(c) The convention center reinvestment zone proposal may not stagger the collection periods for the parcels within the convention center reinvestment zone boundary and the parcels within the convention center reinvestment zone boundary shall have the same 30-year collection period.

(d) The convention center reinvestment zone proposal start date for the 30-year period described in this Subsection (4), shall be no sooner than January 1 of the year of the identified tax collection year.

(e)(i) For a convention center reinvestment zone in a capital city, revenue from the property tax increment and sales and use tax increment shall be distributed directly to a convention center public infrastructure district in a capital city created as required in Subsection 63N-3-607(8)(b); and

(ii) For a convention center reinvestment zone in a city other than a capital city, revenue from the property tax increment and sales and use tax increment may be distributed directly to the municipality or public infrastructure district as described in the convention center reinvestment zone proposal.

(5) The Governor's Office of Economic Opportunity may only propose a convention center reinvestment zone:

(a) within the boundary of the eligible municipality;

(b) consisting of a total area:

(i) not to exceed 50 acres; or

(ii) if greater than 50 acres, approved by the relevant eligible municipality;

(c) consisting only of contiguous parcels; and

(d) for a convention center reinvestment zone in a capital city, in an area that includes any portion of an existing convention center and any city block that is bordered by an existing convention center.

(6)(a) For a convention center reinvestment zone in a capital city, the Governor's Office of Economic Opportunity shall propose a convention center reinvestment zone on or before April 15, 2025.

(b) For a convention center reinvestment zone that is not in a capital city, the Governor's Office of Economic Opportunity shall propose a convention center reinvestment zone within 60 days after receiving a petition from the relevant city.

(7) A convention center reinvestment zone does not count toward the maximum of eight housing and transit reinvestment zones in a given county as provided in Subsection 63N-3-603(7)(a).

Section 38. Section **63N-3-604** is amended to read:

**63N-3-604 (Effective upon governor's approval). Process for a proposal of a housing and transit reinvestment zone -- Analysis.**

- (1) Subject to approval of the housing and transit reinvestment zone committee as described in Section 63N-3-605, in order to create a housing and transit reinvestment zone, a municipality or public transit county that has general land use authority over the housing and transit reinvestment zone area, shall:
- (a) prepare a proposal for the housing and transit reinvestment zone that:
    - (i) demonstrates that the proposed housing and transit reinvestment zone will meet the objectives described in Subsection 63N-3-603(1);
    - (ii) explains how the municipality or public transit county will achieve the requirements of Subsection 63N-3-603(2)(a)(i);
    - (iii) defines the specific transportation infrastructure needs, if any, and proposed improvements and estimated budgets;
    - (iv) defines the boundaries of:
      - (A) the housing and transit reinvestment zone; and
      - (B) the sales and use tax boundary corresponding to the housing and transit reinvestment zone boundary, as described in Section 63N-3-610;
    - (v) includes maps of the proposed housing and transit reinvestment zone to illustrate:
      - (A) the proposed boundary and radius from a public transit hub;
      - (B) proposed housing density within the housing and transit reinvestment zone;and
    - (C) existing zoning and proposed zoning changes related to the housing and transit reinvestment zone;
    - (vi) identifies any development impediments that prevent the development from being a market-rate investment~~[-and]~~ , including proposed strategies and estimated budgets for addressing each one;
    - (vii) describes the proposed development plan and estimated budgets, including the requirements described in Subsections 63N-3-603(2) and (4);
    - (viii) establishes a base year and collection period to calculate the property tax increment within the housing and transit reinvestment zone;
    - (ix) establishes a sales and use tax base year to calculate the sales and use tax increment within the housing and transit reinvestment zone in accordance with Section 63N-3-610;

- 5366 (x) describes projected maximum revenues generated and the amount of property tax  
5367 increment capture from each taxing entity and proposed expenditures of revenue  
5368 derived from the housing and transit reinvestment zone;
- 5369 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources  
5370 of revenue that can be used to reduce the finance gap;
- 5371 (xii) estimates budgets and evaluates possible benefits to active and public  
5372 transportation availability and impacts on air quality;
- 5373 (xiii) proposes a finance schedule to align expected revenue with required financing  
5374 costs and payments;
- 5375 (xiv) provides a pro-forma for the planned development that:
- 5376 (A) satisfies the requirements described in Subsections 63N-3-603(2), (3), and (4);[  
5377 and]
- 5378 (B) includes data showing the cost difference between what type of development  
5379 could feasibly be developed absent the housing and transit reinvestment zone  
5380 property tax increment and the type of development that is proposed to be  
5381 developed with the housing and transit reinvestment zone property tax  
5382 increment; and
- 5383 (C) provides estimated budgets and construction costs, anticipated revenue,  
5384 financing, expenses, and other sources and uses of funds for the project area;  
5385 and
- 5386 (xv) for a housing and transit reinvestment zone at a commuter rail station, light rail  
5387 station, or bus rapid transit station that is proposed and not in public transit service  
5388 operation as of the date of submission of the proposal, demonstrates that the  
5389 proposed station is:
- 5390 (A) included as needed in phase one of a metropolitan planning organization's  
5391 adopted long-range transportation plan and in phase one of the relevant public  
5392 transit district's adopted long-range plan; and
- 5393 (B) reasonably anticipated to be constructed in the near future; and
- 5394 (b) submit the housing and transit reinvestment zone proposal to the Governor's Office  
5395 of Economic Opportunity.
- 5396 (2) As part of the proposal described in Subsection (1), a municipality or public transit  
5397 county shall study and evaluate possible impacts of a proposed housing and transit  
5398 reinvestment zone on parking within the city and housing and transit reinvestment zone.
- 5399 (3)(a) After receiving the proposal as described in Subsection (1)(b), the Governor's

Office of Economic Opportunity shall:

- (i) within 14 days after the date on which the Governor's Office of Economic Opportunity receives the proposal described in Subsection (1)(b), provide notice of the proposal to all affected taxing entities, including the Tax Commission, cities, counties, school districts, metropolitan planning organizations, and the county assessor and county auditor of the county in which the housing and transit reinvestment zone is located; and
- (ii) at the expense of the proposing municipality or public transit county as described in Subsection (5), contract with an independent entity to perform the financial gap analysis described in Subsection (3)(b).

(b) The gap analysis required in Subsection (3)(a)(ii) shall include:

- (i) a description of the planned development;
- (ii) a market analysis relative to other comparable project developments included in or adjacent to the municipality or public transit county absent the proposed housing and transit reinvestment zone;
- (iii) an evaluation of the proposal to and a determination of the adequacy and efficiency of the proposal;
- (iv) an evaluation of the proposed increment capture needed to cover the enhanced development costs associated with the housing and transit reinvestment zone proposal and enable the proposed development to occur; and
- (v) based on the market analysis and other findings, an opinion relative to the appropriate amount of potential public financing reasonably determined to be necessary to achieve the objectives described in Subsection 63N-3-603(1).

(c) After receiving notice from the Governor's Office of Economic Opportunity of a proposed housing and transit reinvestment zone as described in Subsection (3)(a)(i), the State Tax Commission shall:

- (i) evaluate the feasibility of administering the tax implications of the proposal; and
- (ii) provide a letter to the Governor's Office of Economic Opportunity describing any challenges in the administration of the proposal, or indicating that the Tax Commission can feasibly administer the proposal.

(4) After receiving the results from the analysis described in Subsection (3)(b), the municipality or public transit county proposing the housing and transit reinvestment zone may:

- (a) amend the housing and transit reinvestment zone proposal based on the findings of



the analysis described in Subsection (3)(b) and request that the Governor's Office of Economic Opportunity submit the amended housing and transit reinvestment zone proposal to the housing and transit reinvestment zone committee; or

(b) request that the Governor's Office of Economic Opportunity submit the original housing and transit reinvestment zone proposal to the housing and transit reinvestment zone committee.

(5)(a) The Governor's Office of Economic Opportunity may accept, as a dedicated credit, up to \$20,000 from a municipality or public transit county for the costs of the gap analysis described in Subsection (3)(b).

(b) The Governor's Office of Economic Opportunity may expend funds received from a municipality or public transit county as dedicated credits to pay for the costs associated with the gap analysis described in Subsection (3)(b).

Section 39. Section **63N-3-604.1** is enacted to read:

**63N-3-604.1 (Effective upon governor's approval). Process for proposing a convention center reinvestment zone.**

(1) To create a convention center reinvestment zone under this part, the Governor's Office of Economic Opportunity shall, after consulting with and giving notice to the related eligible municipality and county, provide a proposal for a convention center reinvestment zone to the housing and transit reinvestment zone committee.

(2)(a) The Governor's Office of Economic Opportunity shall ensure that a proposal for the creation of a convention center reinvestment zone includes the following information and data that:

(i) defines the boundary of the proposed convention center reinvestment zone;

(ii) describes generally the proposed development plan;

(iii) identifies a base year and collection period to calculate the property tax increment within the convention center reinvestment zone;

(iv) specifies a sales and use tax base year to calculate the sales and use tax increment within the convention center reinvestment zone in accordance with Section 63N-3-610.1;

(v) provides estimated project and investment objectives for the convention center reinvestment zone; and

(vi) outlines generally the impacts on transportation in and around the proposed convention center reinvestment zone.

(b) For a convention center reinvestment zone in a capital city, the proposal described in

5468 Subsection (2)(a) shall also provide estimated budgets and construction costs,  
5469 anticipated revenue, financing, expenses, and other sources and uses of funds for the  
5470 project area.

5471 (c) The proposal described in Subsection (2)(b) shall limit the use of funds to:

5472 (i) a convention center;

5473 (ii) a publicly owned entertainment venue;

5474 (iii) parking; and

5475 (iv) infrastructure related to the project.

5476 (3) A proposal by the Governor's Office of Economic Opportunity for a convention center  
5477 reinvestment zone shall demonstrate how the information and data provided in the  
5478 proposal pursuant to Subsection (2) furthers the objectives described in Section  
5479 63N-3-603.1 and is in the public interest.

5480 (4) After submitting the proposal as described in Subsection (2), the Governor's Office of  
5481 Economic Opportunity shall provide notice of the proposal to all affected taxing entities,  
5482 including the State Tax Commission, cities, counties, school districts, metropolitan  
5483 planning organizations, and the county assessor and county auditor of the county in  
5484 which the convention center reinvestment zone is located.

5485 (5) After receiving notice from the Governor's Office of Economic Opportunity of a  
5486 proposed convention center reinvestment zone as described in Subsection (4), the Tax  
5487 Commission shall, within 14 days:

5488 (a) evaluate the feasibility of administering the tax implications of the proposal; and

5489 (b) provide a letter to the Governor's Office of Economic Opportunity describing any  
5490 challenges in the administration of the proposal, or indicating that the State Tax  
5491 Commission can feasibly administer the proposal.

5492 Section 40. Section **63N-3-605** is amended to read:

5493 **63N-3-605 (Effective upon governor's approval). Housing and transit**  
5494 **reinvestment zone committee -- Creation.**

5495 (1) For any housing and transit reinvestment zone proposed under this part, or for a first  
5496 home investment zone proposed in accordance with Part 16, First Home Investment  
5497 Zone Act, there is created a housing and transit reinvestment zone committee with  
5498 membership described in Subsection (2).

5499 (2) Each housing and transit reinvestment zone committee shall consist of the following  
5500 members:

5501 (a) one representative from the Governor's Office of Economic Opportunity, designated

- 5502 by the executive director of the Governor's Office of Economic Opportunity;
- 5503 (b) one representative from each municipality that is a party to the proposed housing and
- 5504 transit reinvestment zone or first home investment zone, designated by the chief
- 5505 executive officer of each respective municipality;
- 5506 (c) a member of the Transportation Commission created in Section 72-1-301;
- 5507 (d) a member of the board of trustees of a large public transit district;
- 5508 (e) one individual from the Office of the State Treasurer, designated by the state
- 5509 treasurer;
- 5510 (f) two members designated by the president of the Senate;
- 5511 (g) two members designated by the speaker of the House of Representatives;
- 5512 (h) one member designated by the chief executive officer of each county affected by the
- 5513 housing and transit reinvestment zone or first home investment zone;
- 5514 (i) two representatives designated by the school superintendent from the school district
- 5515 affected by the housing and transit reinvestment zone or first home investment zone;
- 5516 and
- 5517 (j) one representative, representing the largest participating local taxing entity, after the
- 5518 municipality, county, and school district.
- 5519 (3) The individual designated by the Governor's Office of Economic Opportunity as
- 5520 described in Subsection (2)(a) shall serve as chair of the housing and transit
- 5521 reinvestment zone committee.
- 5522 (4)(a) A majority of the members of the housing and transit reinvestment zone
- 5523 committee constitutes a quorum of the housing and transit reinvestment zone
- 5524 committee.
- 5525 (b) An action by a majority of a quorum of the housing and transit reinvestment zone
- 5526 committee is an action of the housing and transit reinvestment zone committee.
- 5527 (5)(a) After the Governor's Office of Economic Opportunity receives the results of the
- 5528 analysis described in Section 63N-3-604, and after the Governor's Office of
- 5529 Economic Opportunity has received a request from the submitting municipality or
- 5530 public transit county to submit the housing and transit reinvestment zone proposal to
- 5531 the housing and transit reinvestment zone committee, the Governor's Office of
- 5532 Economic Opportunity shall notify each of the entities described in Subsection (2) of
- 5533 the formation of the housing and transit reinvestment zone committee.
- 5534 (b) For a first home investment zone, the housing and transit reinvestment zone
- 5535 committee shall follow the procedures described in Section 63N-3-1604.

- 5536 (6)(a) The chair of the housing and transit reinvestment zone committee shall convene a  
5537 public meeting to consider the proposed housing and transit reinvestment zone.
- 5538 (b) A meeting of the housing and transit reinvestment zone committee is subject to Title  
5539 52, Chapter 4, Open and Public Meetings Act.
- 5540 (7)(a) The proposing municipality or public transit county shall present the housing and  
5541 transit reinvestment zone proposal to the housing and transit reinvestment zone  
5542 committee in a public meeting.
- 5543 (b) The housing and transit reinvestment zone committee shall, for a housing and transit  
5544 reinvestment zone proposal:
- 5545 (i) evaluate and verify whether the elements of a housing and transit reinvestment  
5546 zone described in Subsections 63N-3-603(2) and (4) have been met; and
- 5547 (ii) evaluate the proposed housing and transit reinvestment zone relative to the  
5548 analysis described in Subsection 63N-3-604(2).
- 5549 (c) The housing and transit reinvestment zone committee shall, for a convention center  
5550 reinvestment zone proposal, evaluate and verify whether the objectives of a  
5551 convention center reinvestment zone described in Section 63N-3-603.1 have been  
5552 met.
- 5553 (8)(a) Subject to Subsection (8)(b), the housing and transit reinvestment zone committee  
5554 may:
- 5555 (i)(A) for a housing and transit reinvestment zone, request changes to the housing  
5556 and transit reinvestment zone proposal based on the analysis, characteristics,  
5557 and criteria described in Section 63N-3-604; or
- 5558 (B) for a convention center reinvestment zone, request changes to the convention  
5559 center reinvestment zone proposal based on the characteristics and criteria  
5560 described in Sections 63N-3-603.1 and 63N-3-604.1; or
- 5561 (ii) vote to approve or deny the proposal.
- 5562 (b) Before the housing and transit reinvestment zone committee may approve the  
5563 housing and transit reinvestment zone proposal, the municipality or public transit  
5564 county proposing the housing and transit reinvestment zone shall ensure that the area  
5565 of the proposed housing and transit reinvestment zone is zoned in such a manner to  
5566 accommodate the requirements of a housing and transit reinvestment zone described  
5567 in this section and the proposed development.
- 5568 (9) If a housing and transit reinvestment zone is approved by the committee:
- 5569 (a) the proposed housing and transit reinvestment zone is established according to the

terms of the housing and transit reinvestment zone proposal;

(b) affected local taxing entities are required to participate according to the terms of the housing and transit reinvestment zone proposal; and

(c) each affected taxing entity is required to participate at the same rate[-].

(10) A housing and transit reinvestment zone proposal may be amended by following the same procedure as approving a housing and transit reinvestment zone proposal.

(11)(a) The approval for a convention center reinvestment zone in a capital city may be completed with a condition that the relevant municipality also create a public infrastructure district as provided in Subsection 63N-3-607(8)(b).

(b) The approval described in Subsection (11)(a) shall verify that the requirements and limitations on use of funds is limited to the conditions described under Subsections 63N-3-604.1(2)(b) and (c).

Section 41. Section **63N-3-606** is amended to read:

**63N-3-606 (Effective upon governor's approval). Notice requirements.**

(1) In approving a housing and transit reinvestment zone or convention center reinvestment zone proposal, the housing and transit reinvestment zone committee shall follow the hearing and notice requirements for creating a housing and transit reinvestment zone or convention center reinvestment zone area proposal.

(2) Within 30 days after the housing and transit reinvestment zone committee approves a proposed housing and transit reinvestment zone, the municipality or public transit county, or for a convention center reinvestment zone, the Governor's Office of Economic Opportunity, shall:

(a) record with the recorder of the county in which the housing and transit reinvestment zone or convention center reinvestment zone is located a document containing:

(i) a description of the land within the housing and transit reinvestment zone or convention center reinvestment zone;

(ii) a statement that the proposed housing and transit reinvestment zone or convention center reinvestment zone has been approved; and

(iii) the date of adoption;

(b) transmit a copy of the description of the land within the housing and transit reinvestment zone or convention center reinvestment zone and an accurate map or plat indicating the boundaries of the housing and transit reinvestment zone or convention center reinvestment zone to the Utah Geospatial Resource Center created under Section 63A-16-505; and

(c) transmit a copy of the approved housing and transit reinvestment zone or convention center reinvestment zone proposal, map, and description of the land within the housing and transit reinvestment zone or convention center reinvestment zone, to:

- (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any part of the housing and transit reinvestment zone or convention center reinvestment zone is located;
- (ii) the officer or officers performing the function of auditor or assessor for each taxing entity that does not use the county assessment roll or collect the taxing entity's taxes through the county;
- (iii) the legislative body or governing board of each taxing entity;
- (iv) the ~~[tax commission]~~ State Tax Commission; and
- (v) the State Board of Education.

Section 42. Section **63N-3-607** is amended to read:

**63N-3-607 (Effective upon governor's approval). Payment, use, and administration of revenue from a housing and transit reinvestment zone.**

(1) ~~[A]~~ In accordance with this part:

(a) a municipality or public transit county may receive and use property tax increment and housing and transit reinvestment zone funds;

(b)(i) a public infrastructure district shall use the funds from a convention center reinvestment zone in a capital city within or for the benefit of a convention center reinvestment zone in a capital city; and

(ii) funds from a convention center reinvestment zone in a capital city may be used outside of the capital city convention center reinvestment zone if the use meets the objectives described in Section 63N-3-603.1 and is determined by the board of the public infrastructure district to be a direct benefit to the convention center reinvestment zone in a capital city; and

~~(c) [in accordance with this part]~~ a municipality or a public infrastructure district may receive and use property tax increment and convention center reinvestment zone funds for a convention center reinvestment zone that is not within a capital city.

(2)(a) ~~[A]~~ Except as provided in Subsection (3), a county that collects property tax on property located within a housing and transit reinvestment zone shall, in accordance with Section 59-2-1365, distribute to the municipality or public transit county any property tax increment the municipality or public transit county is authorized to receive up to the maximum approved by the housing and transit reinvestment zone

5638 committee.

5639 (b) ~~[Tax]~~ Property tax increment distributed to a municipality or public transit county in  
5640 accordance with Subsection (2)(a) is not revenue of the taxing entity or municipality  
5641 or public transit county.

5642 (c)(i) ~~[Tax]~~ Property tax increment paid to the municipality or public transit county  
5643 are housing and transit reinvestment zone funds and shall be administered by an  
5644 agency created by the municipality or public transit county within which the  
5645 housing and transit reinvestment zone is located.

5646 (ii) Before an agency may receive housing and transit reinvestment zone funds from  
5647 the municipality or public transit county, the municipality or public transit county  
5648 and the agency shall enter into an interlocal agreement with terms that:

5649 (A) are consistent with the approval of the housing and transit reinvestment zone  
5650 committee; and

5651 (B) meet the requirements of Section 63N-3-603 or, for a convention center  
5652 reinvestment zone, the requirements of Section 63N-3-603.1.

5653 (3)(a) A county that collects property tax on property located within a convention center  
5654 reinvestment zone shall, in accordance with Section 59-2-1365, distribute to the  
5655 relevant public infrastructure district created by the eligible municipality any  
5656 property tax increment the public infrastructure district is authorized to receive up to  
5657 the amounts approved by the housing and transit reinvestment zone committee.

5658 (b) Property tax increment distributed to a public infrastructure district in accordance  
5659 with Subsection (3)(a) is not revenue of the taxing entity or municipality.

5660 (c) Property tax increment paid to the public infrastructure district are convention center  
5661 reinvestment zone funds and shall be administered by the public infrastructure district  
5662 within which the convention center reinvestment zone is located.

5663 ~~[(3)]~~ (4)(a)(i) A municipality or public transit county and agency shall use housing  
5664 and transit reinvestment zone funds within, or for the direct benefit of, the housing  
5665 and transit reinvestment zone.

5666 (ii) A public infrastructure district shall use convention center reinvestment zone  
5667 funds within, or for the benefit of, the convention center reinvestment zone.

5668 (b) If any housing and transit reinvestment zone funds will be used outside of the  
5669 housing and transit reinvestment zone there must be a finding in the approved  
5670 proposal for a housing and transit reinvestment zone that the use of the housing and  
5671 transit reinvestment zone funds outside of the housing and transit reinvestment zone

5672 will directly benefit the housing and transit reinvestment zone.

5673 ~~[(4)]~~ (5)(a) A municipality or public transit county shall use housing and transit

5674 reinvestment zone funds to achieve the purposes described in Subsections 63N-3-603

5675 (1) and (2), by paying all or part of the costs of any of the following:

5676 ~~[(a)]~~ (i) income targeted housing costs;

5677 ~~[(b)]~~ (ii) structured parking within the housing and transit reinvestment zone;

5678 ~~[(c)]~~ (iii) enhanced development costs;

5679 ~~[(d)]~~ (iv) horizontal construction costs;

5680 ~~[(e)]~~ (v) vertical construction costs;

5681 ~~[(f)]~~ (vi) property acquisition costs within the housing and transit reinvestment zone;

5682 or

5683 ~~[(g)]~~ (vii) the costs of the municipality or public transit county to create and

5684 administer the housing and transit reinvestment zone, which may not exceed 2%

5685 of the total housing and transit reinvestment zone funds, plus the costs to complete

5686 the gap analysis described in Subsection 63N-3-604(2).

5687 (b) A public infrastructure district shall use convention center reinvestment zone funds

5688 to achieve the purposes described in Section 63N-3-603.1.

5689 ~~[(5)]~~ (6) Housing and transit reinvestment zone funds may be paid to a participant, if the

5690 agency and participant enter into a participation agreement which requires the

5691 participant to utilize the housing and transit reinvestment zone funds as allowed in this

5692 section.

5693 ~~[(6)]~~ (7)(a) Housing and transit reinvestment zone funds may be used to pay all of the

5694 costs of bonds issued by the municipality or public transit county in accordance with

5695 Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the

5696 bonds including interest.

5697 (b) Convention center reinvestment zone funds may be used to pay all of the costs of

5698 debt incurred by the public infrastructure district, including the cost to issue and

5699 repay the debt including interest.

5700 ~~[(7)]~~ (8)(a) A municipality or public transit county may create one or more public

5701 infrastructure districts within the housing and transit reinvestment zone under Title

5702 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the housing

5703 and transit reinvestment zone funds to guarantee the payment of public infrastructure

5704 bonds issued by a public infrastructure district.

5705 (b) An eligible municipality that is a capital city shall create one or more public



infrastructure districts within the convention center reinvestment zone under Title 17D, Chapter 4, Public Infrastructure District Act, and the convention center reinvestment zone funds may be used to pay all or any portion of debt incurred by the public infrastructure district, including the cost to issue and repay the debt including interest.

Section 43. Section **63N-3-608** is amended to read:

**63N-3-608 (Effective upon governor's approval). Applicability to an existing community reinvestment project.**

(1) For a housing and transit reinvestment zone created under this part that overlaps any portion of an existing inactive industrial site community reinvestment project area plan created [~~pursuant to~~] in accordance with Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act:

[~~(1)~~] (a) if the community reinvestment project area plan captures less than 80% of the property tax increment from a taxing entity, or if a taxing entity is not participating in the community reinvestment project area plan, the housing and transit reinvestment zone may capture the difference between:

[~~(a)~~] (i) 80%; and

[~~(b)~~] (ii) the percentage of property tax increment captured pursuant to the community reinvestment project area plan; and

[~~(2)~~] (b) if a community reinvestment project area plan expires before the housing and transit reinvestment zone, the housing and transit reinvestment zone may capture the property tax increment allocated to the community reinvestment project area plan for any remaining portion of the term of the housing and transit reinvestment zone and the base year shall be updated in accordance with Subsection 63N-3-602(4).

(2) For a convention center reinvestment zone created under this part that overlaps any portion of an existing community reinvestment project area created in accordance with Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act:

(a) if the community reinvestment project area captures less than 100% of the property tax increment from a taxing entity, or if a taxing entity is not participating in the community reinvestment project area, the convention center reinvestment zone may capture the difference between:

(i) 100%; and

(ii) the percentage of property tax increment captured pursuant to the community

reinvestment project area for each taxing entity; and

(b) if a community reinvestment project area plan expires before the convention center reinvestment zone, the convention center reinvestment zone may capture the property tax increment allocated to the community reinvestment project area for any remaining portion of the term of the convention center reinvestment zone with the base year relating back to the base year established by the community reinvestment project area.

Section 44. Section **63N-3-609** is amended to read:

**63N-3-609 (Effective upon governor's approval). Property tax increment protections.**

(1) Upon petition by a participating taxing entity or on the initiative of the housing and transit reinvestment zone committee creating a housing and transit reinvestment zone or convention center reinvestment zone, a housing and transit reinvestment zone or convention center reinvestment zone may suspend or terminate the collection of property tax increment in a housing and transit reinvestment zone or convention center reinvestment zone if the housing and transit reinvestment zone committee determines, by clear and convincing evidence, presented in a public meeting of the housing and transit reinvestment zone committee, that:

(a) a substantial portion of the property tax increment collected in the housing and transit reinvestment zone or convention center reinvestment zone has not or will not be used for the purposes provided in Section 63N-3-607; and

(b)(i) the housing and transit reinvestment zone or convention center reinvestment zone and related public infrastructure district has no indebtedness secured by funds provided for in this chapter; or

(ii) the housing and transit reinvestment zone or convention center reinvestment zone and related public infrastructure district has no binding financial obligations secured by this chapter.

(2) A housing and transit reinvestment zone or convention center reinvestment zone may not collect property tax increment in excess of the property tax increment projections or limitations set forth in the housing and transit reinvestment zone or convention center reinvestment zone proposal.

(3) The agency administering the property tax increment collected in a housing and transit reinvestment zone under Subsection 63N-3-607(2)(c) or the public infrastructure district administering the property tax increment collected in a convention center reinvestment

5774 zone under Subsection 63N-3-607(3)(c), shall have standing in a court with proper  
5775 jurisdiction to enforce provisions of the housing and transit reinvestment zone or  
5776 convention center reinvestment zone proposal, participation agreements, and other  
5777 agreements for the use of the property tax increment collected.

- 5778 (4) The agency administering property tax increment from a housing and transit  
5779 reinvestment zone under Subsection 63N-3-607(2)(c) or the public infrastructure district  
5780 administering the property tax increment collected in a convention center reinvestment  
5781 zone under Subsection 63N-3-607(3)(c) which is collecting property tax increment shall  
5782 follow the reporting requirements described in Section 17C-1-603 and the audit  
5783 requirements described in Sections 17C-1-604 and 17C-1-605.

- 5784 (5) For each housing and transit reinvestment zone or convention center reinvestment zone  
5785 collecting tax increment within a county, the county auditor shall follow the reporting  
5786 requirement found in Section 17C-1-606.

5787 Section 45. Section **63N-3-610** is amended to read:

5788 **63N-3-610 (Effective upon governor's approval). Sales and use tax increment in**  
5789 **a housing and transit reinvestment zone.**

- 5790 (1) A housing and transit reinvestment proposal shall, in consultation with the tax  
5791 commission:

- 5792 (a) create a sales and use tax boundary as described in Subsection (2); and  
5793 (b) establish a sales and use tax base year and collection period to calculate and transfer  
5794 the state sales and use tax increment within the housing and transit reinvestment  
5795 zone, which sales and use tax base year is established prospectively, 90 days after the  
5796 date of the notice described in Subsection (4).

- 5797 (2)(a) The municipality or public transit county, in consultation with the tax  
5798 commission, shall establish a sales and use tax boundary that:

- 5799 (i) is based on state sales and use tax collection boundaries, which are determined  
5800 using the ZIP Code as defined in Section 59-12-102, including the four digit  
5801 delivery route extension;

- 5802 (ii) follows as closely as reasonably practicable the boundary of the housing and  
5803 transit reinvestment zone; and

- 5804 (iii) is one contiguous area that includes at least the entire boundary of the housing  
5805 and transit reinvestment zone.

- 5806 (b) If a state sales and use tax boundary is [biseeted] intersected by the boundary of the  
5807 housing and transit reinvestment zone, the housing and transit reinvestment zone may

- 5808 include the entire state sales and use tax boundary.
- 5809 (c) The municipality or public transit county shall include the sales and use tax boundary
- 5810 in the housing and transit reinvestment zone proposal as described in Section
- 5811 63N-3-604.
- 5812 (3)(a) Beginning the first day of ~~[the]~~ a calendar quarter one year after the sales and use
- 5813 tax boundary for a housing and transit reinvestment zone is established, the tax
- 5814 commission shall, at least annually, transfer an amount equal to 15% of the sales and
- 5815 use tax increment within an established sales and use tax boundary into the Transit
- 5816 Transportation Investment Fund created in Section 72-2-124.
- 5817 (b) A municipality or public transit county may only propose one sales and use tax
- 5818 increment period and one sales and use tax base year for a housing and transit
- 5819 reinvestment zone established under this ~~[section]~~ part.
- 5820 (4)(a) The establishment of a sales and use tax base year and the requirement described
- 5821 in Subsection (3) to transfer incremental sales tax revenue shall take effect:
- 5822 (i) on the first day of a calendar quarter; and
- 5823 (ii) after a 90-day waiting period, beginning on the date the commission receives
- 5824 notice from the municipality or public transit county meeting the requirements of
- 5825 Subsection (4)(b).
- 5826 (b) The notice described in Subsection (4)(a) shall include:
- 5827 (i) a statement that the housing and transit reinvestment zone will be established
- 5828 under this part;
- 5829 (ii) the approval date and effective date of the housing and transit reinvestment zone;
- 5830 and
- 5831 (iii) the definitions of the sales and use tax boundary and sales and use tax base year.
- 5832 (5) The State Tax Commission may retain and deposit an administrative charge in
- 5833 accordance with Section 59-1-306 from sales and use tax increment the State Tax
- 5834 Commission collects and administers under this section.
- 5835 Section 46. Section **63N-3-610.1** is enacted to read:
- 5836 **63N-3-610.1 (Effective upon governor's approval). Sales and use tax increment**
- 5837 **in a convention center reinvestment zone.**
- 5838 (1) A convention center revitalization zone proposal shall, in consultation with the State
- 5839 Tax Commission:
- 5840 (a) create a sales and use tax boundary as described in Subsection (2); and
- 5841 (b) establish a sales and use tax base year to calculate and transfer the sales and use tax

5842 increment within the convention center revitalization zone 90 days after the date of  
5843 the notice described in Subsection (4).

5844 (2)(a) The Governor's Office of Economic Opportunity, in consultation with the State  
5845 Tax Commission, shall establish a sales and use tax boundary that:

5846 (i) is based on state sales and use tax collection boundaries, which are determined  
5847 using the ZIP Code as defined in Section 59-12-102, including the four digit  
5848 delivery route extension;

5849 (ii) follows as closely as reasonably practicable the boundary of the convention  
5850 center revitalization zone; and

5851 (iii) is one contiguous area that includes at least the entire boundary of the convention  
5852 center revitalization zone.

5853 (b) If a state sales and use tax boundary is intersected by the boundary of the convention  
5854 center revitalization zone, the convention center revitalization zone may include the  
5855 entire state sales and use tax boundary.

5856 (c) The Governor's Office of Economic Opportunity shall include the sales and use tax  
5857 boundary in the convention center revitalization zone proposal as described in  
5858 Section 63N-3-603.1.

5859 (3)(a) For a convention center reinvestment zone that is not located in a capital city,  
5860 beginning no sooner than January 1, 2026, and on the first day of a calendar quarter  
5861 after the year set in the proposal and after the sales and use tax boundary for a  
5862 convention center reinvestment zone is established, the State Tax Commission shall,  
5863 at least annually, transfer an amount equal to 100% of the local sales and use tax  
5864 increment within an established sales and use tax boundary to the relevant  
5865 municipality or public infrastructure district.

5866 (b) For a convention center reinvestment zone that is located in a capital city, beginning  
5867 no sooner than January 1, 2026, and on the first day of a calendar quarter after the  
5868 year set in the proposal and after the sales and use tax boundary for a convention  
5869 center reinvestment zone in a capital city is established, the State Tax Commission  
5870 shall, at least annually, transfer an amount equal to 50% of the state sales and use tax  
5871 increment and 100% of any local sales and use tax increment within an established  
5872 sales and use tax boundary to the public infrastructure district created pursuant to  
5873 Subsection 63N-3-607(8)(b).

5874 (4) The Governor's Office of Economic Opportunity may only propose one sales and use  
5875 tax increment period and one sales and use tax base year for a convention center

revitalization zone established under this part.

(5)(a) The distribution of the sales and use tax increment shall begin:

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

(ii) after a 90-day waiting period, beginning on the date the State Tax Commission receives notice from the Governor's Office of Economic Opportunity meeting the requirements of Subsection (5)(b); and

(iii) no earlier than January 1, 2026 after the year set in the proposal of the approved convention center reinvestment zone.

(b) The notice described in Subsection (5)(a) shall include:

(i) a statement that the convention center revitalization zone will be established under this part;

(ii) the approval date and effective date of the convention center revitalization zone; and

(iii) the definitions of the sales and use tax boundary and sales and use tax base year.

(6) The State Tax Commission may retain and deposit an administrative charge in accordance with Section 59-1-306 from sales and use tax revenues the State Tax Commission collects and administers under this section.

Section 47. Section **63N-3-611** is amended to read:

**63N-3-611 (Effective upon governor's approval). Boundary adjustments.**

If the relevant county assessor or county auditor adjusts parcel boundaries relevant to a housing and transit reinvestment zone or a convention center reinvestment zone, the municipality administering the property tax increment collected in the housing and transit reinvestment zone, or for a convention center reinvestment zone, the Governor's Office of Economic Opportunity may make corresponding adjustments to the boundary of the housing and transit reinvestment zone.

Section 48. Section **63N-3-1403** is amended to read:

**63N-3-1403 (Effective upon governor's approval). Allowable uses of funds.**

(1) A local government shall use any funds or revenue provided under Section 59-12-402.5 within and for the direct benefit of the project area, and subject to the requirements of this section.

(2) In addition to the requirements of Subsection (1), the allowable uses for the funds and revenue collected as authorized under this part are:

(a) costs for, including debt service or the costs of bonds issued by the local government or state:

- 5910 (i) paid to or for the benefit of a project participant for the construction or remodel of  
 5911 a qualified stadium within the project area in accordance with Title 17C, Chapter  
 5912 1, Part 5, Agency Bonds, including the cost to issue and repay bonds and interest;  
 5913 and
- 5914 (ii) the construction, demolition, modification, or realignment of infrastructure or  
 5915 structures within the project area for the purpose of:
- 5916 (A) complementing a qualified stadium and its associated uses, including  
 5917 entertainment and recreational uses on land within the project area; and
- 5918 (B) improvement, demolition, modification, realignment, or restoration of areas  
 5919 within the project area for pedestrian and traffic flow, and for aesthetic,  
 5920 entertainment, recreational, and safety purposes;
- 5921 (b) infrastructure and roads, including state roads, within the project area;
- 5922 (c) traffic mitigation costs within the project area;
- 5923 (d) law enforcement or public security needs within the project area;[and]
- 5924 (e) land acquisition costs;
- 5925 (f) commercial development, housing development, and parking infrastructure within  
 5926 the project area; and
- 5927 [(e)] (g) costs of the local government to create a project area or participation agreement  
 5928 and to administer the funds, which cost may not exceed 1% of the tax revenue  
 5929 collected under Section 59-12-402.5.
- 5930 (3)(a) The amount of funds and revenue used for, or for the benefit of, the project  
 5931 participant shall be limited to a maximum dollar amount that shall be explicitly stated  
 5932 in the participation agreement.
- 5933 (b) A project participant may not receive the benefit of funds or revenue in an amount  
 5934 greater than the maximum dollar amount referred to in Subsection (3)(a).
- 5935 Section 49. Section **72-1-214** is amended to read:
- 5936 **72-1-214 (Effective upon governor's approval). Department designated as state**  
 5937 **safety oversight agency for rail fixed guideway public transportation safety -- Powers and**  
 5938 **duties -- Rulemaking.**
- 5939 (1)(a) Except as provided in Subsection (1)(b), as used in this section, "fixed guideway"  
 5940 means the same as that term is defined in Section 59-12-102.
- 5941 (b) For purposes of this section, "fixed guideway" does not include a rail system subject  
 5942 to regulation by the Federal Railroad Administration.
- 5943 (2) The department is designated as the state safety oversight agency for rail fixed

5944 guideway public transportation safety in accordance with 49 U.S.C. Sec. 5329(e)(4).

5945 (3) As the state safety oversight agency, the department may, to the extent necessary to  
5946 fulfill the department's obligations under federal law:

5947 (a) enter into and inspect the property of a fixed guideway rail system receiving federal  
5948 funds without prior notice to the operator;

5949 (b) audit an operator of a fixed guideway rail system receiving federal funds for  
5950 compliance with:

5951 (i) federal and state laws regarding the safety of the fixed guideway rail system; and

5952 (ii) a public transportation agency safety plan adopted by a specific operator in  
5953 accordance with 49 U.S.C. Sec. 5329(d);

5954 (c) direct the operator of a fixed guideway rail system to correct a safety hazard by a  
5955 specified date and time;

5956 (d) prevent the operation of all or part of a fixed guideway rail system that the  
5957 department has determined to be unsafe;

5958 (e) audit, review, approve, and oversee an operator of a fixed guideway rail system  
5959 receiving federal funds for compliance with a plan adopted by the operator in  
5960 compliance with 49 U.S.C. Sec. 5329(d); and

5961 (f) enforce statutes, rules, regulations, and executive orders relating to the operation of a  
5962 fixed guideway rail public transportation system in Utah.

5963 (4) The department shall, at least annually, provide a status report on the safety of the rail  
5964 fixed guideway public transportation systems the department oversees to:

5965 (a) the Federal Transit Administration;

5966 (b) the governor; and

5967 (c) members of the board of any rail fixed guideway public transportation system that  
5968 the department oversees in accordance with this section.

5969 (5)(a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
5970 the department shall make rules necessary to administer and enforce this section,  
5971 including rules providing for the legal and financial independence of state safety  
5972 oversight agency activities and functions.

5973 (b) The rules made in accordance with Subsection (5)(a) shall conform to the  
5974 requirements of and regulations enacted in accordance with 49 U.S.C. Sec. 5329.

5975 (6)(a) Notwithstanding any other agreement, a county, city, or town with fixed guideway  
5976 rail transit service provided by a public transit district that is subject to safety  
5977 oversight as provided in this section may request local option transit sales tax in



5978 accordance with Section 59-12-2206 and spend local option transit sales tax in the  
5979 amount requested by the department to meet nonfederal match requirements for costs  
5980 of safety oversight described in this section.

5981 (b) A county, city, or town that requests local option transit sales tax as described in  
5982 Subsection (6)(a) shall transmit to the department all of the funds requested under  
5983 Subsection (6)(a) and transmitted to the county, city, or town under Subsection [   
5984 59-12-2206(5)(b)] 59-12-2206(6)(b).

5985 (c) A county, city, or town that requests local option transit sales tax as described in  
5986 Subsection (6)(a) may not request more local option transit sales tax than is necessary  
5987 to carry out the state safety oversight functions under this section and the amount  
5988 shall only reflect a maximum of 20% nonfederal match requirement of eligible costs  
5989 of state safety oversight.

5990 Section 50. Section **72-1-304** is amended to read:

5991 **72-1-304 (Effective upon governor's approval). Written project prioritization**  
5992 **process for new transportation capacity projects -- Rulemaking.**

5993 (1)(a) The Transportation Commission, in consultation with the department and the  
5994 metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a  
5995 written prioritization process for the prioritization of:

- 5996 (i) new transportation capacity projects that are or will be part of the state highway  
5997 system under Chapter 4, Part 1, State Highways;  
5998 (ii) paved pedestrian or paved nonmotorized transportation projects described in  
5999 Section 72-2-124;  
6000 (iii) public transit projects that directly add capacity to the public transit systems  
6001 within the state, not including facilities ancillary to the public transit system; and  
6002 (iv) pedestrian or nonmotorized transportation projects that provide connection to a  
6003 public transit system.

6004 (b)(i) A local government or public transit district may nominate a project for  
6005 prioritization in accordance with the process established by the commission in rule.

6006 (ii) If a local government or public transit district nominates a project for  
6007 prioritization by the commission, the local government or public transit district  
6008 shall provide data and evidence to show that:

6009 (A) the project will advance the purposes and goals described in Section 72-1-211;

6010 (B) for a public transit project, the local government or public transit district has  
6011 an ongoing funding source for operations and maintenance of the proposed

6012 development; and

6013 (C) the local government or public transit district will provide the percentage of  
6014 the costs for the project as required by Subsection 72-2-124(4)(a)(viii) or  
6015 72-2-124(9)(e).

6016 (2) The following shall be included in the written prioritization process under Subsection  
6017 (1):

6018 (a) a description of how the strategic initiatives of the department adopted under Section  
6019 72-1-211 are advanced by the written prioritization process;

6020 (b) a definition of the type of projects to which the written prioritization process applies;

6021 (c) specification of a weighted criteria system that is used to rank proposed projects and  
6022 how it will be used to determine which projects will be prioritized;

6023 (d) specification of the data that is necessary to apply the weighted ranking criteria; and

6024 (e) any other provisions the commission considers appropriate, which may include  
6025 consideration of:

6026 (i) regional and statewide economic development impacts, including improved local  
6027 access to:

6028 (A) employment;

6029 (B) educational facilities;

6030 (C) recreation;

6031 (D) commerce; and

6032 (E) residential areas, including moderate income housing as demonstrated in the  
6033 local government's or public transit district's general plan pursuant to Section  
6034 10-9a-403 or 17-27a-403;

6035 (ii) the extent to which local land use plans relevant to a project support and  
6036 accomplish the strategic initiatives adopted under Section 72-1-211; and

6037 (iii) any matching funds provided by a political subdivision or public transit district  
6038 in addition to the percentage of costs required by Subsections 72-2-124(4)(a)(viii)  
6039 and 72-2-124(9)(e).

6040 (3)(a) When prioritizing a public transit project that increases capacity, the commission:

6041 (i) may give priority consideration to projects that are part of a transit-oriented  
6042 development or transit-supportive development as defined in Section 17B-2a-802;  
6043 and

6044 (ii) shall give priority consideration to projects that are within the boundaries of a  
6045 housing and transit reinvestment zone created pursuant to Title 63N, Chapter 3,

Part 6, Housing and Transit Reinvestment Zone Act.

- (b) When prioritizing a transportation project that increases capacity, the commission may give priority consideration to projects that are:
- (i) part of a transportation reinvestment zone created under Section 11-13-227 if:
- (A) the state is a participant in the transportation reinvestment zone; or
- (B) the commission finds that the transportation reinvestment zone provides a benefit to the state transportation system; or
- (ii) within the boundaries of a housing and transit reinvestment zone created pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- (c) If the department receives a notice of prioritization for a municipality as described in [~~Subsection 10-9a-408(5)~~] Subsection 10-9a-408(6), or a notice of prioritization for a county as described in [~~Subsection 17-27a-408(5)~~] Subsection 17-27a-408(6), the commission may give priority consideration to transportation projects that are within the boundaries of the municipality or the unincorporated areas of the county until the department receives notification from the Housing and Community Development Division within the Department of Workforce Services that the municipality or county no longer qualifies for prioritization under this Subsection (3)(c).
- (4) In developing the written prioritization process, the commission:
- (a) shall seek and consider public comment by holding public meetings at locations throughout the state; and
- (b) may not consider local matching dollars as provided under Section 72-2-123 unless the state provides an equal opportunity to raise local matching dollars for state highway improvements within each county.
- (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Transportation Commission, in consultation with the department, shall make rules establishing the written prioritization process under Subsection (1).
- (6) The commission shall submit the proposed rules under this section to a committee or task force designated by the Legislative Management Committee for review prior to taking final action on the proposed rules or any proposed amendment to the rules described in Subsection (5).

Section 51. Section **72-17-105** is amended to read:

**72-17-105 (Effective upon governor's approval). Establishment of administrative fees -- Payment -- Expenditures.**

- (1) The provisions in this section apply beginning on May 7, 2025.

- (2) The office shall annually determine a fee to be paid by each railroad that operated within the state and is subject to the jurisdiction of the office on a pro rata basis as described in Subsection (3).
- (a) The office and the department shall establish the annual fee to produce a total amount not less than the amount required to regulate railroads and carry out the duties described in this part.
- (b) The office shall use the revenue generated by the fees paid by each railroad for the investigation and enforcement activities of the office as authorized under this part.
- (3)(a) For grade crossings inspections and services, the office shall establish and each railroad shall pay a fee based on:
- (i) as of January 1 of each year, the number of crossings the railroad operates within this state that cross a highway, whether at grade, by overhead structure, or subway; and
  - (ii) the frequency of use of each crossing the railroad operates, including:
    - (A) the frequency of train operation at the crossing; and
    - (B) the frequency of highway traffic at the crossing.
- (b) For hazardous materials related inspections and services, the office shall establish and each railroad shall pay a fee based on the tonnage of hazardous materials transported in this state during a given year.
- (c) For motive power and equipment related inspections and services, the office shall establish and each railroad shall pay a fee based on the number of motive power units and other equipment units operated by the railroad in this state.
- (d) For track related inspections and services, the office shall establish and each railroad shall pay a fee based on the number of miles of track owned or operated by the railroad within this state.
- (e) For signal and train control inspections and services, as well as operating practices inspections and services, the office shall establish and each railroad shall pay a fee based on gross operating revenue of each railroad generated within this state.
- (f)(i) For inspection services related to commuter rail, notwithstanding any other agreement, a county or municipality with commuter rail service provided by a public transit district may request local option transit sales tax in accordance with Section 59-12-2206 and spend local option transit sales tax in the amount requested by the office.
- (ii) A county or municipality that requests local option transit sales tax as described

in Subsection (3)(f)(i) may transmit to the office the funds requested under Subsection (3)(f)(i) and transmitted to the county or municipality under Subsection [59-12-2206(5)(b)] 59-12-2206(6)(b).

(iii) A county or municipality that requests local option transit sales tax as described in Subsection (3)(f)(i) may not request more local option transit sales tax than is necessary to carry out the safety inspection and functions under this chapter.

(iv) The office is not required to charge or collect a fee related to inspections of commuter rail.

(4)(a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department shall make rules to establish each of the fee amounts described in Subsection (3):

(i) according to the data described in Subsection (3); and

(ii) to collect an amount sufficient to cover the budget and costs to administer the duties of the office.

(b) The department shall annually adjust the fees established in accordance with Subsection (4)(a) to account for inflation and other budgetary factors.

(5) Each railroad that operates within this state shall pay to the office the fees described and established by the office.

Section 52. Section **73-10-36** is amended to read:

**73-10-36 (Effective upon governor's approval). Division to provide technical assistance in local government planning.**

(1) As used in this section:

(a) "Division" means the Division of Water Resources.

(b) "General plan":

(i) for a municipality, means the same as that term is defined in Section 10-9a-103; and

(ii) for a county, means the same as that term is defined in Section 17-27a-103.

(c) "Local government" means a county or a municipality, as defined in Section 10-1-104.

(d) "Watershed council" means a council created under Chapter 10g, Part 3, Watershed Councils Act.

(2) The division shall provide technical assistance to a local government to support the local government's adoption of a water use and preservation element in a general plan.

(3) When consulted by a local government for information and technical resources regarding regional water conservation goals under Subsection 10-9a-403(2)(f)(vi) or [

6148 ~~17-27a-403(2)(f)(ii)] 17-27a-403(2)(e)(ii)~~, the division may seek input from the  
6149 appropriate watershed council or councils.

6150 Section 53. **Effective Date.**

6151 (1) Except as provided in Subsection (2), this bill takes effect:

6152 (a) except as provided in Subsection (1)(b), May 7, 2025; or

6153 (b) if approved by two-thirds of all members elected to each house:

6154 (i) upon approval by the governor;

6155 (ii) without the governor's signature, the day following the constitutional time limit of

6156 Utah Constitution, Article VII, Section 8; or

6157 (iii) in the case of a veto, the date of veto override.

6158 (2) The actions affecting the following sections take effect on January 1, 2026:

6159 (a) Section 59-2-924.2 (Effective 01/01/26); and

6160 (b) Section 59-2-924 (Effective 01/01/26).