

Motor Vehicle Division Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Kay J. Christofferson

LONG TITLE

General Description:

This bill amends provisions pertaining to the Motor Vehicle Division to make technical changes and clean up.

Highlighted Provisions:

This bill:

- defines terms related to trailers, motorboats, and motorcycles;
- allows a fleet of personal vehicles to be registered as a fleet;
- clarifies that a street-legal off-highway vehicle includes an off-highway motorcycle that has been modified to have equipment necessary for on-highway use;
- clarifies which registration fees apply to certain vehicles;
- amends provisions related to insurance for a motorboat, to only require the designated agent to notify the Motor Vehicle Division of a lapse in coverage during the months of April through October;
- revises provisions related to sales and use taxes to simplify certain earmarks; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

11-70-207 (Effective 07/01/26), as enacted by Laws of Utah 2024, Chapter 419

26B-1-315 (Effective 07/01/26), as last amended by Laws of Utah 2024, Chapter 439

41-1a-102 (Effective 05/07/25), as last amended by Laws of Utah 2024, Chapter 483

28 **41-1a-110 (Effective 05/07/25)**, as last amended by Laws of Utah 2023, Chapter 212
29 **41-1a-215 (Effective 01/01/26)**, as last amended by Laws of Utah 2012, Chapter 397
30 **41-1a-1206 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 483
31 **41-6a-102 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 236
32 **41-6a-1509 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 459
33 **41-12a-804 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 236
34 **41-22-2 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 242
35 **41-22-3 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 236
36 **41-22-5.5 (Effective 05/07/25)**, as last amended by Laws of Utah 2022, Chapter 68
37 **41-22-10.7 (Effective 05/07/25)**, as last amended by Laws of Utah 2022, Chapter 68
38 **41-22-10.8 (Effective 05/07/25)**, as last amended by Laws of Utah 2010, Chapter 363
39 **51-9-902 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 41
40 **53-2a-1102 (Effective 07/01/26)**, as last amended by Laws of Utah 2023, Chapters 34,
41 471
42 **59-12-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 274
43 **59-12-103 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapters 88, 501
44 **59-12-104.2 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 274
45 **59-12-1201 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 274
46 **63N-2-510 (Effective 07/01/26)**, as last amended by Laws of Utah 2023, Chapter 471
47 **63N-2-512 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 159
48 **72-2-106 (Effective 07/01/26)**, as last amended by Laws of Utah 2023, Chapter 22
49 **72-2-124 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapters 498, 501
50 **73-2-1.6 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 154

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

53 Section 1. Section **11-70-207** is amended to read:

54 **11-70-207 (Effective 07/01/26). Use of fairpark district funds.**

55 (1)(a) Subject to Subsection (2), the fairpark district may use fairpark district funds for
56 any purpose authorized under this chapter, including to pay for:

57 (i) the development and construction of a qualified stadium;

58 (ii) administrative, overhead, legal, consulting, and other operating expenses of the
59 fairpark district;

60 (iii) all or part of the development of land within a project area, including:

61 (A) financing or refinancing; and

- 62 (B) assisting the ongoing operation of a development or facility within the project
63 area;
- 64 (iv) the cost of the installation of public infrastructure and improvements outside a
65 project area if the board determines by resolution that the infrastructure and
66 improvements are of benefit to the project area;
- 67 (v) the principal and interest on bonds issued by the fairpark district;
- 68 (vi) the payment of an infrastructure loan, as defined in Section 11-70-104, according
69 to the terms of the infrastructure loan; and
- 70 (vii) the costs of promoting, facilitating, and implementing other development of land
71 within the fairpark district boundary.
- 72 (b) The determination of the board under Subsection (1)(a)(iv) regarding benefit to the
73 project area is final.
- 74 (2)(a) The fairpark district may use money it receives under Subsection 59-12-1201
75 (2)(a)(ii) and Subsection ~~[59-12-103(16)]~~ 59-12-103(8) only for the development and
76 construction of a qualified stadium, including paying for bonds issued to pay for the
77 development and construction of a qualified stadium.
- 78 (b) If the amount of money the fairpark district receives under Subsection (2)(a) exceeds
79 the amount required to pay the annual debt service on bonds issued to pay for the
80 development and construction of a qualified stadium, the fairpark district shall use
81 the excess amount received to pay down the principal on those bonds.
- 82 (3) The fairpark district may share enhanced property tax revenue with a taxing entity that
83 levies a property tax on land within the project area from which the enhanced property
84 tax revenue is generated.

85 Section 2. Section **26B-1-315** is amended to read:

86 **26B-1-315 (Effective 07/01/26). Medicaid ACA Fund.**

- 87 (1) There is created an expendable special revenue fund known as the "Medicaid ACA
88 Fund."
- 89 (2) The fund consists of:
- 90 (a) assessments collected under Chapter 3, Part 5, Inpatient Hospital Assessment;
- 91 (b) intergovernmental transfers under Section 26B-3-508;
- 92 (c) savings attributable to the health coverage improvement program, as defined in
93 Section 26B-3-501, as determined by the department;
- 94 (d) savings attributable to the enhancement waiver program, as defined in Section
95 26B-3-501, as determined by the department;

- (e) savings attributable to the Medicaid waiver expansion, as defined in Section 26B-3-501, as determined by the department;
- (f) savings attributable to the inclusion of psychotropic drugs on the preferred drug list under Subsection 26B-3-105(3) as determined by the department;
- (g) revenues collected from the sales tax described in Subsection [59-12-103(11)] 59-12-103(6);
- (h) gifts, grants, donations, or any other conveyance of money that may be made to the fund from private sources;
- (i) interest earned on money in the fund; and
- (j) additional amounts as appropriated by the Legislature.

(3)(a) The fund shall earn interest.

(b) All interest earned on fund money shall be deposited into the fund.

(4)(a) A state agency administering the provisions of Chapter 3, Part 5, Inpatient Hospital Assessment, may use money from the fund to pay the costs, not otherwise paid for with federal funds or other revenue sources, of:

- (i) the health coverage improvement program as defined in Section 26B-3-501;
- (ii) the enhancement waiver program as defined in Section 26B-3-501;
- (iii) a Medicaid waiver expansion as defined in Section 26B-3-501; and
- (iv) the outpatient upper payment limit supplemental payments under Section 26B-3-511.

(b) A state agency administering the provisions of Chapter 3, Part 5, Inpatient Hospital Assessment, may not use:

- (i) funds described in Subsection (2)(b) to pay the cost of private outpatient upper payment limit supplemental payments; or
- (ii) money in the fund for any purpose not described in Subsection (4)(a).

Section 3. Section **41-1a-102** is amended to read:

41-1a-102 (Effective 05/07/25). Definitions.

As used in this chapter:

- (1) "Actual miles" means the actual distance a vehicle has traveled while in operation.
- (2) "Actual weight" means the actual unladen weight of a vehicle or combination of vehicles as operated and certified to by a weighmaster.
- (3) "All-terrain type I vehicle" means the same as that term is defined in Section 41-22-2.
- (4) "All-terrain type II vehicle" means the same as that term is defined in Section 41-22-2.
- (5) "All-terrain type III vehicle" means the same as that term is defined in Section 41-22-2.

- 130 (6) "Alternative fuel vehicle" means:
- 131 (a) an electric motor vehicle;
- 132 (b) a hybrid electric motor vehicle;
- 133 (c) a plug-in hybrid electric motor vehicle; or
- 134 (d) a motor vehicle powered exclusively by a fuel other than:
- 135 (i) motor fuel;
- 136 (ii) diesel fuel;
- 137 (iii) natural gas; or
- 138 (iv) propane.
- 139 (7) "Amateur radio operator" means a person licensed by the Federal Communications
- 140 Commission to engage in private and experimental two-way radio operation on the
- 141 amateur band radio frequencies.
- 142 (8) "Autocycle" means the same as that term is defined in Section 53-3-102.
- 143 (9) "Automated driving system" means the same as that term is defined in Section
- 144 41-26-102.1.
- 145 (10) "Branded title" means a title certificate that is labeled:
- 146 (a) rebuilt and restored to operation;
- 147 (b) flooded and restored to operation; or
- 148 (c) not restored to operation.
- 149 (11) "Camper" means a structure designed, used, and maintained primarily to be mounted
- 150 on or affixed to a motor vehicle that contains a floor and is designed to provide a mobile
- 151 dwelling, sleeping place, commercial space, or facilities for human habitation or for
- 152 camping.
- 153 (12) "Certificate of title" means a document issued by a jurisdiction to establish a record of
- 154 ownership between an identified owner and the described vehicle, vessel, or outboard
- 155 motor.
- 156 (13) "Certified scale weigh ticket" means a weigh ticket that has been issued by a
- 157 weighmaster.
- 158 (14) "Commercial vehicle" means a motor vehicle, trailer, or semitrailer used or maintained
- 159 for the transportation of persons or property that operates:
- 160 (a) as a carrier for hire, compensation, or profit; or
- 161 (b) as a carrier to transport the vehicle owner's goods or property in furtherance of the
- 162 owner's commercial enterprise.
- 163 (15) "Commission" means the State Tax Commission.

- (16) "Consumer price index" means the same as that term is defined in Section 59-13-102.
- (17) "Dealer" means a person engaged or licensed to engage in the business of buying, selling, or exchanging new or used vehicles, vessels, or outboard motors either outright or on conditional sale, bailment, lease, chattel mortgage, or otherwise or who has an established place of business for the sale, lease, trade, or display of vehicles, vessels, or outboard motors.
- (18) "Diesel fuel" means the same as that term is defined in Section 59-13-102.
- (19) "Division" means the Motor Vehicle Division of the commission, created in Section 41-1a-106.
- (20) "Dynamic driving task" means the same as that term is defined in Section 41-26-102.1.
- (21) "Electric motor vehicle" means a motor vehicle that is powered solely by an electric motor drawing current from a rechargeable energy storage system.
- (22) "Essential parts" means the integral and body parts of a vehicle of a type required to be registered in this state, the removal, alteration, or substitution of which would tend to conceal the identity of the vehicle or substantially alter the vehicle's appearance, model, type, or mode of operation.
- (23) "Farm tractor" means a motor vehicle designed and used primarily as a farm implement for drawing plows, mowing machines, and other implements of husbandry.
- (24)(a) "Farm truck" means a truck used by the owner or operator of a farm solely for the owner's or operator's own use in the transportation of:
- (i) farm products, including livestock and its products, poultry and its products, floricultural and horticultural products;
 - (ii) farm supplies, including tile, fence, and any other thing or commodity used in agricultural, floricultural, horticultural, livestock, and poultry production; and
 - (iii) livestock, poultry, and other animals and things used for breeding, feeding, or other purposes connected with the operation of a farm.
- (b) "Farm truck" does not include the operation of trucks by commercial processors of agricultural products.
- (25) "Fleet" means:
- (a) one or more commercial vehicles; or
 - (b) for purposes of Section 41-1a-215, one or more personal vehicles.
- (26) "Foreign vehicle" means a vehicle of a type required to be registered, brought into this state from another state, territory, or country other than in the ordinary course of business by or through a manufacturer or dealer, and not registered in this state.

- (27) "Gross laden weight" means the actual weight of a vehicle or combination of vehicles, equipped for operation, to which shall be added the maximum load to be carried.
- (28) "Highway" or "street" means the entire width between property lines of every way or place of whatever nature when any part of it is open to the public, as a matter of right, for purposes of vehicular traffic.
- (29) "Hybrid electric motor vehicle" means a motor vehicle that draws propulsion energy from onboard sources of stored energy that are both:
- (a) an internal combustion engine or heat engine using consumable fuel; and
 - (b) a rechargeable energy storage system where energy for the storage system comes solely from sources onboard the vehicle.
- (30)(a) "Identification number" means the identifying number assigned by the manufacturer or by the division for the purpose of identifying the vehicle, vessel, or outboard motor.
- (b) "Identification number" includes a vehicle identification number, state assigned identification number, hull identification number, and motor serial number.
- (31) "Implement of husbandry" means a vehicle designed or adapted and used exclusively for an agricultural operation and only incidentally operated or moved upon the highways.
- (32)(a) "In-state miles" means the total number of miles operated in this state during the preceding year by fleet power units.
- (b) If a fleet is composed entirely of trailers or semitrailers, "in-state miles" means the total number of miles that those vehicles were towed on Utah highways during the preceding year.
- (33) "Interstate vehicle" means a commercial vehicle operated in more than one state, province, territory, or possession of the United States or foreign country.
- (34) "Jurisdiction" means a state, district, province, political subdivision, territory, or possession of the United States or any foreign country.
- (35) "Lienholder" means a person with a security interest in particular property.
- (36) "Manufactured home" means a transportable factory built housing unit constructed on or after June 15, 1976, according to the Federal Home Construction and Safety Standards Act of 1974 (HUD Code), in one or more sections, which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length, or when erected on site, is 400 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning,

and electrical systems.

(37) "Manufacturer" means a person engaged in the business of constructing, manufacturing, assembling, producing, or importing new or unused vehicles, vessels, or outboard motors for the purpose of sale or trade.

(38) "Military vehicle" means a vehicle of any size or weight that was manufactured for use by armed forces and that is maintained in a condition that represents the vehicle's military design and markings regardless of current ownership or use.

(39) "Mobile home" means a transportable factory built housing unit built prior to June 15, 1976, in accordance with a state mobile home code which existed prior to the Federal Manufactured Housing and Safety Standards Act (HUD Code).

(40) "Motor fuel" means the same as that term is defined in Section 59-13-102.

(41)(a) "Motor vehicle" means a self-propelled vehicle intended primarily for use and operation on the highways.

(b) "Motor vehicle" includes a roadable aircraft and a street-legal all-terrain vehicle.

(c) "Motor vehicle" does not include:

(i) an off-highway vehicle; or

(ii) a motor assisted scooter as defined in Section 41-6a-102.

(42) "Motorboat" means the same as that term is defined in Section ~~[73-18-2]~~ 73-18c-102.

(43) "Motorcycle" means:

(a) a motor vehicle having a saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground; or

(b) an autocycle.

(44) "Natural gas" means a fuel of which the primary constituent is methane.

(45)(a) "Nonresident" means a person who is not a resident of this state as defined by Section 41-1a-202, and who does not engage in intrastate business within this state and does not operate in that business any motor vehicle, trailer, or semitrailer within this state.

(b) A person who engages in intrastate business within this state and operates in that business any motor vehicle, trailer, or semitrailer in this state or who, even though engaging in interstate commerce, maintains a vehicle in this state as the home station of that vehicle is considered a resident of this state, insofar as that vehicle is concerned in administering this chapter.

(46) "Odometer" means a device for measuring and recording the actual distance a vehicle travels while in operation, but does not include any auxiliary odometer designed to be

periodically reset.

(47) "Off-highway implement of husbandry" means the same as that term is defined in Section 41-22-2.

(48) "Off-highway vehicle" means the same as that term is defined in Section 41-22-2.

(49)(a) "Operate" means:

(i) to navigate a vessel; or

(ii) collectively, the activities performed in order to perform the entire dynamic driving task for a given motor vehicle by:

(A) a human driver as defined in Section 41-26-102.1; or

(B) an engaged automated driving system.

(b) "Operate" includes testing of an automated driving system.

(50) "Original issue license plate" means a license plate that is of a format and type issued by the state in the same year as the model year of a vehicle that is a model year 1973 or older.

(51) "Outboard motor" means a detachable self-contained propulsion unit, excluding fuel supply, used to propel a vessel.

(52)(a) "Owner" means a person, other than a lienholder, holding title to a vehicle, vessel, or outboard motor whether or not the vehicle, vessel, or outboard motor is subject to a security interest.

(b) If a vehicle is the subject of an agreement for the conditional sale or installment sale or mortgage of the vehicle with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or mortgagor, or if the vehicle is the subject of a security agreement, then the conditional vendee, mortgagor, or debtor is considered the owner for the purposes of this chapter.

(c) If a vehicle is the subject of an agreement to lease, the lessor is considered the owner until the lessee exercises the lessee's option to purchase the vehicle.

(53) "Park model recreational vehicle" means a unit that:

(a) is designed and marketed as temporary living quarters for recreational, camping, travel, or seasonal use;

(b) is not permanently affixed to real property for use as a permanent dwelling;

(c) requires a special highway movement permit for transit; and

(d) is built on a single chassis mounted on wheels with a gross trailer area not exceeding 400 square feet in the setup mode.

(54) "Personal vehicle" means a vehicle that is not a commercial vehicle.

~~[(54)]~~ (55) "Personalized license plate" means a license plate that has displayed on it a combination of letters, numbers, or both as requested by the owner of the vehicle and assigned to the vehicle by the division.

~~[(55)]~~ (56)(a) "Pickup truck" means a two-axle motor vehicle with motive power manufactured, remanufactured, or materially altered to provide an open cargo area.

(b) "Pickup truck" includes a motor vehicle with the open cargo area covered with a camper, camper shell, tarp, removable top, or similar structure.

~~[(56)]~~ (57) "Plug-in hybrid electric motor vehicle" means a hybrid electric motor vehicle that has the capability to charge the battery or batteries used for vehicle propulsion from an off-vehicle electric source, such that the off-vehicle source cannot be connected to the vehicle while the vehicle is in motion.

~~[(57)]~~ (58) "Pneumatic tire" means a tire in which compressed air is designed to support the load.

~~[(58)]~~ (59) "Preceding year" means a period of 12 consecutive months fixed by the division that is within 16 months immediately preceding the commencement of the registration or license year in which proportional registration is sought. The division in fixing the period shall conform it to the terms, conditions, and requirements of any applicable agreement or arrangement for the proportional registration of vehicles.

~~[(59)]~~ (60) "Public garage" means a building or other place where vehicles or vessels are kept and stored and where a charge is made for the storage and keeping of vehicles and vessels.

~~[(60)]~~ (61) "Receipt of surrender of ownership documents" means the receipt of surrender of ownership documents described in Section 41-1a-503.

~~[(61)]~~ (62) "Reconstructed vehicle" means a vehicle of a type required to be registered in this state that is materially altered from its original construction by the removal, addition, or substitution of essential parts, new or used.

~~[(62)]~~ (63) "Recreational vehicle" means the same as that term is defined in Section 13-14-102.

~~[(63)]~~ (64) "Registration" means a document issued by a jurisdiction that allows operation of a vehicle or vessel on the highways or waters of this state for the time period for which the registration is valid and that is evidence of compliance with the registration requirements of the jurisdiction.

~~[(64)]~~ (65) "Registration decal" means the decal issued by the division that is evidence of

compliance with the division's registration requirements.

[(65)] (66)(a) "Registration year" means a 12 consecutive month period commencing with the completion of the applicable registration criteria.

(b) For administration of a multistate agreement for proportional registration the division may prescribe a different 12-month period.

[(66)] (67) "Repair or replacement" means the restoration of vehicles, vessels, or outboard motors to a sound working condition by substituting any inoperative part of the vehicle, vessel, or outboard motor, or by correcting the inoperative part.

[(67)] (68) "Replica vehicle" means:

(a) a street rod that meets the requirements under Subsection 41-21-1(3)(a)(i)(B); or

(b) a custom vehicle that meets the requirements under Subsection 41-6a-1507 (1)(a)(i)(B).

[(68)] (69) "Restored-modified vehicle" means a motor vehicle that has been restored and modified with modern parts and technology, including emission control technology and an on-board diagnostic system.

[(69)] (70) "Road tractor" means a motor vehicle designed and used for drawing other vehicles and constructed so it does not carry any load either independently or any part of the weight of a vehicle or load that is drawn.

[(70)] (71) "Roadable aircraft" means the same as that term is defined in Section 72-10-102.

[(71)] (72) "Sailboat" means the same as that term is defined in Section 73-18-2.

[(72)] (73) "Security interest" means an interest that is reserved or created by a security agreement to secure the payment or performance of an obligation and that is valid against third parties.

~~[(73) "Semitrailer" means a vehicle without motive power designed for carrying persons or property and for being drawn by a motor vehicle and constructed so that some part of its weight and its load rests or is carried by another vehicle.]~~

(74) "Semitrailer" means the same as the term "trailer."

[(74)] (75) "Special group license plate" means a type of license plate designed for a particular group of people or a license plate authorized and issued by the division in accordance with Section 41-1a-418 or Part 16, Sponsored Special Group License Plates.

[(75)] (76)(a) "Special interest vehicle" means a vehicle used for general transportation purposes and that is:

(i) 20 years or older from the current year; or

(ii) a make or model of motor vehicle recognized by the division director as having

- 368 unique interest or historic value.
- 369 (b) In making a determination under Subsection [~~(75)~~(a)] (76)(a), the division director
- 370 shall give special consideration to:
- 371 (i) a make of motor vehicle that is no longer manufactured;
- 372 (ii) a make or model of motor vehicle produced in limited or token quantities;
- 373 (iii) a make or model of motor vehicle produced as an experimental vehicle or one
- 374 designed exclusively for educational purposes or museum display; or
- 375 (iv) a motor vehicle of any age or make that has not been substantially altered or
- 376 modified from original specifications of the manufacturer and because of its
- 377 significance is being collected, preserved, restored, maintained, or operated by a
- 378 collector or hobbyist as a leisure pursuit.
- 379 [~~(76)~~] (77)(a) "Special mobile equipment" means a vehicle:
- 380 (i) not designed or used primarily for the transportation of persons or property;
- 381 (ii) not designed to operate in traffic; and
- 382 (iii) only incidentally operated or moved over the highways.
- 383 (b) "Special mobile equipment" includes:
- 384 (i) farm tractors;
- 385 (ii) off-road motorized construction or maintenance equipment including backhoes,
- 386 bulldozers, compactors, graders, loaders, road rollers, tractors, and trenchers; and
- 387 (iii) ditch-digging apparatus.
- 388 (c) "Special mobile equipment" does not include a commercial vehicle as defined under
- 389 Section 72-9-102.
- 390 [~~(77)~~] (78) "Specially constructed vehicle" means a vehicle of a type required to be
- 391 registered in this state, not originally constructed under a distinctive name, make, model,
- 392 or type by a generally recognized manufacturer of vehicles, and not materially altered
- 393 from its original construction.
- 394 [~~(78)~~] (79)(a) "Standard license plate" means a license plate for general issue described
- 395 in Subsection 41-1a-402(1).
- 396 (b) "Standard license plate" includes a license plate for general issue that the division
- 397 issues before January 1, 2024.
- 398 [~~(79)~~] (80) "State impound yard" means a yard for the storage of a vehicle, vessel, or
- 399 outboard motor that meets the requirements of rules made by the commission as
- 400 described in Subsection 41-1a-1101(7).
- 401 [~~(80)~~] (81) "Street-legal all-terrain vehicle" or "street-legal ATV" means the same as that

term is defined in Section 41-6a-102.

~~[(81)]~~ (82) "Symbol decal" means the decal that is designed to represent a special group and displayed on a special group license plate.

~~[(82)]~~ (83) "Title" means the right to or ownership of a vehicle, vessel, or outboard motor.

~~[(83)]~~ (84)(a) "Total fleet miles" means the total number of miles operated in all jurisdictions during the preceding year by power units.

(b) If fleets are composed entirely of trailers or semitrailers, "total fleet miles" means the number of miles that those vehicles were towed on the highways of all jurisdictions during the preceding year.

~~[(84)]~~ (85) "Tow truck motor carrier" means the same as that term is defined in Section 72-9-102.

~~[(85)]~~ (86) "Tow truck operator" means the same as that term is defined in Section 72-9-102.

~~[(86)]~~ "Trailer" means a vehicle without motive power designed for carrying persons or property and for being drawn by a motor vehicle and constructed so that no part of its weight rests upon the towing vehicle.]

(87) "Trailer" means a vehicle:

(a) without motive power; and

(b) designed for:

(i) carrying persons or property; and

(ii) being drawn by a motor vehicle.

~~[(87)]~~ (88) "Transferee" means a person to whom the ownership of property is conveyed by sale, gift, or any other means except by the creation of a security interest.

~~[(88)]~~ (89) "Transferor" means a person who transfers the person's ownership in property by sale, gift, or any other means except by creation of a security interest.

~~[(89)]~~ (90) "Travel trailer," "camping trailer," or "fifth wheel trailer" means a portable vehicle without motive power, designed as a temporary dwelling for travel, recreational, or vacation use that does not require a special highway movement permit when drawn by a self-propelled motor vehicle.

~~[(90)]~~ (91) "Truck tractor" means a motor vehicle designed and used primarily for drawing other vehicles and not constructed to carry a load other than a part of the weight of the vehicle and load that is drawn.

~~[(91)]~~ (92) "Vehicle" includes a motor vehicle, trailer, semitrailer, off-highway vehicle, camper, park model recreational vehicle, manufactured home, and mobile home.

~~[(92)]~~ (93) "Vessel" means the same as that term is defined in Section 73-18-2.

436 ~~[(93)]~~ (94) "Vintage vehicle" means the same as that term is defined in Section 41-21-1.
437 ~~[(94)]~~ (95) "Waters of this state" means the same as that term is defined in Section 73-18-2.
438 ~~[(95)]~~ (96) "Weighmaster" means a person, association of persons, or corporation permitted
439 to weigh vehicles under this chapter.

440 Section 4. Section **41-1a-110** is amended to read:

441 **41-1a-110 (Effective 05/07/25). Authority of division to suspend or revoke**
442 **registration, certificate of title, license plate, or permit.**

443 (1) Except as provided in Subsections (3) and (4), the division may suspend or revoke a
444 registration, certificate of title, license plate, or permit if:

- 445 (a) the division is satisfied that a registration, certificate of title, license plate, or permit
446 was fraudulently procured or erroneously issued;
- 447 (b) the division determines that a registered vehicle is mechanically unfit or unsafe to be
448 operated or moved upon the highways;
- 449 (c) a registered vehicle has been dismantled;
- 450 (d) the division determines that the required fee has not been paid and the fee is not paid
451 upon reasonable notice and demand;
- 452 (e) a registration decal, license plate, or permit is knowingly displayed upon a vehicle
453 other than the one for which issued;
- 454 (f) the division determines that the owner has committed any offense under this chapter
455 involving the registration, certificate of title, registration card, license plate,
456 registration decal, or permit; or
- 457 (g) the division receives notification by the Department of Transportation that the owner
458 has committed any offence under Title 72, Chapter 9, Motor Carrier Safety Act.

459 (2)(a) The division shall revoke the registration of a vehicle if the division receives
460 notification by the:

461 (i) Department of Public Safety that a person:

462 (A) has been convicted of operating a registered motor vehicle in violation of
463 Section 41-12a-301 or 41-12a-303.2; or

464 (B) is under an administrative action taken by the Department of Public Safety for
465 operating a registered motor vehicle in violation of Section 41-12a-301;~~[-or]~~

466 (ii) designated agent that the owner of a motor vehicle:

467 (A) has failed to provide satisfactory proof of owner's or operator's security to the
468 designated agent after the second notice provided under Section 41-12a-804; or

469 (B) provided a false or fraudulent statement to the designated agent~~[-]~~ ; or

(iii) designated agent that, during the months of April through October, the owner of a motorboat:

(A) has failed to provide satisfactory proof of owner's or operator's security to the designated agent after the second notice provided under Section 41-12a-804; or

(B) provided a false or fraudulent statement to the designated agent.

(b) The division shall notify the Driver License Division if the division revokes the registration of a vehicle under Subsection (2)(a)(ii)(A).

(3) The division may not suspend or revoke the registration of a vessel or outboard motor unless authorized under Section 73-18-7.3.

(4) The division may not suspend or revoke the registration of an off-highway vehicle unless authorized under Section 41-22-17.

(5) The division shall charge a registration reinstatement fee under Section 41-1a-1220, if the registration is revoked under Subsection (2).

(6) Except as provided in Subsections (3), (4), and (7), the division may suspend or revoke a registered vehicle's registration if the division is notified by a local health department, as defined in Section 26A-1-102, that the registered vehicle is unable to meet state or local air emissions standards or violates Subsection 41-6a-1626(2)(a) or (b).

(7) The division may not suspend or revoke a registered vehicle's registration under Subsection (6) if the registered vehicle has a manufacturer's gross vehicle weight rating that is greater than 26,000 pounds.

Section 5. Section **41-1a-215** is amended to read:

41-1a-215 (Effective 01/01/26). Staggered registration dates -- Exceptions.

(1)(a) Except as provided under Subsections (2) and (3), every vehicle registration, every registration card, and every registration plate issued under this chapter for the first registration of the vehicle in this state, continues in effect for a period of 12 months beginning with the first day of the calendar month of registration and does not expire until the last day of the same month in the following year.

(b) If the last day of the registration period falls on a day in which the appropriate state or county offices are not open for business, the registration of the vehicle is extended to midnight of the next business day.

(2) The provisions of Subsection (1) do not apply to the following:

(a) registration issued to government vehicles under Section 41-1a-221;

(b) registration issued to apportioned vehicles under Section 41-1a-301;

(c) multiyear registration issued under Section 41-1a-222;

- (d) lifetime trailer registration issued under Section 41-1a-1206;
- (e) partial year registration issued under Section 41-1a-1207;
- (f) a six-month registration issued under Section 41-1a-215.5; or
- (g) plates issued to a dealer, dismantler, manufacturer, remanufacturer, and transporter under ~~[Title 41, Chapter 3, Part 5, Special Dealer License Plates]~~ Chapter 3, Part 5, Special Dealer License Plates.

(3)(a) Upon application of the owner or lessee of a fleet of commercial vehicles not apportioned under Section 41-1a-301 and required to be registered in this state, the State Tax Commission may permit the vehicles to be registered for a registration period commencing on the first day of March, June, September, or December of any year and expiring on the last day of March, June, September, or December in the following year.

(b) Upon application of the owner or lessee of a fleet of commercial vehicles apportioned under Section 41-1a-301 and required to be registered in this state, the State Tax Commission may permit the vehicles to be registered for a registration period commencing on the first day of January, April, July, or October of any year and expiring on the last day of March, June, September, or December in the following year.

(c)(i) Upon application of the owner or lessee of a fleet of personal vehicles required to be registered in this state, the State Tax Commission may permit the vehicles to be registered for a registration period commencing on the first day of February, May, August, or November of any year and expiring on the last day of February, May, August, or November of the following year.

(ii) If the registration period for a personal vehicle is adjusted under Subsection (3)

(c)(i), the registration fees for the adjustment are:

(A) 25% of the regular registration fees if the adjustment is for not more than three months;

(B) 50% of the regular registration fees if the adjustment is in excess of three months but not more than six months;

(C) 75% of the regular registration fees if the adjustment is in excess of six months but not more than nine months; and

(D) 100% of the regular registration fees if the adjustment is in excess of nine months but not more than 12 months.

(4) When the expiration of a registration plate is extended by affixing a registration decal to

it, the expiration of the decal governs the expiration date of the plate.

Section 6. Section **41-1a-1206** is amended to read:

41-1a-1206 (Effective 05/07/25). Registration fees -- Fees by gross laden weight.

- (1) Except as provided in Subsections (2) and (3), at the time application is made for registration or renewal of registration of a vehicle or combination of vehicles under this chapter, a registration fee shall be paid to the division as follows:
- (a) \$46.00 for each motorcycle;
 - (b) \$44 for each motor vehicle of 12,000 pounds or less gross laden weight, excluding motorcycles;
 - (c) unless the semitrailer or trailer is exempt from registration under Section 41-1a-202 or is registered under Section 41-1a-301:
 - (i) \$31 for each trailer or semitrailer over 750 pounds gross unladen weight; or
 - (ii) \$28.50 for each commercial trailer or commercial semitrailer of 750 pounds or less gross unladen weight;
 - (d)(i) \$53 for each farm truck over 12,000 pounds, but not exceeding 14,000 pounds gross laden weight; plus
 - (ii) \$9 for each 2,000 pounds over 14,000 pounds gross laden weight;
 - (e)(i) \$69.50 for each motor vehicle or combination of motor vehicles, excluding farm trucks, over 12,000 pounds, but not exceeding 14,000 pounds gross laden weight; plus
 - (ii) \$19 for each 2,000 pounds over 14,000 pounds gross laden weight;
 - (f)(i) \$69.50 for each park model recreational vehicle over 12,000 pounds, but not exceeding 14,000 pounds gross laden weight; plus
 - (ii) \$19 for each 2,000 pounds over 14,000 pounds gross laden weight;
 - (g) \$45 for each vintage vehicle that has a model year of 1983 or newer;
 - (h) in addition to the fee described in Subsection (1)(b):
 - (i) an amount equal to the road usage charge cap described in Section 72-1-213.1 for:
 - (A) each electric motor vehicle; and
 - (B) Each motor vehicle not described in this Subsection (1)(h) that is fueled exclusively by a source other than motor fuel, diesel fuel, natural gas, or propane;
 - (ii) \$21.75 for each hybrid electric motor vehicle; and
 - (iii) \$56.50 for each plug-in hybrid electric motor vehicle;
 - (i) in addition to the fee described in Subsection (1)(g), for a vintage vehicle that has a

- 572 model year of 1983 or newer, 50 cents; and
- 573 (j) \$28.50 for each roadable aircraft.
- 574 (2)(a) At the time application is made for registration or renewal of registration of a
- 575 vehicle under this chapter for a six-month registration period under Section
- 576 41-1a-215.5, a registration fee shall be paid to the division as follows:
- 577 (i) \$34.50 for each motorcycle; and
- 578 (ii) \$33.50 for each motor vehicle of 12,000 pounds or less gross laden weight,
- 579 excluding motorcycles.
- 580 (b) In addition to the fee described in Subsection (2)(a)(ii), for registration or renewal of
- 581 registration of a vehicle under this chapter for a six-month registration period under
- 582 Section 41-1a-215.5 a registration fee shall be paid to the division as follows:
- 583 (i) an amount equal to the road usage charge cap described in Section 72-1-213.1 for:
- 584 (A) each electric motor vehicle; and
- 585 (B) each motor vehicle not described in this Subsection (2)(b) that is fueled
- 586 exclusively by a source other than motor fuel, diesel fuel, natural gas, or
- 587 propane;
- 588 (ii) \$16.50 for each hybrid electric motor vehicle; and
- 589 (iii) \$43.50 for each plug-in hybrid electric motor vehicle.
- 590 (3)(a) Beginning on January 1, 2024, at the time of registration:
- 591 (i) in addition to the amounts described in Subsections (1)(a), (1)(b), (1)(c)(i),
- 592 (1)(c)(ii), (1)(d)(i), (1)(e)(i), (1)(f)(i), (1)(g), (1)(h), (4)(a), and (7), the individual
- 593 shall also pay an additional \$7 as part of the registration fee; and
- 594 (ii) in addition to the amounts described in Subsection (2)(a), the individual shall also
- 595 pay an additional \$5 as part of the registration fee.
- 596 (b)(i) Beginning on January 1, 2019, the commission shall, on January 1, annually
- 597 adjust the registration fees described in Subsections (1)(a), (1)(b), (1)(c)(i),
- 598 (1)(c)(ii), (1)(d)(i), (1)(e)(i), (1)(f)(i), (1)(g), (1)(j), (2)(a), (3)(a), (4)(a), and (7),
- 599 by taking the registration fee rate for the previous year and adding an amount
- 600 equal to the greater of:
- 601 (A) an amount calculated by multiplying the registration fee of the previous year
- 602 by the actual percentage change during the previous fiscal year in the
- 603 Consumer Price Index; and
- 604 (B) 0.
- 605 (ii) Beginning on January 1, 2024, the commission shall, on January 1, annually

- 606 adjust the registration fees described in Subsections (1)(h)(ii) and (iii) and
607 (2)(b)(ii) and (iii) by taking the registration fee rate for the previous year and
608 adding an amount equal to the greater of:
- 609 (A) an amount calculated by multiplying the registration fee of the previous year
610 by the actual percentage change during the previous fiscal year in the
611 Consumer Price Index; and
612 (B) 0.
- 613 (c) The amounts calculated as described in Subsection (3)(b) shall be rounded up to the
614 nearest 25 cents.
- 615 (4)(a) The initial registration fee for a vintage vehicle that has a model year of 1982 or
616 older is \$40.
- 617 (b) A vintage vehicle that has a model year of 1982 or older is exempt from the renewal
618 of registration fees under Subsection (1).
- 619 (c) A vehicle with a Purple Heart special group license plate issued on or before
620 December 31, 2023, or issued in accordance with Part 16, Sponsored Special Group
621 License Plates, is exempt from the registration fees under Subsection (1).
- 622 (d) A camper is exempt from the registration fees under Subsection (1).
- 623 (5) If a motor vehicle is operated in combination with a semitrailer or trailer, each motor
624 vehicle shall register for the total gross laden weight of all units of the combination if the
625 total gross laden weight of the combination exceeds 12,000 pounds.
- 626 (6)(a) Registration fee categories under this section are based on the gross laden weight
627 declared in the licensee's application for registration.
- 628 (b) Gross laden weight shall be computed in units of 2,000 pounds. A fractional part of
629 2,000 pounds is a full unit.
- 630 (7) The owner of a commercial trailer or commercial semitrailer may, as an alternative to
631 registering under Subsection (1)(c), apply for and obtain a special registration and
632 license plate for a fee of \$130.
- 633 (8) Except as provided in Section 41-6a-1642, a truck may not be registered as a farm truck
634 unless:
- 635 (a) the truck meets the definition of a farm truck under Section 41-1a-102; and
636 (b)(i) the truck has a gross vehicle weight rating of more than 12,000 pounds; or
637 (ii) the truck has a gross vehicle weight rating of 12,000 pounds or less and the owner
638 submits to the division a certificate of emissions inspection or a waiver in
639 compliance with Section 41-6a-1642.

(9) A violation of Subsection (8) is an infraction that shall be punished by a fine of not less than \$200.

(10) A motor vehicle registered as a street-legal all-terrain vehicle is:

(a) subject to the registration and other fees described in Section 41-22-9; and

(b) not required to pay an additional registration fee under this section.

~~[(10)]~~ (11) Trucks used exclusively to pump cement, bore wells, or perform crane services with a crane lift capacity of five or more tons, are exempt from 50% of the amount of the fees required for those vehicles under this section.

Section 7. Section **41-6a-102** is amended to read:

41-6a-102 (Effective 05/07/25). Definitions.

As used in this chapter:

(1) "Alley" means a street or highway intended to provide access to the rear or side of lots or buildings in urban districts and not intended for through vehicular traffic.

(2) "All-terrain type I vehicle" means the same as that term is defined in Section 41-22-2.

(3) "All-terrain type II vehicle" means the same as that term is defined in Section 41-22-2.

(4) "All-terrain type III vehicle" means the same as that term is defined in Section 41-22-2.

(5) "Authorized emergency vehicle" includes:

(a) a fire department vehicle;

(b) a police vehicle;

(c) an ambulance; and

(d) other publicly or privately owned vehicles as designated by the commissioner of the Department of Public Safety.

(6) "Autocycle" means the same as that term is defined in Section 53-3-102.

(7)(a) "Bicycle" means a wheeled vehicle:

(i) propelled by human power by feet or hands acting upon pedals or cranks;

(ii) with a seat or saddle designed for the use of the operator;

(iii) designed to be operated on the ground; and

(iv) whose wheels are not less than 14 inches in diameter.

(b) "Bicycle" includes an electric assisted bicycle.

(c) "Bicycle" does not include scooters and similar devices.

(8)(a) "Bus" means a motor vehicle:

(i) designed for carrying more than 15 passengers and used for the transportation of persons; or

(ii) designed and used for the transportation of persons for compensation.

(b) "Bus" does not include a taxicab.

(9)(a) "Circular intersection" means an intersection that has an island, generally circular in design, located in the center of the intersection where traffic passes to the right of the island.

(b) "Circular intersection" includes:

(i) roundabouts;

(ii) rotaries; and

(iii) traffic circles.

(10) "Class 1 electric assisted bicycle" means an electric assisted bicycle equipped with a motor or electronics that:

(a) provides assistance only when the rider is pedaling; and

(b) ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour.

(11) "Class 2 electric assisted bicycle" means an electric assisted bicycle equipped with a motor or electronics that:

(a) may be used exclusively to propel the bicycle; and

(b) is not capable of providing assistance when the bicycle reaches the speed of 20 miles per hour.

(12) "Class 3 electric assisted bicycle" means an electric assisted bicycle equipped with a motor or electronics that:

(a) provides assistance only when the rider is pedaling;

(b) ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour; and

(c) is equipped with a speedometer.

(13) "Commissioner" means the commissioner of the Department of Public Safety.

(14) "Controlled-access highway" means a highway, street, or roadway:

(a) designed primarily for through traffic; and

(b) to or from which owners or occupants of abutting lands and other persons have no legal right of access, except at points as determined by the highway authority having jurisdiction over the highway, street, or roadway.

(15) "Crosswalk" means:

(a) that part of a roadway at an intersection included within the connections of the lateral lines of the sidewalks on opposite sides of the highway measured from:

(i)(A) the curbs; or

(B) in the absence of curbs, from the edges of the traversable roadway; and

- 708 (ii) in the absence of a sidewalk on one side of the roadway, that part of a roadway
709 included within the extension of the lateral lines of the existing sidewalk at right
710 angles to the centerline; or
- 711 (b) any portion of a roadway at an intersection or elsewhere distinctly indicated for
712 pedestrian crossing by lines or other markings on the surface.
- 713 (16) "Department" means the Department of Public Safety.
- 714 (17) "Direct supervision" means oversight at a distance within which:
- 715 (a) visual contact is maintained; and
- 716 (b) advice and assistance can be given and received.
- 717 (18) "Divided highway" means a highway divided into two or more roadways by:
- 718 (a) an unpaved intervening space;
- 719 (b) a physical barrier; or
- 720 (c) a clearly indicated dividing section constructed to impede vehicular traffic.
- 721 (19) "Echelon formation" means the operation of two or more snowplows arranged
722 side-by-side or diagonally across multiple lanes of traffic of a multi-lane highway to
723 clear snow from two or more lanes at once.
- 724 (20)(a) "Electric assisted bicycle" means a bicycle with an electric motor that:
- 725 (i) has a power output of not more than 750 watts;
- 726 (ii) has fully operable pedals;
- 727 (iii) has permanently affixed cranks that were installed at the time of the original
728 manufacture;
- 729 (iv) is fully operable as a bicycle without the use of the electric motor; and
- 730 (v) is one of the following:
- 731 (A) a class 1 electric assisted bicycle;
- 732 (B) a class 2 electric assisted bicycle;
- 733 (C) a class 3 electric assisted bicycle; or
- 734 (D) a programmable electric assisted bicycle.
- 735 (b) "Electric assisted bicycle" does not include:
- 736 (i) a moped;
- 737 (ii) a motor assisted scooter;
- 738 (iii) a motorcycle;
- 739 (iv) a motor-driven cycle; or
- 740 (v) any other vehicle with less than four wheels that is designed, manufactured,
741 intended, or advertised by the seller to have any of the following capabilities or

features, or that is modifiable or is modified to have any of the following capabilities or features:

(A) has the ability to attain the speed of 20 miles per hour or greater on motor power alone;

(B) is equipped with a continuous rated motor power of 750 watts or greater;

(C) is equipped with foot pegs for the operator at the time of manufacture, or requires installation of a pedal kit to have operable pedals; or

(D) if equipped with multiple operating modes and a throttle, has one or more modes that exceed 20 miles per hour on motor power alone.

(21)(a) "Electric personal assistive mobility device" means a self-balancing device with:

(i) two nontandem wheels in contact with the ground;

(ii) a system capable of steering and stopping the unit under typical operating conditions;

(iii) an electric propulsion system with average power of one horsepower or 750 watts;

(iv) a maximum speed capacity on a paved, level surface of 12.5 miles per hour; and

(v) a deck design for a person to stand while operating the device.

(b) "Electric personal assistive mobility device" does not include a wheelchair.

(22) "Explosives" means a chemical compound or mechanical mixture commonly used or intended for the purpose of producing an explosion and that contains any oxidizing and combustive units or other ingredients in proportions, quantities, or packing so that an ignition by fire, friction, concussion, percussion, or detonator of any part of the compound or mixture may cause a sudden generation of highly heated gases, and the resultant gaseous pressures are capable of producing destructive effects on contiguous objects or of causing death or serious bodily injury.

(23) "Farm tractor" means a motor vehicle designed and used primarily as a farm implement, for drawing plows, mowing machines, and other implements of husbandry.

(24) "Flammable liquid" means a liquid that has a flashpoint of 100 degrees F. or less, as determined by a Tagliabue or equivalent closed-cup test device.

(25) "Freeway" means a controlled-access highway that is part of the interstate system as defined in Section 72-1-102.

(26)(a) "Golf cart" means a device that:

(i) is designed for transportation by players on a golf course;

(ii) has not less than three wheels in contact with the ground;

- (iii) has an unladen weight of less than 1,800 pounds;
- (iv) is designed to operate at low speeds; and
- (v) is designed to carry not more than six persons including the driver.

(b) "Golf cart" does not include:

- (i) a low-speed vehicle or an off-highway vehicle;
- (ii) a motorized wheelchair;
- (iii) an electric personal assistive mobility device;
- (iv) an electric assisted bicycle;
- (v) a motor assisted scooter;
- (vi) a personal delivery device, as defined in Section 41-6a-1119; or
- (vii) a mobile carrier, as defined in Section 41-6a-1120.

(27) "Gore area" means the area delineated by two solid white lines that is between a continuing lane of a through roadway and a lane used to enter or exit the continuing lane including similar areas between merging or splitting highways.

(28) "Gross weight" means the weight of a vehicle without a load plus the weight of any load on the vehicle.

(29) "Hi-rail vehicle" means a roadway maintenance vehicle that is:

- (a) manufactured to meet Federal Motor Vehicle Safety Standards; and
- (b) equipped with retractable flanged wheels that allow the vehicle to travel on a highway or railroad tracks.

(30) "Highway" means the entire width between property lines of every way or place of any nature when any part of it is open to the use of the public as a matter of right for vehicular travel.

(31) "Highway authority" means the same as that term is defined in Section 72-1-102.

(32)(a) "Intersection" means the area embraced within the prolongation or connection of the lateral curb lines, or, if none, then the lateral boundary lines of the roadways of two or more highways that join one another.

(b) Where a highway includes two roadways 30 feet or more apart:

- (i) every crossing of each roadway of the divided highway by an intersecting highway is a separate intersection; and
- (ii) if the intersecting highway also includes two roadways 30 feet or more apart, then every crossing of two roadways of the highways is a separate intersection.

(c) "Intersection" does not include the junction of an alley with a street or highway.

(33) "Island" means an area between traffic lanes or at an intersection for control of vehicle

810 movements or for pedestrian refuge designated by:

811 (a) pavement markings, which may include an area designated by two solid yellow lines
812 surrounding the perimeter of the area;

813 (b) channelizing devices;

814 (c) curbs;

815 (d) pavement edges; or

816 (e) other devices.

817 (34) "Lane filtering" means, when operating a motorcycle other than an autocycle, the act
818 of overtaking and passing another vehicle that is stopped in the same direction of travel
819 in the same lane.

820 (35) "Law enforcement agency" means the same as that term is as defined in Section
821 53-1-102.

822 (36) "Limited access highway" means a highway:

823 (a) that is designated specifically for through traffic; and

824 (b) over, from, or to which neither owners nor occupants of abutting lands nor other
825 persons have any right or easement, or have only a limited right or easement of
826 access, light, air, or view.

827 (37) "Local highway authority" means the legislative, executive, or governing body of a
828 county, municipal, or other local board or body having authority to enact laws relating to
829 traffic under the constitution and laws of the state.

830 (38)(a) "Low-speed vehicle" means a four wheeled motor vehicle that:

831 (i) is designed to be operated at speeds of not more than 25 miles per hour; and

832 (ii) has a capacity of not more than six passengers, including a conventional driver or
833 fallback-ready user if on board the vehicle, as those terms are defined in Section
834 41-26-102.1.

835 (b) "Low-speed vehicle" does not include a golfcart or an off-highway vehicle.

836 (39) "Metal tire" means a tire, the surface of which in contact with the highway is wholly or
837 partly of metal or other hard nonresilient material.

838 (40)(a) "Mini-motorcycle" means a motorcycle or motor-driven cycle that has a seat or
839 saddle that is less than 24 inches from the ground as measured on a level surface with
840 properly inflated tires.

841 (b) "Mini-motorcycle" does not include a moped or a motor assisted scooter.

842 (c) "Mini-motorcycle" does not include a motorcycle that is:

843 (i) designed for off-highway use; and

(ii) registered as an off-highway vehicle under Section 41-22-3.

(41) "Mobile home" means:

(a) a trailer or semitrailer that is:

(i) designed, constructed, and equipped as a dwelling place, living abode, or sleeping place either permanently or temporarily; and

(ii) equipped for use as a conveyance on streets and highways; or

(b) a trailer or a semitrailer whose chassis and exterior shell is designed and constructed for use as a mobile home, as defined in Subsection (41)(a), but that is instead used permanently or temporarily for:

(i) the advertising, sale, display, or promotion of merchandise or services; or

(ii) any other commercial purpose except the transportation of property for hire or the transportation of property for distribution by a private carrier.

(42) "Mobility disability" means the inability of a person to use one or more of the person's extremities or difficulty with motor skills, that may include limitations with walking, grasping, or lifting an object, caused by a neuro-muscular, orthopedic, or other condition.

(43)(a) "Moped" means a motor-driven cycle having:

(i) pedals to permit propulsion by human power; and

(ii) a motor that:

(A) produces not more than two brake horsepower; and

(B) is not capable of propelling the cycle at a speed in excess of 30 miles per hour on level ground.

(b) If an internal combustion engine is used, the displacement may not exceed 50 cubic centimeters and the moped shall have a power drive system that functions directly or automatically without clutching or shifting by the operator after the drive system is engaged.

(c) "Moped" does not include:

(i) an electric assisted bicycle; or

(ii) a motor assisted scooter.

(44)(a) "Motor assisted scooter" means a self-propelled device with:

(i) at least two wheels in contact with the ground;

(ii) a braking system capable of stopping the unit under typical operating conditions;

(iii) an electric motor not exceeding 2,000 watts;

(iv) either:

(A) handlebars and a deck design for a person to stand while operating the device;

- 878 or
- 879 (B) handlebars and a seat designed for a person to sit, straddle, or stand while
- 880 operating the device;
- 881 (v) a design for the ability to be propelled by human power alone; and
- 882 (vi) a maximum speed of 20 miles per hour on a paved level surface.
- 883 (b) "Motor assisted scooter" does not include:
- 884 (i) an electric assisted bicycle; or
- 885 (ii) a motor-driven cycle.
- 886 (45)(a) "Motor vehicle" means a vehicle that is self-propelled and a vehicle that is
- 887 propelled by electric power obtained from overhead trolley wires, but not operated
- 888 upon rails.
- 889 (b) "Motor vehicle" does not include:
- 890 (i) vehicles moved solely by human power;
- 891 (ii) motorized wheelchairs;
- 892 (iii) an electric personal assistive mobility device;
- 893 (iv) an electric assisted bicycle;
- 894 (v) a motor assisted scooter;
- 895 (vi) a personal delivery device, as defined in Section 41-6a-1119; or
- 896 (vii) a mobile carrier, as defined in Section 41-6a-1120.
- 897 (46) "Motorcycle" means:
- 898 (a) a motor vehicle, other than a tractor, having a seat or saddle for the use of the rider
- 899 and designed to travel with not more than three wheels in contact with the ground; or
- 900 (b) an auticycle.
- 901 (47)(a) "Motor-driven cycle" means a motorcycle, moped, and a motorized bicycle
- 902 having:
- 903 (i) an engine with less than 150 cubic centimeters displacement; or
- 904 (ii) a motor that produces not more than five horsepower.
- 905 (b) "Motor-driven cycle" does not include:
- 906 (i) an electric personal assistive mobility device;
- 907 (ii) a motor assisted scooter; or
- 908 (iii) an electric assisted bicycle.
- 909 (48) "Off-highway implement of husbandry" means the same as that term is defined under
- 910 Section 41-22-2.
- 911 (49) "Off-highway motorcycle" means the same as that term is defined in Section 41-22-2.

912 ~~[(49)]~~ (50) "Off-highway vehicle" means the same as that term is defined under Section
913 41-22-2.

914 ~~[(50)]~~ (51) "Operate" means the same as that term is defined in Section 41-1a-102.

915 ~~[(51)]~~ (52) "Operator" means:

- 916 (a) a human driver, as defined in Section 41-26-102.1, that operates a vehicle; or
- 917 (b) an automated driving system, as defined in Section 41-26-102.1, that operates a
918 vehicle.

919 ~~[(52)]~~ (53) "Other on-track equipment" means a railroad car, hi-rail vehicle, rolling stock, or
920 other device operated, alone or coupled with another device, on stationary rails.

921 ~~[(53)]~~ (54)(a) "Park" or "parking" means the standing of a vehicle, whether the vehicle is
922 occupied or not.

923 (b) "Park" or "parking" does not include:

- 924 (i) the standing of a vehicle temporarily for the purpose of and while actually
925 engaged in loading or unloading property or passengers; or
- 926 (ii) a motor vehicle with an engaged automated driving system that has achieved a
927 minimal risk condition, as those terms are defined in Section 41-26-102.1.

928 ~~[(54)]~~ (55) "Peace officer" means a peace officer authorized under Title 53, Chapter 13,
929 Peace Officer Classifications, to direct or regulate traffic or to make arrests for
930 violations of traffic laws.

931 ~~[(55)]~~ (56) "Pedestrian" means a person traveling:

- 932 (a) on foot; or
- 933 (b) in a wheelchair.

934 ~~[(56)]~~ (57) "Pedestrian traffic-control signal" means a traffic-control signal used to regulate
935 pedestrians.

936 ~~[(57)]~~ (58) "Person" means a natural person, firm, copartnership, association, corporation,
937 business trust, estate, trust, partnership, limited liability company, association, joint
938 venture, governmental agency, public corporation, or any other legal or commercial
939 entity.

940 ~~[(58)]~~ (59) "Pole trailer" means a vehicle without motive power:

- 941 (a) designed to be drawn by another vehicle and attached to the towing vehicle by means
942 of a reach, or pole, or by being boomed or otherwise secured to the towing vehicle;
943 and
- 944 (b) that is ordinarily used for transporting long or irregular shaped loads including poles,
945 pipes, or structural members generally capable of sustaining themselves as beams

between the supporting connections.

~~[(59)]~~ (60) "Private road or driveway" means every way or place in private ownership and used for vehicular travel by the owner and those having express or implied permission from the owner, but not by other persons.

~~[(60)]~~ (61) "Programmable electric assisted bicycle" means an electric assisted bicycle with capability to switch or be programmed to function as a class 1 electric assisted bicycle, class 2 electric assisted bicycle, or class 3 electric assisted bicycle, provided that the electric assisted bicycle fully conforms with the respective requirements of each class of electric assisted bicycle when operated in that mode.

~~[(61)]~~ (62) "Railroad" means a carrier of persons or property upon cars operated on stationary rails.

~~[(62)]~~ (63) "Railroad sign or signal" means a sign, signal, or device erected by authority of a public body or official or by a railroad and intended to give notice of the presence of railroad tracks or the approach of a railroad train.

~~[(63)]~~ (64) "Railroad train" means a locomotive propelled by any form of energy, coupled with or operated without cars, and operated upon rails.

~~[(64)]~~ (65) "Restored-modified vehicle" means the same as the term defined in Section 41-1a-102.

~~[(65)]~~ (66) "Right-of-way" means the right of one vehicle or pedestrian to proceed in a lawful manner in preference to another vehicle or pedestrian approaching under circumstances of direction, speed, and proximity that give rise to danger of collision unless one grants precedence to the other.

~~[(66)]~~ (67)(a) "Roadway" means that portion of highway improved, designed, or ordinarily used for vehicular travel.

(b) "Roadway" does not include the sidewalk, berm, or shoulder, even though any of them are used by persons riding bicycles or other human-powered vehicles.

(c) "Roadway" refers to any roadway separately but not to all roadways collectively, if a highway includes two or more separate roadways.

~~[(67)]~~ (68) "Safety zone" means the area or space officially set apart within a roadway for the exclusive use of pedestrians and that is protected, marked, or indicated by adequate signs as to be plainly visible at all times while set apart as a safety zone.

~~[(68)]~~ (69)(a) "School bus" means a motor vehicle that:

(i) complies with the color and identification requirements of the most recent edition of "Minimum Standards for School Buses"; and

(ii) is used to transport school children to or from school or school activities.

(b) "School bus" does not include a vehicle operated by a common carrier in transportation of school children to or from school or school activities.

~~[(69)]~~ (70)(a) "Semitrailer" means a vehicle with or without motive power:

(i) designed for carrying persons or property and for being drawn by a motor vehicle;
and

(ii) constructed so that some part of its weight and that of its load rests on or is carried by another vehicle.

(b) "Semitrailer" does not include a pole trailer.

~~[(70)]~~ (71) "Shoulder area" means:

(a) that area of the hard-surfaced highway separated from the roadway by a pavement edge line as established in the current approved "Manual on Uniform Traffic Control Devices"; or

(b) that portion of the road contiguous to the roadway for accommodation of stopped vehicles, for emergency use, and for lateral support.

~~[(71)]~~ (72) "Sidewalk" means that portion of a street between the curb lines, or the lateral lines of a roadway, and the adjacent property lines intended for the use of pedestrians.

~~[(72)]~~ (73)(a) "Soft-surface trail" means a marked trail surfaced with sand, rock, or dirt that is designated for the use of a bicycle.

(b) "Soft-surface trail" does not mean a trail:

(i) where the use of a motor vehicle or an electric assisted bicycle is prohibited by a federal law, regulation, or rule; or

(ii) located in whole or in part on land granted to the state or a political subdivision subject to a conservation easement that prohibits the use of a motorized vehicle.

~~[(73)]~~ (74) "Solid rubber tire" means a tire of rubber or other resilient material that does not depend on compressed air for the support of the load.

~~[(74)]~~ (75) "Stand" or "standing" means the temporary halting of a vehicle, whether occupied or not, for the purpose of and while actually engaged in receiving or discharging passengers.

~~[(75)]~~ (76) "Stop" when required means complete cessation from movement.

~~[(76)]~~ (77) "Stop" or "stopping" when prohibited means any halting even momentarily of a vehicle, whether occupied or not, except when:

(a) necessary to avoid conflict with other traffic; or

(b) in compliance with the directions of a peace officer or traffic-control device.

- 1014 ~~[(77)]~~ (78) "Street-legal all-terrain vehicle" or "street-legal ATV" means an all-terrain type I
1015 vehicle, all-terrain type II vehicle, or all-terrain type III vehicle, or an off-highway
1016 motorcycle, that is modified to meet the requirements of Section 41-6a-1509 to operate
1017 on highways in the state in accordance with Section 41-6a-1509.
- 1018 ~~[(78)]~~ (79) "Street-legal novel vehicle" means a vehicle registered as a novel vehicle under
1019 Section 41-27-201 that is modified to meet the requirements of Section 41-6a-1509 to
1020 operate on highways in the state in accordance with ~~[with]~~ Section 41-6a-1509.
- 1021 ~~[(79)]~~ (80) "Tow truck operator" means the same as that term is defined in Section 72-9-102.
- 1022 ~~[(80)]~~ (81) "Tow truck motor carrier" means the same as that term is defined in Section
1023 72-9-102.
- 1024 ~~[(81)]~~ (82) "Traffic" means pedestrians, ridden or herded animals, vehicles, and other
1025 conveyances either singly or together while using any highway for the purpose of travel.
- 1026 ~~[(82)]~~ (83) "Traffic signal preemption device" means an instrument or mechanism designed,
1027 intended, or used to interfere with the operation or cycle of a traffic-control signal.
- 1028 ~~[(83)]~~ (84) "Traffic-control device" means a sign, signal, marking, or device not inconsistent
1029 with this chapter placed or erected by a highway authority for the purpose of regulating,
1030 warning, or guiding traffic.
- 1031 ~~[(84)]~~ (85) "Traffic-control signal" means a device, whether manually, electrically, or
1032 mechanically operated, by which traffic is alternately directed to stop and permitted to
1033 proceed.
- 1034 ~~[(85)]~~ (86)(a) "Trailer" means a vehicle with or without motive power designed for
1035 carrying persons or property and for being drawn by a motor vehicle and constructed
1036 so that no part of its weight rests upon the towing vehicle.
- 1037 (b) "Trailer" does not include a pole trailer.
- 1038 ~~[(86)]~~ (87) "Truck" means a motor vehicle designed, used, or maintained primarily for the
1039 transportation of property.
- 1040 ~~[(87)]~~ (88) "Truck tractor" means a motor vehicle:
1041 (a) designed and used primarily for drawing other vehicles; and
1042 (b) constructed to carry a part of the weight of the vehicle and load drawn by the truck
1043 tractor.
- 1044 ~~[(88)]~~ (89) "Two-way left turn lane" means a lane:
1045 (a) provided for vehicle operators making left turns in either direction;
1046 (b) that is not used for passing, overtaking, or through travel; and
1047 (c) that has been indicated by a lane traffic-control device that may include lane

1048 markings.

1049 [(89)] (90) "Urban district" means the territory contiguous to and including any street, in
1050 which structures devoted to business, industry, or dwelling houses are situated at
1051 intervals of less than 100 feet, for a distance of a quarter of a mile or more.

1052 [(90)] (91) "Vehicle" means a device in, on, or by which a person or property is or may be
1053 transported or drawn on a highway, except a mobile carrier, as defined in Section
1054 41-6a-1120, or a device used exclusively on stationary rails or tracks.

1055 Section 8. Section **41-6a-1509** is amended to read:

1056 **41-6a-1509 (Effective 05/07/25). Street-legal all-terrain vehicle -- Operation on**
1057 **highways -- Registration and licensing requirements -- Equipment requirements.**

1058 (1)(a) Except as provided in Subsection (1)(b), an individual may operate an all-terrain
1059 type I vehicle, all-terrain type II vehicle, or all-terrain type III vehicle, or an
1060 off-highway motorcycle, that meets the requirements of this section as a street-legal
1061 ATV on a street or highway.

1062 (b) An individual may not operate an all-terrain type I vehicle, all-terrain type II vehicle,
1063 or all-terrain type III vehicle, or an off-highway motorcycle, as a street-legal ATV on
1064 a highway if:

1065 (i) the highway is an interstate system as defined in Section 72-1-102; or

1066 (ii) the highway is in a county of the first class and both of the following criterion is
1067 met:

1068 (A) the highway is near a grade separated portion of the highway; and

1069 (B) the highway has a posted speed limit higher than 50 miles per hour.

1070 (c) Nothing in this section authorizes the operation of a street-legal ATV in an area that
1071 is not open to motor vehicle use.

1072 (2)(a) Except as provided in Subsection (2)(b), an individual may operate a vehicle that
1073 is registered as a novel vehicle on a street or highway, if the vehicle meets the
1074 requirements of this section as a street-legal novel vehicle.

1075 (b) An individual may not operate a vehicle registered as a novel vehicle as a street-legal
1076 novel vehicle on a highway if:

1077 (i) the highway is an interstate system as defined in Section 72-1-102; or

1078 (ii) the highway is in a county of the first class and both of the following criterion are
1079 met:

1080 (A) the highway is near a grade separated portion of the highway; and

1081 (B) the highway has a posted speed limit higher than 50 miles per hour.

(c) Nothing in this section authorizes the operation of a street-legal novel vehicle in an area that is not open to motor vehicle use.

(3) A street-legal ATV shall comply with Section 59-2-405.2, Subsection 41-1a-205(1), Subsection 53-8-205(1)(b), and the same requirements as:

(a) a motorcycle for:

(i) traffic rules under this chapter;

(ii) titling, odometer statement, vehicle identification, license plates, and registration, excluding registration fees, under Chapter 1a, Motor Vehicle Act; and

(iii) the county motor vehicle emissions inspection and maintenance programs under Section 41-6a-1642;

(b) a motor vehicle for:

(i) driver licensing under Title 53, Chapter 3, Uniform Driver License Act; and

(ii) motor vehicle insurance under Chapter 12a, Financial Responsibility of Motor Vehicle Owners and Operators Act; and

(c) an all-terrain type I or type II vehicle, or an off-highway motorcycle, for off-highway vehicle provisions under Chapter 22, Off-highway Vehicles, and Chapter 3, Motor Vehicle Business Regulation Act, unless otherwise specified in this section.

(4) A street-legal novel vehicle shall comply with Subsection 41-1a-205(1), Subsection 53-8-205(1)(b), and the requirements for registration as a novel vehicle under Section 41-27-201.

(5)(a) The owner of an all-terrain type I vehicle or an off-highway motorcycle being operated as a street-legal ATV shall ensure that the vehicle is equipped with:

(i) one or more headlamps that meet the requirements of Section 41-6a-1603;

(ii) one or more tail lamps;

(iii) a tail lamp or other lamp constructed and placed to illuminate the registration plate with a white light;

(iv) one or more red reflectors on the rear;

(v) one or more stop lamps on the rear;

(vi) amber or red electric turn signals, one on each side of the front and rear;

(vii) a braking system, other than a parking brake, that meets the requirements of Section 41-6a-1623;

(viii) a horn or other warning device that meets the requirements of Section 41-6a-1625;

(ix) a muffler and emission control system that meets the requirements of Section

- 1116 41-6a-1626;
- 1117 (x) rearview mirrors on the right and left side of the driver in accordance with Section
- 1118 41-6a-1627;
- 1119 (xi) a windshield, unless the operator wears eye protection while operating the
- 1120 vehicle;
- 1121 (xii) a speedometer, illuminated for nighttime operation;
- 1122 (xiii) for vehicles designed by the manufacturer for carrying one or more passengers,
- 1123 a seat designed for passengers; and
- 1124 (xiv) tires that:
- 1125 (A) are not larger than the tires that the all-terrain vehicle manufacturer made
- 1126 available for the all-terrain vehicle model; and
- 1127 (B) have at least 2/32 inches or greater tire tread.
- 1128 (b) The owner of an all-terrain type II vehicle or all-terrain type III vehicle being
- 1129 operated as a street-legal all-terrain vehicle or of a vehicle registered as a novel
- 1130 vehicle being operated as a street-legal novel vehicle shall ensure that the vehicle is
- 1131 equipped with:
- 1132 (i) two headlamps that meet the requirements of Section 41-6a-1603;
- 1133 (ii) two tail lamps;
- 1134 (iii) a tail lamp or other lamp constructed and placed to illuminate the registration
- 1135 plate with a white light;
- 1136 (iv) one or more red reflectors on the rear;
- 1137 (v) two stop lamps on the rear;
- 1138 (vi) amber or red electric turn signals, one on each side of the front and rear;
- 1139 (vii) a braking system, other than a parking brake, that meets the requirements of
- 1140 Section 41-6a-1623;
- 1141 (viii) a horn or other warning device that meets the requirements of Section
- 1142 41-6a-1625;
- 1143 (ix) a muffler and emission control system that meets the requirements of Section
- 1144 41-6a-1626;
- 1145 (x) rearview mirrors on the right and left side of the driver in accordance with Section
- 1146 41-6a-1627;
- 1147 (xi) a windshield, unless the operator wears eye protection while operating the
- 1148 vehicle;
- 1149 (xii) a speedometer, illuminated for nighttime operation;

- 1150 (xiii) for vehicles designed by the manufacturer for carrying one or more passengers,
1151 a seat designed for passengers;
- 1152 (xiv) for vehicles with side-by-side or tandem seating, seatbelts for each vehicle
1153 occupant;
- 1154 (xv) a seat with a height between 20 and 40 inches when measured at the forward
1155 edge of the seat bottom; and
- 1156 (xvi) tires that:
- 1157 (A) do not exceed 44 inches in height; and
- 1158 (B) have at least 2/32 inches or greater tire tread.
- 1159 (c) The owner of a street-legal all-terrain vehicle is not required to equip the vehicle with
1160 wheel covers, mudguards, flaps, or splash aprons.
- 1161 (6)(a) Subject to the requirements of Subsection (6)(b), an operator of a street-legal
1162 all-terrain vehicle, when operating a street-legal all-terrain vehicle on a highway, may
1163 not exceed the lesser of:
- 1164 (i) the posted speed limit; or
- 1165 (ii) 50 miles per hour.
- 1166 (b) An operator of a street-legal all-terrain vehicle, when operating a street-legal
1167 all-terrain vehicle on a highway with a posted speed limit higher than 50 miles per
1168 hour, shall:
- 1169 (i) operate the street-legal all-terrain vehicle on the extreme right hand side of the
1170 roadway; and
- 1171 (ii) equip the street-legal all-terrain vehicle with a reflector or reflective tape to the
1172 front and back of both sides of the vehicle.
- 1173 (7)(a) Subject to the requirements of Subsection (7)(b), an operator of a street-legal
1174 novel vehicle, when operating as a street-legal novel vehicle on a highway, may not
1175 exceed the lesser of:
- 1176 (i) the posted speed limit; or
- 1177 (ii) 50 miles per hour.
- 1178 (b) An operator of a street-legal novel vehicle, when operating a street-legal novel
1179 vehicle on a highway with a posted speed limit higher than 50 miles per hour, shall:
- 1180 (i) operate the street-legal novel vehicle on the extreme right hand side of the
1181 roadway; and
- 1182 (ii) equip the street-legal novel vehicle with a reflector or reflective tape to the front
1183 and back of both sides of the vehicle.

- (8)(a) A nonresident operator of an off-highway vehicle that is authorized to be operated on the highways of another state has the same rights and privileges as a street-legal ATV or street-legal novel vehicle that is granted operating privileges on the highways of this state, subject to the restrictions under this section and rules made by the Division of Outdoor Recreation, after notifying the Outdoor Adventure Commission, if the other state offers reciprocal operating privileges to Utah residents.
- (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Division of Outdoor Recreation, after notifying the Outdoor Adventure Commission, shall establish eligibility requirements for reciprocal operating privileges for nonresident users granted under Subsection (8)(a).
- (9) Nothing in this chapter restricts the owner of an off-highway vehicle from operating the off-highway vehicle in accordance with Section 41-22-10.5.
- (10) A violation of this section is an infraction.
- Section 9. Section **41-12a-804** is amended to read:
- 41-12a-804 (Effective 05/07/25). Notice -- Proof -- Revocation of registration -- False statements -- Penalties -- Exemptions -- Sales tax enforcement.**
- (1) [Hf] Subject to Subsection (3), if the comparison under Section 41-12a-803 shows that a motor vehicle [~~or motorboat~~] is not insured for three consecutive months, or a motorboat is not insured for two consecutive months, the Motor Vehicle Division shall direct that the designated agent provide notice to the owner of the motor vehicle or motorboat that the owner has 15 days to provide:
- (a) proof of owner's or operator's security in a form allowed under Subsection 41-12a-303.2(2); or
- (b) proof of exemption from the owner's or operator's security requirements.
- (2) [Hf] Subject to Subsection (3), if an owner of a motor vehicle or motorboat fails to provide satisfactory proof of owner's or operator's security to the designated agent, the designated agent shall:
- (a) provide a second notice to the owner of the motor vehicle or motorboat that the owner now has 15 days to provide:
- (i) proof of owner's or operator's security in a form allowed under Subsection 41-12a-303.2(2); or
- (ii) proof of exemption from the owner's or operator's security requirements;
- (b) for each notice provided, indicate information relating to the owner's failure to provide proof of owner's or operator's security in the database; and

(c) provide this information to state and local law enforcement agencies as requested in accordance with the provisions under Section 41-12a-805.

~~(3)~~(a) Except as provided in Subsection (3)(b), for a motorboat, Subsections (1) and (2) only apply during the months of April through October.

~~(b)~~ For a motorboat, the designated agent shall comply with the requirement described in Subsection (2)(c) year-round.

~~(c)~~ For a notice required under Subsection (1) for a motorboat, the requirement for the Motor Vehicle Division and the designated agent to send notice begins on January 1, 2026.

~~[(3)]~~ ~~(4)~~(a) The Motor Vehicle Division:

~~[(a)]~~ ~~(i)~~ shall revoke the registration upon receiving notification under Subsection 41-1a-110(2);

~~[(b)]~~ ~~(ii)~~ shall provide appropriate notices of the revocation, the legal consequences of operating a vehicle with revoked registration and without owner's or operator's security, and instructions on how to get the registration reinstated; and

~~[(e)]~~ ~~(iii)~~ may direct the designated agent to provide the notices under this Subsection ~~[(3)]~~ ~~(4)~~(a).

~~(b)~~ For a motorboat, Subsection (4)(a) only applies during the months of April through October.

~~[(4)]~~ ~~(5)~~ Any action by the Motor Vehicle Division to revoke the registration of a motor vehicle or motorboat under this section may be in addition to an action by a law enforcement agency to impose the penalties under Section 41-12a-302 or 41-12a-303.2.

~~[(5)]~~ ~~(6)~~(a) A person may not provide a false or fraudulent statement to the Motor Vehicle Division or designated agent.

(b) In addition to any other penalties, a person who violates Subsection ~~[(5)(a)]~~ ~~(6)~~(a) is guilty of a class B misdemeanor.

~~[(6)]~~ ~~(7)~~ The department and the Motor Vehicle Division shall direct the designated agent to exempt from this section a farm truck that:

(a) meets the definition of a farm truck under Section 41-1a-102; and

(b) is registered as a farm truck under Title 41, Chapter 1a, Motor Vehicle Act.

~~[(7)]~~ ~~(8)~~ This part does not affect other actions or penalties that may be taken or imposed for violation of the owner's and operator's security requirements of this chapter.

~~[(8)]~~ ~~(9)~~ If a comparison under Section 41-12a-803 shows that a motor vehicle or motorboat may not be in compliance with motor vehicle or motorboat registration or sales and use

tax laws, the Motor Vehicle Division may direct that the designated agent provide notice to the owner of a motor vehicle or motorboat that information exists which indicates the possible violation.

Section 10. Section **41-22-2** is amended to read:

41-22-2 (Effective 05/07/25). Definitions.

As used in this chapter:

- (1) "Advisory council" means an advisory council appointed by the Division of Outdoor Recreation that has within the advisory council's duties advising on policies related to the use of off-highway vehicles.
- (2) "All-terrain type I vehicle" means any motor vehicle 52 inches or less in width, having an unladen dry weight of 1,500 pounds or less, traveling on three or more low pressure tires, having a seat designed to be straddled by the operator, and designed for or capable of travel over unimproved terrain.
- (3)(a) "All-terrain type II vehicle" means any motor vehicle 80 inches or less in width, traveling on four or more low pressure tires, having a steering wheel, non-straddle seating, a rollover protection system, and designed for or capable of travel over unimproved terrain, and is:
 - (i) an electric-powered vehicle; or
 - (ii) a vehicle powered by an internal combustion engine and has an unladen dry weight of 3,500 pounds or less.
- (b) "All-terrain type II vehicle" does not include golf carts, any vehicle designed to carry a person with a disability, any vehicle not specifically designed or modified primarily for recreational use on unimproved terrain, or farm tractors as defined under Section 41-1a-102.
- (4)(a) "All-terrain type III vehicle" means any other motor vehicle, not defined in Subsection (2), (3), (12), or [~~(22)~~] (23), designed for or capable of travel over unimproved terrain.
- (b) "All-terrain type III vehicle" does not include golf carts, any vehicle designed to carry a person with a disability, any vehicle not specifically designed or modified primarily for recreational use on unimproved terrain, or farm tractors as defined under Section 41-1a-102.
- (5) "Commission" means the Outdoor Adventure Commission.
- (6) "Cross-country" means across natural terrain and off an existing highway, road, route, or trail.

- 1286 (7) "Dealer" means a person engaged in the business of selling off-highway vehicles at
1287 wholesale or retail.
- 1288 (8) "Division" means the Division of Outdoor Recreation.
- 1289 (9) "Low pressure tire" means any pneumatic tire six inches or more in width designed for
1290 use on wheels with rim diameter of 14 inches or less and utilizing an operating pressure
1291 of 10 pounds per square inch or less as recommended by the vehicle manufacturer.
- 1292 (10) "Manufacturer" means a person engaged in the business of manufacturing off-highway
1293 vehicles.
- 1294 (11)(a) "Motor vehicle" means every vehicle which is self-propelled.
- 1295 (b) "Motor vehicle" includes an off-highway vehicle.
- 1296 (12) "Motorcycle" means every motor vehicle having a saddle for the use of the operator
1297 and designed to travel on not more than two tires.
- 1298 (13) "Off-highway implement of husbandry" means every all-terrain type I vehicle,
1299 all-terrain type II vehicle, all-terrain type III vehicle, off-highway motorcycle, or
1300 snowmobile that is used by the owner or the owner's agent for agricultural operations.
- 1301 (14) "Off-highway motorcycle" means an off-highway vehicle that is a motorcycle and is
1302 designed for use primarily off-highway.
- 1303 ~~[(14)]~~ (15) "Off-highway vehicle" means any snowmobile, all-terrain type I vehicle,
1304 all-terrain type II vehicle, all-terrain type III vehicle, or off-highway motorcycle.
- 1305 ~~[(15)]~~ (16) "Operate" means to control the movement of or otherwise use an off-highway
1306 vehicle.
- 1307 ~~[(16)]~~ (17) "Operator" means the person who is in actual physical control of an off-highway
1308 vehicle.
- 1309 ~~[(17)]~~ (18) "Organized user group" means an off-highway vehicle organization incorporated
1310 as a nonprofit corporation in the state under Title 16, Chapter 6a, Utah Revised
1311 Nonprofit Corporation Act, for the purpose of promoting the interests of off-highway
1312 vehicle recreation.
- 1313 ~~[(18)]~~ (19) "Owner" means a person, other than a person with a security interest, having a
1314 property interest or title to an off-highway vehicle and entitled to the use and possession
1315 of that vehicle.
- 1316 ~~[(19)]~~ (20) "Public land" means land owned or administered by any federal or state agency
1317 or any political subdivision of the state.
- 1318 ~~[(20)]~~ (21) "Register" means the act of assigning a registration number to an off-highway
1319 vehicle.

1320 ~~[(21)]~~ (22) "Roadway" is used as defined in Section 41-6a-102.

1321 ~~[(22)]~~ (23) "Snowmobile" means any motor vehicle designed for travel on snow or ice and
1322 steered and supported in whole or in part by skis, belts, cleats, runners, or low pressure
1323 tires, and equipped with a saddle or seat for the use of the rider.

1324 ~~[(23)]~~ (24) "Street or highway" means the entire width between boundary lines of every way
1325 or place of whatever nature, when any part of it is open to the use of the public for
1326 vehicular travel.

1327 ~~[(24)]~~ (25) "Street-legal all-terrain vehicle" or "street-legal ATV" has the same meaning as
1328 defined in Section 41-6a-102.

1329 Section 11. Section **41-22-3** is amended to read:

1330 **41-22-3 (Effective 05/07/25). Registration of vehicles -- Application -- Issuance of**
1331 **sticker and card -- Proof of property tax payment -- Records.**

1332 (1)(a) Unless exempted under Section 41-22-9, a person may not operate or place and an
1333 owner may not give another person permission to operate or place any off-highway
1334 vehicle on any public land, trail, street, or highway in this state unless the
1335 off-highway vehicle is registered under this chapter for the current year.

1336 (b) Unless exempted under Section 41-22-9, a dealer may not sell an off-highway
1337 vehicle which can be used on any public land, trail, street, or highway in this state,
1338 unless the off-highway vehicle is registered or is in the process of being registered
1339 under this chapter for the current year.

1340 (c) Unless specifically provided in this chapter, the division shall administer license
1341 plates, decals, and registration of off-highway vehicles in accordance with Chapter
1342 1a, Motor Vehicle Act.

1343 (2)(a) The owner of an off-highway vehicle subject to registration under this chapter
1344 shall apply to the Motor Vehicle Division for registration on forms approved by the
1345 Motor Vehicle Division.

1346 (b) An owner of an off-highway vehicle may apply for automatic registration renewal as
1347 described in Section 41-1a-216.

1348 (3) Each application for registration of an off-highway vehicle shall be accompanied by:

1349 (a) evidence of ownership, a title, or a manufacturer's certificate of origin, and a bill of
1350 sale showing ownership, make, model, horsepower or displacement, and serial
1351 number;

1352 (b) the past registration card; or

1353 (c) the fee for a duplicate.

- 1354 (4)(a)(i) Beginning on January 1, 2023, except as provided in Subsection (4)(e), the
1355 first time an off-highway vehicle is registered, the Motor Vehicle Division shall
1356 issue one off-highway vehicle license plate, a registration decal, and a registration
1357 card.
- 1358 (ii) If an off-highway vehicle has been registered previously in this state but has not
1359 been issued an off-highway vehicle license plate, beginning on January 1, 2023,
1360 upon application for registration renewal, the Motor Vehicle Division shall issue
1361 one off-highway vehicle license plate, a registration decal, and a registration card.
- 1362 (b) Upon each annual registration, the Motor Vehicle Division shall issue a registration
1363 decal and a registration card for each off-highway vehicle registered.
- 1364 (c) The off-highway vehicle license plate:
- 1365 (i) shall contain a unique five-digit number, using numbers, letters, or a combination
1366 of numbers and letters, to identify the off-highway vehicle for which it is issued;
- 1367 (ii) shall be affixed to the rear of the off-highway vehicle for which it is issued in a
1368 plainly visible and upright position as prescribed by rule of the division under
1369 Section 41-22-5.1;
- 1370 (iii) shall be maintained free of foreign materials and in a condition to be clearly
1371 legible;
- 1372 (iv) shall be a distinct tan color with black lettering to identify the license plate as an
1373 off-highway vehicle license plate;
- 1374 (v) shall have a location to attach the registration decal; and
- 1375 (vi) may not be a personalized license plate or a special group license plate.
- 1376 (d)(i) At all times, proof of registration shall be kept with the off-highway vehicle
1377 and shall be available for inspection by a law enforcement officer.
- 1378 (ii) An individual may show proof of registration by displaying:
- 1379 (A) a digital copy or photograph of the registration card on a mobile electronic
1380 device;
- 1381 (B) proof of registration on a mobile electronic device through a mobile
1382 application approved by the relevant state agency; or
- 1383 (C) an original registration card issued by the Motor Vehicle Division.
- 1384 (e) An off-highway vehicle that is [a] an off-highway motorcycle or a snowmobile is:
- 1385 (i) not required to obtain or display an off-highway vehicle license plate; and
- 1386 (ii) required to obtain and display an off-highway vehicle registration sticker.
- 1387 (5)(a) Except as provided by Subsection (5)(c), an applicant for a registration card and

1388 registration decal shall provide the Motor Vehicle Division a certificate, described
1389 under Subsection (5)(b), from the county assessor of the county in which the
1390 off-highway vehicle has situs for taxation.

1391 (b) The certificate required under Subsection (5)(a) shall state one of the following:

- 1392 (i) the property tax on the off-highway vehicle for the current year has been paid;
- 1393 (ii) in the county assessor's opinion, the tax is a lien on real property sufficient to
1394 secure the payment of the tax; or
- 1395 (iii) the off-highway vehicle is exempt by law from payment of property tax for the
1396 current year.

1397 (c) An off-highway vehicle for which an off-highway implement of husbandry sticker
1398 has been issued in accordance with Section 41-22-5.5 is:

- 1399 (i) exempt from the requirement under this Subsection (5);
- 1400 (ii) not required to obtain or purchase an off-highway vehicle license plate; and
- 1401 (iii) required to obtain and display an off-highway vehicle registration sticker.

1402 (6)(a) All records of the division made or kept under this section shall be classified by
1403 the Motor Vehicle Division in the same manner as motor vehicle records are
1404 classified under Section 41-1a-116.

1405 (b) Division records are available for inspection in the same manner as motor vehicle
1406 records under Section 41-1a-116.

1407 (7) A violation of this section is an infraction.

1408 Section 12. Section **41-22-5.5** is amended to read:

1409 **41-22-5.5 (Effective 05/07/25). Off-highway husbandry vehicles.**

1410 (1)(a)(i) The owner of an all-terrain type I vehicle, off-highway motorcycle,
1411 all-terrain type II vehicle, all-terrain type III vehicle, or snowmobile used for
1412 agricultural purposes may apply to the Motor Vehicle Division for an off-highway
1413 implement of husbandry sticker.

1414 (ii) Each application under Subsection (1)(a)(i) shall be accompanied by:

- 1415 (A) evidence of ownership;
- 1416 (B) a title or a manufacturer's certificate of origin; and
- 1417 (C) a signed statement certifying that the off-highway vehicle is used for
1418 agricultural purposes.

1419 (iii) The owner shall receive an off-highway implement of husbandry sticker upon
1420 production of:

- 1421 (A) the documents required under this Subsection (1); and

- 1422 (B) payment of an off-highway implement of husbandry sticker fee established by
1423 the division, after notifying the commission, not to exceed \$10.
- 1424 (b) If the vehicle is also used for recreational purposes on public lands, trails, streets, or
1425 highways, it shall also be registered under Section 41-22-3.
- 1426 (c) The off-highway implement of husbandry sticker shall be displayed in a manner
1427 prescribed by the division and shall identify the all-terrain type I vehicle, off-highway
1428 motorcycle, all-terrain type II vehicle, all-terrain type III vehicle, or snowmobile as
1429 an off-highway implement of husbandry.
- 1430 (2) The off-highway implement of husbandry sticker is valid only for the life of the
1431 ownership of the all-terrain type I vehicle, off-highway motorcycle, all-terrain type II
1432 vehicle, all-terrain type III vehicle, or snowmobile and is not transferable.
- 1433 (3) The off-highway implement of husbandry sticker is valid for an all-terrain type I
1434 vehicle, off-highway motorcycle, all-terrain type II vehicle, all-terrain type III vehicle,
1435 or snowmobile that is being operated adjacent to a roadway:
- 1436 (a) when the all-terrain type I vehicle, off-highway motorcycle, all-terrain type II
1437 vehicle, all-terrain type III vehicle, or snowmobile is only being used to travel from
1438 one parcel of land owned, operated, permitted, or leased for agricultural purposes by
1439 the owner of the vehicle to another parcel of land owned, operated, permitted, or
1440 leased for agricultural purposes by the owner; and
- 1441 (b) when this operation is necessary for the furtherance of agricultural purposes.
- 1442 (4) If the operation of an off-highway implement of husbandry adjacent to a roadway is
1443 impractical, it may be operated on the roadway if the operator exercises due care
1444 towards conventional motor vehicle traffic.
- 1445 (5) It is unlawful to operate an off-highway implement of husbandry along, across, or
1446 within the boundaries of an interstate freeway.
- 1447 (6) A violation of this section is an infraction.

1448 Section 13. Section **41-22-10.7** is amended to read:

1449 **41-22-10.7 (Effective 05/07/25). Vehicle equipment requirements -- Rulemaking**
1450 **-- Exceptions.**

- 1451 (1) Except as provided under Subsection (3), an off-highway vehicle shall be equipped with:
- 1452 (a) brakes adequate to control the movement of and to stop and hold the vehicle under
1453 normal operating conditions;
- 1454 (b) headlights and taillights when operated between sunset and sunrise;
- 1455 (c) a noise control device and except for a snowmobile, a spark arrestor device; and

(d) when operated on sand dunes designated by the division, a safety flag that is:

(i) red or orange in color;

(ii) a minimum of six by 12 inches; and

(iii) attached to:

(A) the off-highway vehicle so that the safety flag is at least eight feet above the surface of level ground; or

(B) the protective headgear of a person operating [a] an off-highway motorcycle so that the safety flag is at least 18 inches above the top of the person's head.

(2) A violation of Subsection (1) is an infraction.

(3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division may make rules, after notifying the commission, which set standards for the equipment and which designate sand dunes where safety flags are required under Subsection (1).

(4) An off-highway implement of husbandry used only in agricultural operations and not operated on a highway, is exempt from the provisions of this section.

Section 14. Section **41-22-10.8** is amended to read:

41-22-10.8 (Effective 05/07/25). Protective headgear requirements -- Owner duty -- Penalty for violation.

(1) A person under the age of 18 may not operate or ride on [~~all-terrain type I vehicles, snowmobiles, or motoreyes~~] an all-terrain type I vehicle, a snowmobile, or an off-highway motorcycle on public land unless the person is wearing a properly fitted and fastened, United States Department of Transportation safety-rated protective headgear designed for motorized vehicle use.

(2) The owner of an off-highway vehicle or any other person may not give permission to a person who is under 18 years [~~of age~~] old to operate or ride on an off-highway vehicle in violation of this section.

(3) An operator and passengers of off-highway implements of husbandry operated in the manner prescribed by Subsections 41-22-5.5(3) and (4) are exempt from the requirements of this section.

(4) Any person convicted of violations of this section is guilty of an infraction and shall be fined not more than \$50 per offense.

(5) A court shall waive \$8 of a fine charged for a violation of Title 41, Chapter 22, Off-highway Vehicles, to a person operating an off-highway vehicle on public land if the person was:

- 1490 (a) 18 years [~~of age~~] old or older at the time of operation; and
1491 (b) wearing protective headgear that complies with the requirements described under
1492 Subsection (1) at the time of operation.

1493 (6) The failure to wear protective headgear:

- 1494 (a) does not constitute contributory or comparative negligence on the part of a person
1495 seeking recovery for injuries; and
1496 (b) may not be introduced as evidence in any civil litigation on the issue of negligence,
1497 injuries, or the mitigation of damages.

1498 (7) Notwithstanding Subsection (5), a court may not waive \$8 of a fine charged to a person
1499 operating an off-highway vehicle on public land for a driving under the influence
1500 violation of Section 41-6a-502.

1501 Section 15. Section **51-9-902** is amended to read:

1502 **51-9-902 (Effective 07/01/26). Outdoor Adventure Infrastructure Restricted**
1503 **Account.**

1504 (1) There is created within the General Fund a restricted account known as the "Outdoor
1505 Adventure Infrastructure Restricted Account."

1506 (2) The account shall consist of:

- 1507 (a) money deposited into the account under Subsection [~~59-12-103(15)~~] 59-12-103(4)(h);
1508 and
1509 (b) interest and earnings on money in the account.

1510 (3) Subject to appropriation from the Legislature, money from the account shall be used for:

- 1511 (a) new construction of outdoor recreation infrastructure;
1512 (b) upgrades of outdoor recreation infrastructure;
1513 (c) the replacement of or structural improvements to outdoor recreation infrastructure;
1514 (d) the acquisition of land, a right-of-way, or easement used in relationship to outdoor
1515 recreation infrastructure;
1516 (e) providing access from state highways, as defined in Section 72-1-102, to outdoor
1517 recreation infrastructure;
1518 (f) the costs associated with bringing new construction or upgrades of outdoor
1519 recreation infrastructure into environmental compliance;
1520 (g) strategic planning related to the development of outdoor recreation infrastructure; or
1521 (h) facilitating avalanche safety forecasting to protect the public in relation to outdoor
1522 recreation infrastructure.

1523 (4) For each fiscal year, beginning with fiscal year 2023-2024, the Division of Finance

shall, subject to appropriation by the Legislature, distribute money from the Outdoor Adventure Infrastructure Restricted Account as follows:

(a) at least 15% to the Department of Natural Resources - Division of State Parks - Capital, to be expended using the department's existing prioritization process for capital projects in state parks described in Subsection (3);

(b) at least 22% to the Department of Natural Resources - Division of Outdoor Recreation - Capital, to be expended for competitive Recreation Restoration Infrastructure grants or Outdoor Recreational Infrastructure grants for outdoor recreation capital projects and related maintenance expenses, where maintenance expenses do not exceed 15% of the appropriation; and

(c) at least 53% to the Department of Natural Resources - Division of Outdoor Recreation - Capital, to be expended for larger outdoor recreation infrastructure projects described in Subsection (3) as recommended to the Legislature by the Outdoor Adventure Commission.

(5) If the Legislature appropriates money to the Department of Transportation from the account, the Transportation Commission, created in Section 72-1-301, shall prioritize projects and determine funding levels in accordance with Subsection 72-1-303(1)(a) based on recommendations of the Department of Transportation.

Section 16. Section **53-2a-1102** is amended to read:

53-2a-1102 (Effective 07/01/26). Search and Rescue Financial Assistance

Program -- Uses -- Rulemaking -- Distribution.

(1) As used in this section:

(a) "Assistance card program" means the Utah Search and Rescue Assistance Card Program created within this section.

(b) "Card" means the Search and Rescue Assistance Card issued under this section to a participant.

(c) "Participant" means an individual, family, or group who is registered pursuant to this section as having a valid card at the time search, rescue, or both are provided.

(d) "Program" means the Search and Rescue Financial Assistance Program created within this section.

(e)(i) "Reimbursable base expenses" means those reasonable expenses incidental to search and rescue activities.

(ii) "Reimbursable base expenses" include:

(A) rental for fixed wing aircraft, snowmobiles, boats, and generators;

- 1558 (B) replacement and upgrade of search and rescue equipment;
1559 (C) training of search and rescue volunteers;
1560 (D) costs of providing life insurance and workers' compensation benefits for
1561 volunteer search and rescue team members under Section 67-20-7.5; and
1562 (E) any other equipment or expenses necessary or appropriate for conducting
1563 search and rescue activities.
- 1564 (iii) "Reimbursable base expenses" do not include any salary or overtime paid to an
1565 individual on a regular or permanent payroll, including permanent part-time
1566 employees of any agency of the state.
- 1567 (f) "Rescue" means search services, rescue services, or both search and rescue services.
- 1568 (2) There is created the Search and Rescue Financial Assistance Program within the
1569 division.
- 1570 (3)(a) The financial program and the assistance card program shall be funded from the
1571 following revenue sources:
- 1572 (i) any voluntary contributions to the state received for search and rescue operations;
1573 (ii) money received by the state under Subsection (11) and under Sections 23A-4-209,
1574 41-22-34, and 73-18-24;
1575 (iii) money deposited
1576 under [~~Subsection 59-12-103(13)~~] Section 59-12-103 as a dedicated credit for the
1577 sole use of the Search and Rescue Financial Assistance Program;
1578 (iv) contributions deposited in accordance with Section 41-1a-230.7; and
1579 (v) appropriations made to the program by the Legislature.
- 1580 (b) Money received from the revenue sources in Subsections (3)(a)(i), (ii), and (iv), and
1581 90% of the money described in Subsection (3)(a)(iii), shall be deposited into the
1582 General Fund as a dedicated credit to be used solely for the program.
- 1583 (c) Ten percent of the money described in Subsection (3)(a)(iii) shall be deposited into
1584 the General Fund as a dedicated credit to be used solely to promote the assistance
1585 card program.
- 1586 (d) Funding for the program is nonlapsing.
- 1587 (4) Subject to Subsections (3)(b) and (c), the director shall use the money described in this
1588 section to reimburse counties for all or a portion of each county's reimbursable base
1589 expenses for search and rescue operations, subject to:
- 1590 (a) the approval of the Search and Rescue Advisory Board as provided in Section
1591 53-2a-1104;
1592

1593 (b) money available in the program; and

1594 (c) rules made under Subsection (7).

1595 (5) Money described in Subsection (3) may not be used to reimburse for any paid personnel
1596 costs or paid man hours spent in emergency response and search and rescue related
1597 activities.

1598 (6) The Legislature finds that these funds are for a general and statewide public purpose.

1599 (7) The division, with the approval of the Search and Rescue Advisory Board, shall make
1600 rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1601 and consistent with this section:

1602 (a) specifying the costs that qualify as reimbursable base expenses;

1603 (b) defining the procedures of counties to submit expenses and be reimbursed;

1604 (c) defining a participant in the assistance card program, including:

1605 (i) individuals; and

1606 (ii) families and organized groups who qualify as participants;

1607 (d) defining the procedure for issuing a card to a participant;

1608 (e) defining excluded expenses that may not be reimbursed under the program, including
1609 medical expenses;

1610 (f) establishing the card renewal cycle for the Utah Search and Rescue Assistance Card
1611 Program;

1612 (g) establishing the frequency of review of the fee schedule;

1613 (h) providing for the administration of the program; and

1614 (i) providing a formula to govern the distribution of available money among the counties
1615 for uncompensated search and rescue expenses based on:

1616 (i) the total qualifying expenses submitted;

1617 (ii) the number of search and rescue incidents per county population;

1618 (iii) the number of victims that reside outside the county; and

1619 (iv) the number of volunteer hours spent in each county in emergency response and
1620 search and rescue related activities per county population.

1621 (8)(a) The division shall, in consultation with the Division of Outdoor Recreation,
1622 establish the fee schedule of the Utah Search and Rescue Assistance Card Program
1623 under Subsection 63J-1-504(7).

1624 (b) The division shall provide a discount of not less than 10% of the card fee under
1625 Subsection (8)(a) to a person who has paid a fee under Section 23A-4-209, 41-22-34,
1626 or 73-18-24 during the same calendar year in which the person applies to be a

participant in the assistance card program.

(9) Counties may not bill reimbursable base expenses to an individual for costs incurred for the rescue of an individual, if the individual is a current participant in the Utah Search and Rescue Assistance Card Program at the time of rescue, unless:

- (a) the rescuing county finds that the participant acted recklessly in creating a situation resulting in the need for the county to provide rescue services; or
- (b) the rescuing county finds that the participant intentionally created a situation resulting in the need for the county to provide rescue services.

(10)(a) There is created the Utah Search and Rescue Assistance Card Program. The program is located within the division.

(b) The program may not be used to cover any expenses, such as medically related expenses, that are not reimbursable base expenses related to the rescue.

(11)(a) To participate in the program, a person shall purchase a search and rescue assistance card from the division by paying the fee as determined by the division in Subsection (8).

(b) The money generated by the fees shall be deposited into the General Fund as a dedicated credit for the Search and Rescue Financial Assistance Program created in this section.

(c) Participation and payment of fees by a person under Sections 23A-4-209, 41-22-34, and 73-18-24 do not constitute purchase of a card under this section.

(12) The division shall consult with the Division of Outdoor Recreation regarding:

- (a) administration of the assistance card program; and
- (b) outreach and marketing strategies.

(13) Pursuant to Subsection 31A-1-103(7), the Utah Search and Rescue Assistance Card Program under this section is exempt from being considered insurance as that term is defined in Section 31A-1-301.

Section 17. Section **59-12-102** is amended to read:

59-12-102 (Effective 07/01/26). Definitions.

As used in this chapter:

(1) "800 service" means a telecommunications service that:

- (a) allows a caller to dial a toll-free number without incurring a charge for the call; and
- (b) is typically marketed:
 - (i) under the name 800 toll-free calling;
 - (ii) under the name 855 toll-free calling;

- 1661 (iii) under the name 866 toll-free calling;
1662 (iv) under the name 877 toll-free calling;
1663 (v) under the name 888 toll-free calling; or
1664 (vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the
1665 Federal Communications Commission.
- 1666 (2)(a) "900 service" means an inbound toll telecommunications service that:
1667 (i) a subscriber purchases;
1668 (ii) allows a customer of the subscriber described in Subsection (2)(a)(i) to call in to
1669 the subscriber's:
1670 (A) prerecorded announcement; or
1671 (B) live service; and
1672 (iii) is typically marketed:
1673 (A) under the name 900 service; or
1674 (B) under a name similar to Subsection (2)(a)(iii)(A) as designated by the Federal
1675 Communications Commission.
- 1676 (b) "900 service" does not include a charge for:
1677 (i) a collection service a seller of a telecommunications service provides to a
1678 subscriber; or
1679 (ii) the following a subscriber sells to the subscriber's customer:
1680 (A) a product; or
1681 (B) a service.
- 1682 (3)(a) "Admission or user fees" includes season passes.
1683 (b) "Admission or user fees" does not include:
1684 (i) annual membership dues to private organizations; or
1685 (ii) a lesson, including a lesson that involves as part of the lesson equipment or a
1686 facility listed in Subsection 59-12-103(1)(f).
- 1687 (4) "Affiliate" or "affiliated person" means a person that, with respect to another person:
1688 (a) has an ownership interest of more than 5%, whether direct or indirect, in that other
1689 person; or
1690 (b) is related to the other person because a third person, or a group of third persons who
1691 are affiliated persons with respect to each other, holds an ownership interest of more
1692 than 5%, whether direct or indirect, in the related persons.
- 1693 (5) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on
1694 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax

- 1695 Agreement after November 12, 2002.
- 1696 (6) "Agreement combined tax rate" means the sum of the tax rates:
- 1697 (a) listed under Subsection (7); and
- 1698 (b) that are imposed within a local taxing jurisdiction.
- 1699 (7) "Agreement sales and use tax" means a tax imposed under:
- 1700 (a) Subsection 59-12-103(2)(a)(i)(A);
- 1701 (b) Subsection 59-12-103(2)(a)(i)(B);
- 1702 ~~[(b)]~~ (c) Subsection 59-12-103(2)(b)(i);
- 1703 ~~[(c)]~~ (d) Subsection 59-12-103(2)(c)(i);
- 1704 ~~[(d)]~~ (e) Subsection 59-12-103(2)(d);
- 1705 ~~[(e)]~~ (f) Subsection 59-12-103(2)(e)(i)(A)~~[(f)]~~;
- 1706 ~~[(f)]~~ (g) Section 59-12-204;
- 1707 ~~[(g)]~~ (h) Section 59-12-401;
- 1708 ~~[(h)]~~ (i) Section 59-12-402;
- 1709 ~~[(i)]~~ (j) Section 59-12-402.1;
- 1710 ~~[(j)]~~ (k) Section 59-12-703;
- 1711 ~~[(k)]~~ (l) Section 59-12-802;
- 1712 ~~[(l)]~~ (m) Section 59-12-804;
- 1713 ~~[(m)]~~ (n) Section 59-12-1102;
- 1714 ~~[(n)]~~ (o) Section 59-12-1302;
- 1715 ~~[(o)]~~ (p) Section 59-12-1402;
- 1716 ~~[(p)]~~ (q) Section 59-12-1802;
- 1717 ~~[(q)]~~ (r) Section 59-12-2003;
- 1718 ~~[(r)]~~ (s) Section 59-12-2103;
- 1719 ~~[(s)]~~ (t) Section 59-12-2213;
- 1720 ~~[(t)]~~ (u) Section 59-12-2214;
- 1721 ~~[(u)]~~ (v) Section 59-12-2215;
- 1722 ~~[(v)]~~ (w) Section 59-12-2216;
- 1723 ~~[(w)]~~ (x) Section 59-12-2217;
- 1724 ~~[(x)]~~ (y) Section 59-12-2218;
- 1725 ~~[(y)]~~ (z) Section 59-12-2219; or
- 1726 ~~[(z)]~~ (aa) Section 59-12-2220.
- 1727 (8) "Aircraft" means the same as that term is defined in Section 72-10-102.
- 1728 (9) "Aircraft maintenance, repair, and overhaul provider" means a business entity:

- 1729 (a) except for:
- 1730 (i) an airline as defined in Section 59-2-102; or
- 1731 (ii) an affiliated group, as defined in Section 59-7-101, except that "affiliated group"
- 1732 includes a corporation that is qualified to do business but is not otherwise doing
- 1733 business in the state, of an airline; and
- 1734 (b) that has the workers, expertise, and facilities to perform the following, regardless of
- 1735 whether the business entity performs the following in this state:
- 1736 (i) check, diagnose, overhaul, and repair:
- 1737 (A) an onboard system of a fixed wing turbine powered aircraft; and
- 1738 (B) the parts that comprise an onboard system of a fixed wing turbine powered
- 1739 aircraft;
- 1740 (ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered
- 1741 aircraft engine;
- 1742 (iii) perform at least the following maintenance on a fixed wing turbine powered
- 1743 aircraft:
- 1744 (A) an inspection;
- 1745 (B) a repair, including a structural repair or modification;
- 1746 (C) changing landing gear; and
- 1747 (D) addressing issues related to an aging fixed wing turbine powered aircraft;
- 1748 (iv) completely remove the existing paint of a fixed wing turbine powered aircraft
- 1749 and completely apply new paint to the fixed wing turbine powered aircraft; and
- 1750 (v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that
- 1751 results in a change in the fixed wing turbine powered aircraft's certification
- 1752 requirements by the authority that certifies the fixed wing turbine powered aircraft.
- 1753 (10) "Alcoholic beverage" means a beverage that:
- 1754 (a) is suitable for human consumption; and
- 1755 (b) contains .5% or more alcohol by volume.
- 1756 (11) "Alternative energy" means:
- 1757 (a) biomass energy;
- 1758 (b) geothermal energy;
- 1759 (c) hydroelectric energy;
- 1760 (d) solar energy;
- 1761 (e) wind energy; or
- 1762 (f) energy that is derived from:

- 1763 (i) coal-to-liquids;
1764 (ii) nuclear fuel;
1765 (iii) oil-impregnated diatomaceous earth;
1766 (iv) oil sands;
1767 (v) oil shale;
1768 (vi) petroleum coke; or
1769 (vii) waste heat from:
1770 (A) an industrial facility; or
1771 (B) a power station in which an electric generator is driven through a process in
1772 which water is heated, turns into steam, and spins a steam turbine.
- 1773 (12)(a) Subject to Subsection (12)(b), "alternative energy electricity production facility"
1774 means a facility that:
1775 (i) uses alternative energy to produce electricity; and
1776 (ii) has a production capacity of two megawatts or greater.
- 1777 (b) A facility is an alternative energy electricity production facility regardless of whether
1778 the facility is:
1779 (i) connected to an electric grid; or
1780 (ii) located on the premises of an electricity consumer.
- 1781 (13)(a) "Ancillary service" means a service associated with, or incidental to, the
1782 provision of telecommunications service.
- 1783 (b) "Ancillary service" includes:
1784 (i) a conference bridging service;
1785 (ii) a detailed communications billing service;
1786 (iii) directory assistance;
1787 (iv) a vertical service; or
1788 (v) a voice mail service.
- 1789 (14) "Area agency on aging" means the same as that term is defined in Section 26B-6-101.
- 1790 (15) "Assisted amusement device" means an amusement device, skill device, or ride device
1791 that is started and stopped by an individual:
1792 (a) who is not the purchaser or renter of the right to use or operate the amusement
1793 device, skill device, or ride device; and
1794 (b) at the direction of the seller of the right to use the amusement device, skill device, or
1795 ride device.
- 1796 (16) "Assisted cleaning or washing of tangible personal property" means cleaning or

- 1797 washing of tangible personal property if the cleaning or washing labor is primarily
1798 performed by an individual:
- 1799 (a) who is not the purchaser of the cleaning or washing of the tangible personal property;
1800 and
1801 (b) at the direction of the seller of the cleaning or washing of the tangible personal
1802 property.
- 1803 (17) "Authorized carrier" means:
- 1804 (a) in the case of vehicles operated over public highways, the holder of credentials
1805 indicating that the vehicle is or will be operated pursuant to both the International
1806 Registration Plan and the International Fuel Tax Agreement;
- 1807 (b) in the case of aircraft, the holder of a Federal Aviation Administration operating
1808 certificate or air carrier's operating certificate; or
- 1809 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling
1810 stock, a person who uses locomotives, freight cars, railroad work equipment, or other
1811 rolling stock in more than one state.
- 1812 (18)(a) "Biomass energy" means any of the following that is used as the primary source
1813 of energy to produce fuel or electricity:
- 1814 (i) material from a plant or tree; or
1815 (ii) other organic matter that is available on a renewable basis, including:
- 1816 (A) slash and brush from forests and woodlands;
1817 (B) animal waste;
1818 (C) waste vegetable oil;
1819 (D) methane or synthetic gas produced at a landfill, as a byproduct of the
1820 treatment of wastewater residuals, or through the conversion of a waste
1821 material through a nonincineration, thermal conversion process;
1822 (E) aquatic plants; and
1823 (F) agricultural products.
- 1824 (b) "Biomass energy" does not include:
- 1825 (i) black liquor; or
1826 (ii) treated woods.
- 1827 (19)(a) "Bundled transaction" means the sale of two or more items of tangible personal
1828 property, products, or services if the tangible personal property, products, or services
1829 are:
- 1830 (i) distinct and identifiable; and

- 1831 (ii) sold for one nonitemized price.
- 1832 (b) "Bundled transaction" does not include:
- 1833 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on
- 1834 the basis of the selection by the purchaser of the items of tangible personal
- 1835 property included in the transaction;
- 1836 (ii) the sale of real property;
- 1837 (iii) the sale of services to real property;
- 1838 (iv) the retail sale of tangible personal property and a service if:
- 1839 (A) the tangible personal property:
- 1840 (I) is essential to the use of the service; and
- 1841 (II) is provided exclusively in connection with the service; and
- 1842 (B) the service is the true object of the transaction;
- 1843 (v) the retail sale of two services if:
- 1844 (A) one service is provided that is essential to the use or receipt of a second
- 1845 service;
- 1846 (B) the first service is provided exclusively in connection with the second service;
- 1847 and
- 1848 (C) the second service is the true object of the transaction;
- 1849 (vi) a transaction that includes tangible personal property or a product subject to
- 1850 taxation under this chapter and tangible personal property or a product that is not
- 1851 subject to taxation under this chapter if the:
- 1852 (A) seller's purchase price of the tangible personal property or product subject to
- 1853 taxation under this chapter is de minimis; or
- 1854 (B) seller's sales price of the tangible personal property or product subject to
- 1855 taxation under this chapter is de minimis; and
- 1856 (vii) the retail sale of tangible personal property that is not subject to taxation under
- 1857 this chapter and tangible personal property that is subject to taxation under this
- 1858 chapter if:
- 1859 (A) that retail sale includes:
- 1860 (I) food and food ingredients;
- 1861 (II) a drug;
- 1862 (III) durable medical equipment;
- 1863 (IV) mobility enhancing equipment;
- 1864 (V) an over-the-counter drug;

1865 (VI) a prosthetic device; or

1866 (VII) a medical supply; and

1867 (B) subject to Subsection (19)(f):

1868 (I) the seller's purchase price of the tangible personal property subject to
1869 taxation under this chapter is 50% or less of the seller's total purchase price
1870 of that retail sale; or

1871 (II) the seller's sales price of the tangible personal property subject to taxation
1872 under this chapter is 50% or less of the seller's total sales price of that retail
1873 sale.

1874 (c)(i) For purposes of Subsection (19)(a)(i), tangible personal property, a product, or
1875 a service that is distinct and identifiable does not include:

1876 (A) packaging that:

1877 (I) accompanies the sale of the tangible personal property, product, or service;
1878 and

1879 (II) is incidental or immaterial to the sale of the tangible personal property,
1880 product, or service;

1881 (B) tangible personal property, a product, or a service provided free of charge with
1882 the purchase of another item of tangible personal property, a product, or a
1883 service; or

1884 (C) an item of tangible personal property, a product, or a service included in the
1885 definition of "purchase price."

1886 (ii) For purposes of Subsection (19)(c)(i)(B), an item of tangible personal property, a
1887 product, or a service is provided free of charge with the purchase of another item
1888 of tangible personal property, a product, or a service if the sales price of the
1889 purchased item of tangible personal property, product, or service does not vary
1890 depending on the inclusion of the tangible personal property, product, or service
1891 provided free of charge.

1892 (d)(i) For purposes of Subsection (19)(a)(ii), property sold for one nonitemized price
1893 does not include a price that is separately identified by tangible personal property,
1894 product, or service on the following, regardless of whether the following is in
1895 paper format or electronic format:

1896 (A) a binding sales document; or

1897 (B) another supporting sales-related document that is available to a purchaser.

1898 (ii) For purposes of Subsection (19)(d)(i), a binding sales document or another

supporting sales-related document that is available to a purchaser includes:

- (A) a bill of sale;
- (B) a contract;
- (C) an invoice;
- (D) a lease agreement;
- (E) a periodic notice of rates and services;
- (F) a price list;
- (G) a rate card;
- (H) a receipt; or
- (I) a service agreement.

(e)(i) For purposes of Subsection (19)(b)(vi), the sales price of tangible personal property or a product subject to taxation under this chapter is de minimis if:

- (A) the seller's purchase price of the tangible personal property or product is 10% or less of the seller's total purchase price of the bundled transaction; or
- (B) the seller's sales price of the tangible personal property or product is 10% or less of the seller's total sales price of the bundled transaction.

(ii) For purposes of Subsection (19)(b)(vi), a seller:

- (A) shall use the seller's purchase price or the seller's sales price to determine if the purchase price or sales price of the tangible personal property or product subject to taxation under this chapter is de minimis; and
- (B) may not use a combination of the seller's purchase price and the seller's sales price to determine if the purchase price or sales price of the tangible personal property or product subject to taxation under this chapter is de minimis.

(iii) For purposes of Subsection (19)(b)(vi), a seller shall use the full term of a service contract to determine if the sales price of tangible personal property or a product is de minimis.

(f) For purposes of Subsection (19)(b)(vii)(B), a seller may not use a combination of the seller's purchase price and the seller's sales price to determine if tangible personal property subject to taxation under this chapter is 50% or less of the seller's total purchase price or sales price of that retail sale.

(20) "Car sharing" means the same as that term is defined in Section 13-48a-101.

(21) "Car-sharing program" means the same as that term is defined in Section 13-48a-101.

(22) "Certified automated system" means software certified by the governing board of the agreement that:

- 1933 (a) calculates the agreement sales and use tax imposed within a local taxing jurisdiction:
1934 (i) on a transaction; and
1935 (ii) in the states that are members of the agreement;
- 1936 (b) determines the amount of agreement sales and use tax to remit to a state that is a
1937 member of the agreement; and
- 1938 (c) maintains a record of the transaction described in Subsection (22)(a)(i).
- 1939 (23) "Certified service provider" means an agent certified:
- 1940 (a) by the governing board of the agreement; and
- 1941 (b) to perform a seller's sales and use tax functions for an agreement sales and use tax, as
1942 outlined in the contract between the governing board of the agreement and the
1943 certified service provider, other than the seller's obligation under Section 59-12-124
1944 to remit a tax on the seller's own purchases.
- 1945 (24)(a) Subject to Subsection (24)(b), "clothing" means all human wearing apparel
1946 suitable for general use.
- 1947 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1948 commission shall make rules:
- 1949 (i) listing the items that constitute "clothing"; and
- 1950 (ii) that are consistent with the list of items that constitute "clothing" under the
1951 agreement.
- 1952 (25) "Coal-to-liquid" means the process of converting coal into a liquid synthetic fuel.
- 1953 (26) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other fuels
1954 that does not constitute industrial use under Subsection (60) or residential use under
1955 Subsection (115).
- 1956 (27)(a) "Common carrier" means a person engaged in or transacting the business of
1957 transporting passengers, freight, merchandise, or other property for hire within this
1958 state.
- 1959 (b)(i) "Common carrier" does not include a person that, at the time the person is
1960 traveling to or from that person's place of employment, transports a passenger to
1961 or from the passenger's place of employment.
- 1962 (ii) For purposes of Subsection (27)(b)(i), in accordance with Title 63G, Chapter 3,
1963 Utah Administrative Rulemaking Act, the commission may make rules defining
1964 what constitutes a person's place of employment.
- 1965 (c) "Common carrier" does not include a person that provides transportation network
1966 services, as defined in Section 13-51-102.

- 1967 (28) "Component part" includes:
- 1968 (a) poultry, dairy, and other livestock feed, and their components;
- 1969 (b) baling ties and twine used in the baling of hay and straw;
- 1970 (c) fuel used for providing temperature control of orchards and commercial greenhouses
- 1971 doing a majority of their business in wholesale sales, and for providing power for
- 1972 off-highway type farm machinery; and
- 1973 (d) feed, seeds, and seedlings.
- 1974 (29) "Computer" means an electronic device that accepts information:
- 1975 (a)(i) in digital form; or
- 1976 (ii) in a form similar to digital form; and
- 1977 (b) manipulates that information for a result based on a sequence of instructions.
- 1978 (30) "Computer software" means a set of coded instructions designed to cause:
- 1979 (a) a computer to perform a task; or
- 1980 (b) automatic data processing equipment to perform a task.
- 1981 (31) "Computer software maintenance contract" means a contract that obligates a seller of
- 1982 computer software to provide a customer with:
- 1983 (a) future updates or upgrades to computer software;
- 1984 (b) support services with respect to computer software; or
- 1985 (c) a combination of Subsections (31)(a) and (b).
- 1986 (32)(a) "Conference bridging service" means an ancillary service that links two or more
- 1987 participants of an audio conference call or video conference call.
- 1988 (b) "Conference bridging service" may include providing a telephone number as part of
- 1989 the ancillary service described in Subsection (32)(a).
- 1990 (c) "Conference bridging service" does not include a telecommunications service used to
- 1991 reach the ancillary service described in Subsection (32)(a).
- 1992 (33) "Construction materials" means any tangible personal property that will be converted
- 1993 into real property.
- 1994 (34) "Delivered electronically" means delivered to a purchaser by means other than tangible
- 1995 storage media.
- 1996 (35)(a) "Delivery charge" means a charge:
- 1997 (i) by a seller of:
- 1998 (A) tangible personal property;
- 1999 (B) a product transferred electronically; or
- 2000 (C) a service; and

- 2001 (ii) for preparation and delivery of the tangible personal property, product transferred
2002 electronically, or services described in Subsection (35)(a)(i) to a location
2003 designated by the purchaser.
- 2004 (b) "Delivery charge" includes a charge for the following:
- 2005 (i) transportation;
- 2006 (ii) shipping;
- 2007 (iii) postage;
- 2008 (iv) handling;
- 2009 (v) crating; or
- 2010 (vi) packing.
- 2011 (36) "Detailed telecommunications billing service" means an ancillary service of separately
2012 stating information pertaining to individual calls on a customer's billing statement.
- 2013 (37) "Dietary supplement" means a product, other than tobacco, that:
- 2014 (a) is intended to supplement the diet;
- 2015 (b) contains one or more of the following dietary ingredients:
- 2016 (i) a vitamin;
- 2017 (ii) a mineral;
- 2018 (iii) an herb or other botanical;
- 2019 (iv) an amino acid;
- 2020 (v) a dietary substance for use by humans to supplement the diet by increasing the
2021 total dietary intake; or
- 2022 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient
2023 described in Subsections (37)(b)(i) through (v);
- 2024 (c)(i) except as provided in Subsection (37)(c)(ii), is intended for ingestion in:
- 2025 (A) tablet form;
- 2026 (B) capsule form;
- 2027 (C) powder form;
- 2028 (D) softgel form;
- 2029 (E) gelcap form; or
- 2030 (F) liquid form; or
- 2031 (ii) if the product is not intended for ingestion in a form described in Subsections
2032 (37)(c)(i)(A) through (F), is not represented:
- 2033 (A) as conventional food; and
- 2034 (B) for use as a sole item of:

(I) a meal; or

(II) the diet; and

(d) is required to be labeled as a dietary supplement:

(i) identifiable by the "Supplemental Facts" box found on the label; and

(ii) as required by 21 C.F.R. Sec. 101.36.

(38)(a) "Digital audio work" means a work that results from the fixation of a series of musical, spoken, or other sounds.

(b) "Digital audio work" includes a ringtone.

(39) "Digital audio-visual work" means a series of related images which, when shown in succession, imparts an impression of motion, together with accompanying sounds, if any.

(40) "Digital book" means a work that is generally recognized in the ordinary and usual sense as a book.

(41)(a) "Direct mail" means printed material delivered or distributed by United States mail or other delivery service:

(i) to:

(A) a mass audience; or

(B) addressees on a mailing list provided:

(I) by a purchaser of the mailing list; or

(II) at the discretion of the purchaser of the mailing list; and

(ii) if the cost of the printed material is not billed directly to the recipients.

(b) "Direct mail" includes tangible personal property supplied directly or indirectly by a purchaser to a seller of direct mail for inclusion in a package containing the printed material.

(c) "Direct mail" does not include multiple items of printed material delivered to a single address.

(42) "Directory assistance" means an ancillary service of providing:

(a) address information; or

(b) telephone number information.

(43)(a) "Disposable home medical equipment or supplies" means medical equipment or supplies that:

(i) cannot withstand repeated use; and

(ii) are purchased by, for, or on behalf of a person other than:

(A) a health care facility as defined in Section 26B-2-201;

(B) a health care provider as defined in Section 78B-3-403;

(C) an office of a health care provider described in Subsection (43)(a)(ii)(B); or

(D) a person similar to a person described in Subsections (43)(a)(ii)(A) through

(C).

(b) "Disposable home medical equipment or supplies" does not include:

(i) a drug;

(ii) durable medical equipment;

(iii) a hearing aid;

(iv) a hearing aid accessory;

(v) mobility enhancing equipment; or

(vi) tangible personal property used to correct impaired vision, including:

(A) eyeglasses; or

(B) contact lenses.

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define what constitutes medical equipment or supplies.

(44) "Drilling equipment manufacturer" means a facility:

(a) located in the state;

(b) with respect to which 51% or more of the manufacturing activities of the facility consist of manufacturing component parts of drilling equipment;

(c) that uses pressure of 800,000 or more pounds per square inch as part of the manufacturing process; and

(d) that uses a temperature of 2,000 or more degrees Fahrenheit as part of the manufacturing process.

(45)(a) "Drug" means a compound, substance, or preparation, or a component of a compound, substance, or preparation that is:

(i) recognized in:

(A) the official United States Pharmacopoeia;

(B) the official Homeopathic Pharmacopoeia of the United States;

(C) the official National Formulary; or

(D) a supplement to a publication listed in Subsections (45)(a)(i)(A) through (C);

(ii) intended for use in the:

(A) diagnosis of disease;

(B) cure of disease;

(C) mitigation of disease;

(D) treatment of disease; or

- 2103 (E) prevention of disease; or
2104 (iii) intended to affect:
2105 (A) the structure of the body; or
2106 (B) any function of the body.
- 2107 (b) "Drug" does not include:
2108 (i) food and food ingredients;
2109 (ii) a dietary supplement;
2110 (iii) an alcoholic beverage; or
2111 (iv) a prosthetic device.
- 2112 (46)(a) "Durable medical equipment" means equipment that:
2113 (i) can withstand repeated use;
2114 (ii) is primarily and customarily used to serve a medical purpose;
2115 (iii) generally is not useful to a person in the absence of illness or injury; and
2116 (iv) is not worn in or on the body.
- 2117 (b) "Durable medical equipment" includes parts used in the repair or replacement of the
2118 equipment described in Subsection (46)(a).
- 2119 (c) "Durable medical equipment" does not include mobility enhancing equipment.
- 2120 (47) "Electronic" means:
2121 (a) relating to technology; and
2122 (b) having:
2123 (i) electrical capabilities;
2124 (ii) digital capabilities;
2125 (iii) magnetic capabilities;
2126 (iv) wireless capabilities;
2127 (v) optical capabilities;
2128 (vi) electromagnetic capabilities; or
2129 (vii) capabilities similar to Subsections (47)(b)(i) through (vi).
- 2130 (48) "Electronic financial payment service" means an establishment:
2131 (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and
2132 Clearinghouse Activities, of the 2012 North American Industry Classification System
2133 of the federal Executive Office of the President, Office of Management and Budget;
2134 and
2135 (b) that performs electronic financial payment services.
- 2136 (49) "Employee" means the same as that term is defined in Section 59-10-401.

- 2137 (50) "Fixed guideway" means a public transit facility that uses and occupies:
2138 (a) rail for the use of public transit; or
2139 (b) a separate right-of-way for the use of public transit.
- 2140 (51) "Fixed wing turbine powered aircraft" means an aircraft that:
2141 (a) is powered by turbine engines;
2142 (b) operates on jet fuel; and
2143 (c) has wings that are permanently attached to the fuselage of the aircraft.
- 2144 (52) "Fixed wireless service" means a telecommunications service that provides radio
2145 communication between fixed points.
- 2146 (53)(a) "Food and food ingredients" means substances:
2147 (i) regardless of whether the substances are in:
2148 (A) liquid form;
2149 (B) concentrated form;
2150 (C) solid form;
2151 (D) frozen form;
2152 (E) dried form; or
2153 (F) dehydrated form; and
2154 (ii) that are:
2155 (A) sold for:
2156 (I) ingestion by humans; or
2157 (II) chewing by humans; and
2158 (B) consumed for the substance's:
2159 (I) taste; or
2160 (II) nutritional value.
- 2161 (b) "Food and food ingredients" includes an item described in Subsection (99)(b)(iii).
2162 (c) "Food and food ingredients" does not include:
2163 (i) an alcoholic beverage;
2164 (ii) tobacco; or
2165 (iii) prepared food.
- 2166 (54)(a) "Fundraising sales" means sales:
2167 (i)(A) made by a school; or
2168 (B) made by a school student;
2169 (ii) that are for the purpose of raising funds for the school to purchase equipment,
2170 materials, or provide transportation; and

- 2171 (iii) that are part of an officially sanctioned school activity.
- 2172 (b) For purposes of Subsection (54)(a)(iii), "officially sanctioned school activity" means
- 2173 a school activity:
- 2174 (i) that is conducted in accordance with a formal policy adopted by the school or
- 2175 school district governing the authorization and supervision of fundraising
- 2176 activities;
- 2177 (ii) that does not directly or indirectly compensate an individual teacher or other
- 2178 educational personnel by direct payment, commissions, or payment in kind; and
- 2179 (iii) the net or gross revenue from which is deposited in a dedicated account
- 2180 controlled by the school or school district.
- 2181 (55) "Geothermal energy" means energy contained in heat that continuously flows outward
- 2182 from the earth that is used as the sole source of energy to produce electricity.
- 2183 (56) "Governing board of the agreement" means the governing board of the agreement that
- 2184 is:
- 2185 (a) authorized to administer the agreement; and
- 2186 (b) established in accordance with the agreement.
- 2187 (57)(a) For purposes of Subsection 59-12-104(41), "governmental entity" means:
- 2188 (i) the executive branch of the state, including all departments, institutions, boards,
- 2189 divisions, bureaus, offices, commissions, and committees;
- 2190 (ii) the judicial branch of the state, including the courts, the Judicial Council, the
- 2191 Administrative Office of the Courts, and similar administrative units in the
- 2192 judicial branch;
- 2193 (iii) the legislative branch of the state, including the House of Representatives, the
- 2194 Senate, the Legislative Printing Office, the Office of Legislative Research and
- 2195 General Counsel, the Office of the Legislative Auditor General, and the Office of
- 2196 the Legislative Fiscal Analyst;
- 2197 (iv) the National Guard;
- 2198 (v) an independent entity as defined in Section 63E-1-102; or
- 2199 (vi) a political subdivision as defined in Section 17B-1-102.
- 2200 (b) "Governmental entity" does not include the state systems of public and higher
- 2201 education, including:
- 2202 (i) a school;
- 2203 (ii) the State Board of Education;
- 2204 (iii) the Utah Board of Higher Education; or

- 2205 (iv) an institution of higher education described in Section 53B-1-102.
- 2206 (58) "Hydroelectric energy" means water used as the sole source of energy to produce
2207 electricity.
- 2208 (59) "Individual-owned shared vehicle" means the same as that term is defined in Section
2209 13-48a-101.
- 2210 (60) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil, or other
2211 fuels:
- 2212 (a) in mining or extraction of minerals;
- 2213 (b) in agricultural operations to produce an agricultural product up to the time of harvest
2214 or placing the agricultural product into a storage facility, including:
- 2215 (i) commercial greenhouses;
- 2216 (ii) irrigation pumps;
- 2217 (iii) farm machinery;
- 2218 (iv) implements of husbandry as defined in Section 41-1a-102 that are not registered
2219 under Title 41, Chapter 1a, Part 2, Registration; and
- 2220 (v) other farming activities;
- 2221 (c) in manufacturing tangible personal property at an establishment described in:
- 2222 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
2223 the federal Executive Office of the President, Office of Management and Budget;
2224 or
- 2225 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
2226 American Industry Classification System of the federal Executive Office of the
2227 President, Office of Management and Budget;
- 2228 (d) by a scrap recycler if:
- 2229 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to
2230 process one or more of the following items into prepared grades of processed
2231 materials for use in new products:
- 2232 (A) iron;
- 2233 (B) steel;
- 2234 (C) nonferrous metal;
- 2235 (D) paper;
- 2236 (E) glass;
- 2237 (F) plastic;
- 2238 (G) textile; or

- 2239 (H) rubber; and
- 2240 (ii) the new products under Subsection (60)(d)(i) would otherwise be made with
- 2241 nonrecycled materials; or
- 2242 (e) in producing a form of energy or steam described in Subsection 54-2-1(3)(a) by a
- 2243 cogeneration facility as defined in Section 54-2-1.
- 2244 (61)(a) "Installation charge" means a charge for installing:
- 2245 (i) tangible personal property; or
- 2246 (ii) a product transferred electronically.
- 2247 (b) "Installation charge" does not include a charge for:
- 2248 (i) repairs or renovations of:
- 2249 (A) tangible personal property; or
- 2250 (B) a product transferred electronically; or
- 2251 (ii) attaching tangible personal property or a product transferred electronically:
- 2252 (A) to other tangible personal property; and
- 2253 (B) as part of a manufacturing or fabrication process.
- 2254 (62) "Institution of higher education" means an institution of higher education listed in
- 2255 Section 53B-2-101.
- 2256 (63)(a) "Lease" or "rental" means a transfer of possession or control of tangible personal
- 2257 property or a product transferred electronically for:
- 2258 (i)(A) a fixed term; or
- 2259 (B) an indeterminate term; and
- 2260 (ii) consideration.
- 2261 (b) "Lease" or "rental" includes:
- 2262 (i) an agreement covering a motor vehicle and trailer if the amount of consideration
- 2263 may be increased or decreased by reference to the amount realized upon sale or
- 2264 disposition of the property as defined in Section 7701(h)(1), Internal Revenue
- 2265 Code; and
- 2266 (ii) car sharing.
- 2267 (c) "Lease" or "rental" does not include:
- 2268 (i) a transfer of possession or control of property under a security agreement or
- 2269 deferred payment plan that requires the transfer of title upon completion of the
- 2270 required payments;
- 2271 (ii) a transfer of possession or control of property under an agreement that requires
- 2272 the transfer of title:

- 2273 (A) upon completion of required payments; and
2274 (B) if the payment of an option price does not exceed the greater of:
2275 (I) \$100; or
2276 (II) 1% of the total required payments; or
2277 (iii) providing tangible personal property along with an operator for a fixed period of
2278 time or an indeterminate period of time if the operator is necessary for equipment
2279 to perform as designed.
- 2280 (d) For purposes of Subsection (63)(c)(iii), an operator is necessary for equipment to
2281 perform as designed if the operator's duties exceed the:
2282 (i) set-up of tangible personal property;
2283 (ii) maintenance of tangible personal property; or
2284 (iii) inspection of tangible personal property.
- 2285 (64) "Lesson" means a fixed period of time for the duration of which a trained instructor:
2286 (a) is present with a student in person or by video; and
2287 (b) actively instructs the student, including by providing observation or feedback.
- 2288 (65) "Life science establishment" means an establishment in this state that is classified
2289 under the following NAICS codes of the 2007 North American Industry Classification
2290 System of the federal Executive Office of the President, Office of Management and
2291 Budget:
2292 (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;
2293 (b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus
2294 Manufacturing; or
2295 (c) NAICS Code 334517, Irradiation Apparatus Manufacturing.
- 2296 (66) "Life science research and development facility" means a facility owned, leased, or
2297 rented by a life science establishment if research and development is performed in 51%
2298 or more of the total area of the facility.
- 2299 (67) "Load and leave" means delivery to a purchaser by use of a tangible storage media if
2300 the tangible storage media is not physically transferred to the purchaser.
- 2301 (68) "Local taxing jurisdiction" means a:
2302 (a) county that is authorized to impose an agreement sales and use tax;
2303 (b) city that is authorized to impose an agreement sales and use tax; or
2304 (c) town that is authorized to impose an agreement sales and use tax.
- 2305 (69) "Manufactured home" means the same as that term is defined in Section 15A-1-302.
- 2306 (70) "Manufacturing facility" means:

- 2307 (a) an establishment described in:
- 2308 (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of
- 2309 the federal Executive Office of the President, Office of Management and Budget;
- 2310 or
- 2311 (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North
- 2312 American Industry Classification System of the federal Executive Office of the
- 2313 President, Office of Management and Budget;
- 2314 (b) a scrap recycler if:
- 2315 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to
- 2316 process one or more of the following items into prepared grades of processed
- 2317 materials for use in new products:
- 2318 (A) iron;
- 2319 (B) steel;
- 2320 (C) nonferrous metal;
- 2321 (D) paper;
- 2322 (E) glass;
- 2323 (F) plastic;
- 2324 (G) textile; or
- 2325 (H) rubber; and
- 2326 (ii) the new products under Subsection (70)(b)(i) would otherwise be made with
- 2327 nonrecycled materials; or
- 2328 (c) a cogeneration facility as defined in Section 54-2-1 if the cogeneration facility is
- 2329 placed in service on or after May 1, 2006.

2330 (71)(a) "Marketplace" means a physical or electronic place, platform, or forum where

2331 tangible personal property, a product transferred electronically, or a service is offered

2332 for sale.

2333 (b) "Marketplace" includes a store, a booth, an Internet website, a catalog, or a dedicated

2334 sales software application.

2335 (72)(a) "Marketplace facilitator" means a person, including an affiliate of the person,

2336 that enters into a contract, an agreement, or otherwise with sellers, for consideration,

2337 to facilitate the sale of a seller's product through a marketplace that the person owns,

2338 operates, or controls and that directly or indirectly:

2339 (i) does any of the following:

2340 (A) lists, makes available, or advertises tangible personal property, a product

2341 transferred electronically, or a service for sale by a marketplace seller on a
2342 marketplace that the person owns, operates, or controls;

2343 (B) facilitates the sale of a marketplace seller's tangible personal property, product
2344 transferred electronically, or service by transmitting or otherwise
2345 communicating an offer or acceptance of a retail sale between the marketplace
2346 seller and a purchaser using the marketplace;

2347 (C) owns, rents, licenses, makes available, or operates any electronic or physical
2348 infrastructure or any property, process, method, copyright, trademark, or patent
2349 that connects a marketplace seller to a purchaser for the purpose of making a
2350 retail sale of tangible personal property, a product transferred electronically, or
2351 a service;

2352 (D) provides a marketplace for making, or otherwise facilitates, a retail sale of
2353 tangible personal property, a product transferred electronically, or a service,
2354 regardless of ownership or control of the tangible personal property, the
2355 product transferred electronically, or the service that is the subject of the retail
2356 sale;

2357 (E) provides software development or research and development activities related
2358 to any activity described in this Subsection (72)(a)(i), if the software
2359 development or research and development activity is directly related to the
2360 person's marketplace;

2361 (F) provides or offers fulfillment or storage services for a marketplace seller;

2362 (G) sets prices for the sale of tangible personal property, a product transferred
2363 electronically, or a service by a marketplace seller;

2364 (H) provides or offers customer service to a marketplace seller or a marketplace
2365 seller's purchaser or accepts or assists with taking orders, returns, or exchanges
2366 of tangible personal property, a product transferred electronically, or a service
2367 sold by a marketplace seller on the person's marketplace; or

2368 (I) brands or otherwise identifies sales as those of the person; and

2369 (ii) does any of the following:

2370 (A) collects the sales price or purchase price of a retail sale of tangible personal
2371 property, a product transferred electronically, or a service;

2372 (B) provides payment processing services for a retail sale of tangible personal
2373 property, a product transferred electronically, or a service;

2374 (C) charges, collects, or otherwise receives a selling fee, listing fee, referral fee,

2375 closing fee, a fee for inserting or making available tangible personal property, a
2376 product transferred electronically, or a service on the person's marketplace, or
2377 other consideration for the facilitation of a retail sale of tangible personal
2378 property, a product transferred electronically, or a service, regardless of
2379 ownership or control of the tangible personal property, the product transferred
2380 electronically, or the service that is the subject of the retail sale;

2381 (D) through terms and conditions, an agreement, or another arrangement with a
2382 third person, collects payment from a purchase for a retail sale of tangible
2383 personal property, a product transferred electronically, or a service and
2384 transmits that payment to the marketplace seller, regardless of whether the
2385 third person receives compensation or other consideration in exchange for the
2386 service; or

2387 (E) provides a virtual currency for a purchaser to use to purchase tangible personal
2388 property, a product transferred electronically, or service offered for sale.

2389 (b) "Marketplace facilitator" does not include:

2390 (i) a person that only provides payment processing services; or

2391 (ii) a person described in Subsection (72)(a) to the extent the person is facilitating a
2392 sale for a seller that is a restaurant as defined in Section 59-12-602.

2393 (73) "Marketplace seller" means a seller that makes one or more retail sales through a
2394 marketplace that a marketplace facilitator owns, operates, or controls, regardless of
2395 whether the seller is required to be registered to collect and remit the tax under this part.

2396 (74) "Member of the immediate family of the producer" means a person who is related to a
2397 producer described in Subsection 59-12-104(20)(a) as a:

2398 (a) child or stepchild, regardless of whether the child or stepchild is:

2399 (i) an adopted child or adopted stepchild; or

2400 (ii) a foster child or foster stepchild;

2401 (b) grandchild or stepgrandchild;

2402 (c) grandparent or stepgrandparent;

2403 (d) nephew or stepnephew;

2404 (e) niece or stepniece;

2405 (f) parent or stepparent;

2406 (g) sibling or stepsibling;

2407 (h) spouse;

2408 (i) person who is the spouse of a person described in Subsections (74)(a) through (g); or

(j) person similar to a person described in Subsections (74)(a) through (i) as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(75) "Mobile home" means the same as that term is defined in Section 15A-1-302.

(76) "Mobile telecommunications service" means the same as that term is defined in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

(77)(a) "Mobile wireless service" means a telecommunications service, regardless of the technology used, if:

(i) the origination point of the conveyance, routing, or transmission is not fixed;

(ii) the termination point of the conveyance, routing, or transmission is not fixed; or

(iii) the origination point described in Subsection (77)(a)(i) and the termination point described in Subsection (77)(a)(ii) are not fixed.

(b) "Mobile wireless service" includes a telecommunications service that is provided by a commercial mobile radio service provider.

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define "commercial mobile radio service provider."

(78)(a) "Mobility enhancing equipment" means equipment that is:

(i) primarily and customarily used to provide or increase the ability to move from one place to another;

(ii) appropriate for use in a:

(A) home; or

(B) motor vehicle; and

(iii) not generally used by persons with normal mobility.

(b) "Mobility enhancing equipment" includes parts used in the repair or replacement of the equipment described in Subsection (78)(a).

(c) "Mobility enhancing equipment" does not include:

(i) a motor vehicle;

(ii) equipment on a motor vehicle if that equipment is normally provided by the motor vehicle manufacturer;

(iii) durable medical equipment; or

(iv) a prosthetic device.

(79) "Model 1 seller" means a seller registered under the agreement that has selected a certified service provider as the seller's agent to perform the seller's sales and use tax functions for agreement sales and use taxes, as outlined in the contract between the

governing board of the agreement and the certified service provider, other than the seller's obligation under Section 59-12-124 to remit a tax on the seller's own purchases.

(80) "Model 2 seller" means a seller registered under the agreement that:

- (a) except as provided in Subsection (80)(b), has selected a certified automated system to perform the seller's sales tax functions for agreement sales and use taxes; and
- (b) retains responsibility for remitting all of the sales tax:
 - (i) collected by the seller; and
 - (ii) to the appropriate local taxing jurisdiction.

(81)(a) Subject to Subsection (81)(b), "model 3 seller" means a seller registered under the agreement that has:

- (i) sales in at least five states that are members of the agreement;
 - (ii) total annual sales revenue of at least \$500,000,000;
 - (iii) a proprietary system that calculates the amount of tax:
 - (A) for an agreement sales and use tax; and
 - (B) due to each local taxing jurisdiction; and
 - (iv) entered into a performance agreement with the governing board of the agreement.
- (b) For purposes of Subsection (81)(a), "model 3 seller" includes an affiliated group of sellers using the same proprietary system.

(82) "Model 4 seller" means a seller that is registered under the agreement and is not a model 1 seller, model 2 seller, or model 3 seller.

(83) "Modular home" means a modular unit as defined in Section 15A-1-302.

(84) "Motor vehicle" means the same as that term is defined in Section 41-1a-102.

(85) "Oil sands" means impregnated bituminous sands that:

- (a) contain a heavy, thick form of petroleum that is released when heated, mixed with other hydrocarbons, or otherwise treated;
- (b) yield mixtures of liquid hydrocarbon; and
- (c) require further processing other than mechanical blending before becoming finished petroleum products.

(86) "Oil shale" means a group of fine black to dark brown shales containing kerogen material that yields petroleum upon heating and distillation.

(87) "Optional computer software maintenance contract" means a computer software maintenance contract that a customer is not obligated to purchase as a condition to the retail sale of computer software.

(88)(a) "Other fuels" means products that burn independently to produce heat or energy.

(b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible personal property.

(89)(a) "Paging service" means a telecommunications service that provides transmission of a coded radio signal for the purpose of activating a specific pager.

(b) For purposes of Subsection (89)(a), the transmission of a coded radio signal includes a transmission by message or sound.

(90) "Pawn transaction" means the same as that term is defined in Section 13-32a-102.

(91) "Pawnbroker" means the same as that term is defined in Section 13-32a-102.

(92)(a) "Permanently attached to real property" means that for tangible personal property attached to real property:

(i) the attachment of the tangible personal property to the real property:

(A) is essential to the use of the tangible personal property; and

(B) suggests that the tangible personal property will remain attached to the real property in the same place over the useful life of the tangible personal property; or

(ii) if the tangible personal property is detached from the real property, the detachment would:

(A) cause substantial damage to the tangible personal property; or

(B) require substantial alteration or repair of the real property to which the tangible personal property is attached.

(b) "Permanently attached to real property" includes:

(i) the attachment of an accessory to the tangible personal property if the accessory is:

(A) essential to the operation of the tangible personal property; and

(B) attached only to facilitate the operation of the tangible personal property;

(ii) a temporary detachment of tangible personal property from real property for a repair or renovation if the repair or renovation is performed where the tangible personal property and real property are located; or

(iii) property attached to oil, gas, or water pipelines, except for the property listed in Subsection (92)(c)(iii) or (iv).

(c) "Permanently attached to real property" does not include:

(i) the attachment of portable or movable tangible personal property to real property if that portable or movable tangible personal property is attached to real property only for:

(A) convenience;

2511 (B) stability; or

2512 (C) for an obvious temporary purpose;

2513 (ii) the detachment of tangible personal property from real property except for the
2514 detachment described in Subsection (92)(b)(ii);

2515 (iii) an attachment of the following tangible personal property to real property if the
2516 attachment to real property is only through a line that supplies water, electricity,
2517 gas, telecommunications, cable, or supplies a similar item as determined by the
2518 commission by rule made in accordance with Title 63G, Chapter 3, Utah
2519 Administrative Rulemaking Act:

2520 (A) a computer;

2521 (B) a telephone;

2522 (C) a television; or

2523 (D) tangible personal property similar to Subsections (92)(c)(iii)(A) through (C)
2524 as determined by the commission by rule made in accordance with Title 63G,
2525 Chapter 3, Utah Administrative Rulemaking Act; or

2526 (iv) an item listed in Subsection (137)(c).

2527 (93) "Person" includes any individual, firm, partnership, joint venture, association,
2528 corporation, estate, trust, business trust, receiver, syndicate, this state, any county, city,
2529 municipality, district, or other local governmental entity of the state, or any group or
2530 combination acting as a unit.

2531 (94) "Place of primary use":

2532 (a) for telecommunications service other than mobile telecommunications service,
2533 means the street address representative of where the customer's use of the
2534 telecommunications service primarily occurs, which shall be:

2535 (i) the residential street address of the customer; or

2536 (ii) the primary business street address of the customer; or

2537 (b) for mobile telecommunications service, means the same as that term is defined in the
2538 Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

2539 (95)(a) "Postpaid calling service" means a telecommunications service a person obtains
2540 by making a payment on a call-by-call basis:

2541 (i) through the use of a:

2542 (A) bank card;

2543 (B) credit card;

2544 (C) debit card; or

- 2545 (D) travel card; or
- 2546 (ii) by a charge made to a telephone number that is not associated with the origination
- 2547 or termination of the telecommunications service.
- 2548 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling
- 2549 service, that would be a prepaid wireless calling service if the service were
- 2550 exclusively a telecommunications service.
- 2551 (96) "Postproduction" means an activity related to the finishing or duplication of a medium
- 2552 described in Subsection 59-12-104(54)(a).
- 2553 (97) "Prepaid calling service" means a telecommunications service:
- 2554 (a) that allows a purchaser access to telecommunications service that is exclusively
- 2555 telecommunications service;
- 2556 (b) that:
- 2557 (i) is paid for in advance; and
- 2558 (ii) enables the origination of a call using an:
- 2559 (A) access number; or
- 2560 (B) authorization code;
- 2561 (c) that is dialed:
- 2562 (i) manually; or
- 2563 (ii) electronically; and
- 2564 (d) sold in predetermined units or dollars that decline:
- 2565 (i) by a known amount; and
- 2566 (ii) with use.
- 2567 (98) "Prepaid wireless calling service" means a telecommunications service:
- 2568 (a) that provides the right to utilize:
- 2569 (i) mobile wireless service; and
- 2570 (ii) other service that is not a telecommunications service, including:
- 2571 (A) the download of a product transferred electronically;
- 2572 (B) a content service; or
- 2573 (C) an ancillary service;
- 2574 (b) that:
- 2575 (i) is paid for in advance; and
- 2576 (ii) enables the origination of a call using an:
- 2577 (A) access number; or
- 2578 (B) authorization code;

- 2579 (c) that is dialed:
2580 (i) manually; or
2581 (ii) electronically; and
2582 (d) sold in predetermined units or dollars that decline:
2583 (i) by a known amount; and
2584 (ii) with use.
- 2585 (99)(a) "Prepared food" means:
2586 (i) food:
2587 (A) sold in a heated state; or
2588 (B) heated by a seller;
2589 (ii) two or more food ingredients mixed or combined by the seller for sale as a single
2590 item; or
2591 (iii) except as provided in Subsection (99)(c), food sold with an eating utensil
2592 provided by the seller, including a:
2593 (A) plate;
2594 (B) knife;
2595 (C) fork;
2596 (D) spoon;
2597 (E) glass;
2598 (F) cup;
2599 (G) napkin; or
2600 (H) straw.
- 2601 (b) "Prepared food" does not include:
2602 (i) food that a seller only:
2603 (A) cuts;
2604 (B) repackages; or
2605 (C) pasteurizes;
2606 (ii)(A) the following:
2607 (I) raw egg;
2608 (II) raw fish;
2609 (III) raw meat;
2610 (IV) raw poultry; or
2611 (V) a food containing an item described in Subsections (99)(b)(ii)(A)(I)
2612 through (IV); and

- 2613 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of
2614 the Food and Drug Administration's Food Code that a consumer cook the items
2615 described in Subsection (99)(b)(ii)(A) to prevent food borne illness; or
2616 (iii) the following if sold without eating utensils provided by the seller:
2617 (A) food and food ingredients sold by a seller if the seller's proper primary
2618 classification under the 2002 North American Industry Classification System
2619 of the federal Executive Office of the President, Office of Management and
2620 Budget, is manufacturing in Sector 311, Food Manufacturing, except for
2621 Subsector 3118, Bakeries and Tortilla Manufacturing;
2622 (B) food and food ingredients sold in an unheated state:
2623 (I) by weight or volume; and
2624 (II) as a single item; or
2625 (C) a bakery item, including:
2626 (I) a bagel;
2627 (II) a bar;
2628 (III) a biscuit;
2629 (IV) bread;
2630 (V) a bun;
2631 (VI) a cake;
2632 (VII) a cookie;
2633 (VIII) a croissant;
2634 (IX) a danish;
2635 (X) a donut;
2636 (XI) a muffin;
2637 (XII) a pastry;
2638 (XIII) a pie;
2639 (XIV) a roll;
2640 (XV) a tart;
2641 (XVI) a torte; or
2642 (XVII) a tortilla.
2643 (c) An eating utensil provided by the seller does not include the following used to
2644 transport the food:
2645 (i) a container; or
2646 (ii) packaging.

(100) "Prescription" means an order, formula, or recipe that is issued:

(a)(i) orally;

(ii) in writing;

(iii) electronically; or

(iv) by any other manner of transmission; and

(b) by a licensed practitioner authorized by the laws of a state.

(101)(a) "Prewritten computer software" means computer software that is not designed and developed:

(i) by the author or other creator of the computer software; and

(ii) to the specifications of a specific purchaser.

(b) "Prewritten computer software" includes:

(i) a prewritten upgrade to computer software if the prewritten upgrade to the computer software is not designed and developed:

(A) by the author or other creator of the computer software; and

(B) to the specifications of a specific purchaser;

(ii) computer software designed and developed by the author or other creator of the computer software to the specifications of a specific purchaser if the computer software is sold to a person other than the purchaser; or

(iii) except as provided in Subsection (101)(c), prewritten computer software or a prewritten portion of prewritten computer software:

(A) that is modified or enhanced to any degree; and

(B) if the modification or enhancement described in Subsection (101)(b)(iii)(A) is designed and developed to the specifications of a specific purchaser.

(c) "Prewritten computer software" does not include a modification or enhancement described in Subsection (101)(b)(iii) if the charges for the modification or enhancement are:

(i) reasonable; and

(ii) subject to Subsections 59-12-103(2)(f)(ii) and (2)(g)(i), separately stated on the invoice or other statement of price provided to the purchaser at the time of sale or later, as demonstrated by:

(A) the books and records the seller keeps at the time of the transaction in the regular course of business, including books and records the seller keeps at the time of the transaction in the regular course of business for nontax purposes;

(B) a preponderance of the facts and circumstances at the time of the transaction;

2681 and

2682 (C) the understanding of all of the parties to the transaction.

2683 (102)(a) "Private communications service" means a telecommunications service:

2684 (i) that entitles a customer to exclusive or priority use of one or more

2685 communications channels between or among termination points; and

2686 (ii) regardless of the manner in which the one or more communications channels are
2687 connected.

2688 (b) "Private communications service" includes the following provided in connection
2689 with the use of one or more communications channels:

2690 (i) an extension line;

2691 (ii) a station;

2692 (iii) switching capacity; or

2693 (iv) another associated service that is provided in connection with the use of one or
2694 more communications channels as defined in Section 59-12-215.

2695 (103)(a) "Product transferred electronically" means a product transferred electronically
2696 that would be subject to a tax under this chapter if that product was transferred in a
2697 manner other than electronically.

2698 (b) "Product transferred electronically" does not include:

2699 (i) an ancillary service;

2700 (ii) computer software; or

2701 (iii) a telecommunications service.

2702 (104)(a) "Prosthetic device" means a device that is worn on or in the body to:

2703 (i) artificially replace a missing portion of the body;

2704 (ii) prevent or correct a physical deformity or physical malfunction; or

2705 (iii) support a weak or deformed portion of the body.

2706 (b) "Prosthetic device" includes:

2707 (i) parts used in the repairs or renovation of a prosthetic device;

2708 (ii) replacement parts for a prosthetic device;

2709 (iii) a dental prosthesis; or

2710 (iv) a hearing aid.

2711 (c) "Prosthetic device" does not include:

2712 (i) corrective eyeglasses; or

2713 (ii) contact lenses.

2714 (105)(a) "Protective equipment" means an item:

- 2715 (i) for human wear; and
2716 (ii) that is:
2717 (A) designed as protection:
2718 (I) to the wearer against injury or disease; or
2719 (II) against damage or injury of other persons or property; and
2720 (B) not suitable for general use.
- 2721 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2722 commission shall make rules:
2723 (i) listing the items that constitute "protective equipment"; and
2724 (ii) that are consistent with the list of items that constitute "protective equipment"
2725 under the agreement.
- 2726 (106)(a) For purposes of Subsection 59-12-104(41), "publication" means any written or
2727 printed matter, other than a photocopy:
2728 (i) regardless of:
2729 (A) characteristics;
2730 (B) copyright;
2731 (C) form;
2732 (D) format;
2733 (E) method of reproduction; or
2734 (F) source; and
2735 (ii) made available in printed or electronic format.
- 2736 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2737 commission may by rule define the term "photocopy."
- 2738 (107)(a) "Purchase price" and "sales price" mean the total amount of consideration:
2739 (i) valued in money; and
2740 (ii) for which tangible personal property, a product transferred electronically, or
2741 services are:
2742 (A) sold;
2743 (B) leased; or
2744 (C) rented.
- 2745 (b) "Purchase price" and "sales price" include:
2746 (i) the seller's cost of the tangible personal property, a product transferred
2747 electronically, or services sold;
2748 (ii) expenses of the seller, including:

- 2749 (A) the cost of materials used;
2750 (B) a labor cost;
2751 (C) a service cost;
2752 (D) interest;
2753 (E) a loss;
2754 (F) the cost of transportation to the seller; or
2755 (G) a tax imposed on the seller;
- 2756 (iii) a charge by the seller for any service necessary to complete the sale; or
2757 (iv) consideration a seller receives from a person other than the purchaser if:
- 2758 (A)(I) the seller actually receives consideration from a person other than the
2759 purchaser; and
2760 (II) the consideration described in Subsection (107)(b)(iv)(A)(I) is directly
2761 related to a price reduction or discount on the sale;
- 2762 (B) the seller has an obligation to pass the price reduction or discount through to
2763 the purchaser;
- 2764 (C) the amount of the consideration attributable to the sale is fixed and
2765 determinable by the seller at the time of the sale to the purchaser; and
2766 (D)(I)(Aa) the purchaser presents a certificate, coupon, or other
2767 documentation to the seller to claim a price reduction or discount; and
2768 (Bb) a person other than the seller authorizes, distributes, or grants the
2769 certificate, coupon, or other documentation with the understanding that
2770 the person other than the seller will reimburse any seller to whom the
2771 certificate, coupon, or other documentation is presented;
- 2772 (II) the purchaser identifies that purchaser to the seller as a member of a group
2773 or organization allowed a price reduction or discount, except that a
2774 preferred customer card that is available to any patron of a seller does not
2775 constitute membership in a group or organization allowed a price reduction
2776 or discount; or
2777 (III) the price reduction or discount is identified as a third party price reduction
2778 or discount on the:
2779 (Aa) invoice the purchaser receives; or
2780 (Bb) certificate, coupon, or other documentation the purchaser presents.
- 2781 (c) "Purchase price" and "sales price" do not include:
2782 (i) a discount:

- 2783 (A) in a form including:
2784 (I) cash;
2785 (II) term; or
2786 (III) coupon;
2787 (B) that is allowed by a seller;
2788 (C) taken by a purchaser on a sale; and
2789 (D) that is not reimbursed by a third party; or
2790 (ii) subject to Subsections 59-12-103(2)(f)(ii) and (2)(g)(i), the following if
2791 separately stated on an invoice, bill of sale, or similar document provided to the
2792 purchaser at the time of sale or later, as demonstrated by the books and records the
2793 seller keeps at the time of the transaction in the regular course of business,
2794 including books and records the seller keeps at the time of the transaction in the
2795 regular course of business for nontax purposes, by a preponderance of the facts
2796 and circumstances at the time of the transaction, and by the understanding of all of
2797 the parties to the transaction:
2798 (A) the following from credit extended on the sale of tangible personal property or
2799 services:
2800 (I) a carrying charge;
2801 (II) a financing charge; or
2802 (III) an interest charge;
2803 (B) a delivery charge;
2804 (C) an installation charge;
2805 (D) a manufacturer rebate on a motor vehicle; or
2806 (E) a tax or fee legally imposed directly on the consumer.
2807 (108) "Purchaser" means a person to whom:
2808 (a) a sale of tangible personal property is made;
2809 (b) a product is transferred electronically; or
2810 (c) a service is furnished.
2811 (109) "Qualifying data center" means a data center facility that:
2812 (a) houses a group of networked server computers in one physical location in order to
2813 disseminate, manage, and store data and information;
2814 (b) is located in the state;
2815 (c) is a new operation constructed on or after July 1, 2016;
2816 (d) consists of one or more buildings that total 150,000 or more square feet;

(e) is owned or leased by:

(i) the operator of the data center facility; or

(ii) a person under common ownership, as defined in Section 59-7-101, of the operator of the data center facility; and

(f) is located on one or more parcels of land that are owned or leased by:

(i) the operator of the data center facility; or

(ii) a person under common ownership, as defined in Section 59-7-101, of the operator of the data center facility.

(110) "Regularly rented" means:

(a) rented to a guest for value three or more times during a calendar year; or

(b) advertised or held out to the public as a place that is regularly rented to guests for value.

(111) "Rental" means the same as that term is defined in Subsection (63).

(112)(a) "Repairs or renovations of tangible personal property" means:

(i) a repair or renovation of tangible personal property that is not permanently attached to real property; or

(ii) attaching tangible personal property or a product transferred electronically to other tangible personal property or detaching tangible personal property or a product transferred electronically from other tangible personal property if:

(A) the other tangible personal property to which the tangible personal property or product transferred electronically is attached or from which the tangible personal property or product transferred electronically is detached is not permanently attached to real property; and

(B) the attachment of tangible personal property or a product transferred electronically to other tangible personal property or detachment of tangible personal property or a product transferred electronically from other tangible personal property is made in conjunction with a repair or replacement of tangible personal property or a product transferred electronically.

(b) "Repairs or renovations of tangible personal property" does not include:

(i) attaching prewritten computer software to other tangible personal property if the other tangible personal property to which the prewritten computer software is attached is not permanently attached to real property; or

(ii) detaching prewritten computer software from other tangible personal property if the other tangible personal property from which the prewritten computer software

- 2851 is detached is not permanently attached to real property.
- 2852 (113) "Research and development" means the process of inquiry or experimentation aimed
2853 at the discovery of facts, devices, technologies, or applications and the process of
2854 preparing those devices, technologies, or applications for marketing.
- 2855 (114)(a) "Residential telecommunications services" means a telecommunications service
2856 or an ancillary service that is provided to an individual for personal use:
- 2857 (i) at a residential address; or
2858 (ii) at an institution, including a nursing home or a school, if the telecommunications
2859 service or ancillary service is provided to and paid for by the individual residing at
2860 the institution rather than the institution.
- 2861 (b) For purposes of Subsection (114)(a)(i), a residential address includes an:
- 2862 (i) apartment; or
2863 (ii) other individual dwelling unit.
- 2864 (115) "Residential use" means the use in or around a home, apartment building, sleeping
2865 quarters, and similar facilities or accommodations.
- 2866 (116) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose other than:
- 2867 (a) resale;
2868 (b) sublease; or
2869 (c) subrent.
- 2870 (117)(a) "Retailer" means any person, unless prohibited by the Constitution of the
2871 United States or federal law, that is engaged in a regularly organized business in
2872 tangible personal property or any other taxable transaction under Subsection
2873 59-12-103(1), and who is selling to the user or consumer and not for resale.
- 2874 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly
2875 engaged in the business of selling to users or consumers within the state.
- 2876 (118)(a) "Sale" means any transfer of title, exchange, or barter, conditional or otherwise,
2877 in any manner, of tangible personal property or any other taxable transaction under
2878 Subsection 59-12-103(1), for consideration.
- 2879 (b) "Sale" includes:
- 2880 (i) installment and credit sales;
2881 (ii) any closed transaction constituting a sale;
2882 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this
2883 chapter;
2884 (iv) any transaction if the possession of property is transferred but the seller retains

the title as security for the payment of the price; and

- (v) any transaction under which right to possession, operation, or use of any article of tangible personal property is granted under a lease or contract and the transfer of possession would be taxable if an outright sale were made.

(119) "Sale at retail" means the same as that term is defined in Subsection (116).

(120) "Sale-leaseback transaction" means a transaction by which title to tangible personal property or a product transferred electronically that is subject to a tax under this chapter is transferred:

- (a) by a purchaser-lessee;
- (b) to a lessor;
- (c) for consideration; and
- (d) if:

(i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase of the tangible personal property or product transferred electronically;

(ii) the sale of the tangible personal property or product transferred electronically to the lessor is intended as a form of financing:

- (A) for the tangible personal property or product transferred electronically; and
- (B) to the purchaser-lessee; and

(iii) in accordance with generally accepted accounting principles, the purchaser-lessee is required to:

- (A) capitalize the tangible personal property or product transferred electronically for financial reporting purposes; and
- (B) account for the lease payments as payments made under a financing arrangement.

(121) "Sales price" means the same as that term is defined in Subsection (107).

(122)(a) "Sales relating to schools" means the following sales by, amounts paid to, or amounts charged by a school:

(i) sales that are directly related to the school's educational functions or activities including:

(A) the sale of:

- (I) textbooks;
- (II) textbook fees;
- (III) laboratory fees;
- (IV) laboratory supplies; or

- 2919 (V) safety equipment;
- 2920 (B) the sale of a uniform, protective equipment, or sports or recreational
- 2921 equipment that:
- 2922 (I) a student is specifically required to wear as a condition of participation in a
- 2923 school-related event or school-related activity; and
- 2924 (II) is not readily adaptable to general or continued usage to the extent that it
- 2925 takes the place of ordinary clothing;
- 2926 (C) sales of the following if the net or gross revenue generated by the sales is
- 2927 deposited into a school district fund or school fund dedicated to school meals:
- 2928 (I) food and food ingredients; or
- 2929 (II) prepared food; or
- 2930 (D) transportation charges for official school activities; or
- 2931 (ii) amounts paid to or amounts charged by a school for admission to a school-related
- 2932 event or school-related activity.
- 2933 (b) "Sales relating to schools" does not include:
- 2934 (i) bookstore sales of items that are not educational materials or supplies;
- 2935 (ii) except as provided in Subsection (122)(a)(i)(B):
- 2936 (A) clothing;
- 2937 (B) clothing accessories or equipment;
- 2938 (C) protective equipment; or
- 2939 (D) sports or recreational equipment; or
- 2940 (iii) amounts paid to or amounts charged by a school for admission to a
- 2941 school-related event or school-related activity if the amounts paid or charged are
- 2942 passed through to a person:
- 2943 (A) other than a:
- 2944 (I) school;
- 2945 (II) nonprofit organization authorized by a school board or a governing body of
- 2946 a private school to organize and direct a competitive secondary school
- 2947 activity; or
- 2948 (III) nonprofit association authorized by a school board or a governing body of
- 2949 a private school to organize and direct a competitive secondary school
- 2950 activity; and
- 2951 (B) that is required to collect sales and use taxes under this chapter.
- 2952 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

- 2953 commission may make rules defining the term "passed through."
- 2954 (123) For purposes of this section and Section 59-12-104, "school" means:
- 2955 (a) an elementary school or a secondary school that:
- 2956 (i) is a:
- 2957 (A) public school; or
- 2958 (B) private school; and
- 2959 (ii) provides instruction for one or more grades kindergarten through 12; or
- 2960 (b) a public school district.
- 2961 (124)(a) "Seller" means a person that makes a sale, lease, or rental of:
- 2962 (i) tangible personal property;
- 2963 (ii) a product transferred electronically; or
- 2964 (iii) a service.
- 2965 (b) "Seller" includes a marketplace facilitator.
- 2966 (125)(a) "Semiconductor fabricating, processing, research, or development materials"
- 2967 means tangible personal property or a product transferred electronically if the
- 2968 tangible personal property or product transferred electronically is:
- 2969 (i) used primarily in the process of:
- 2970 (A)(I) manufacturing a semiconductor;
- 2971 (II) fabricating a semiconductor; or
- 2972 (III) research or development of a:
- 2973 (Aa) semiconductor; or
- 2974 (Bb) semiconductor manufacturing process; or
- 2975 (B) maintaining an environment suitable for a semiconductor; or
- 2976 (ii) consumed primarily in the process of:
- 2977 (A)(I) manufacturing a semiconductor;
- 2978 (II) fabricating a semiconductor; or
- 2979 (III) research or development of a:
- 2980 (Aa) semiconductor; or
- 2981 (Bb) semiconductor manufacturing process; or
- 2982 (B) maintaining an environment suitable for a semiconductor.
- 2983 (b) "Semiconductor fabricating, processing, research, or development materials"
- 2984 includes:
- 2985 (i) parts used in the repairs or renovations of tangible personal property or a product
- 2986 transferred electronically described in Subsection (125)(a); or

- 2987 (ii) a chemical, catalyst, or other material used to:
2988 (A) produce or induce in a semiconductor a:
2989 (I) chemical change; or
2990 (II) physical change;
2991 (B) remove impurities from a semiconductor; or
2992 (C) improve the marketable condition of a semiconductor.
- 2993 (126) "Senior citizen center" means a facility having the primary purpose of providing
2994 services to the aged as defined in Section 26B-6-101.
- 2995 (127) "Shared vehicle" means the same as that term is defined in Section 13-48a-101.
- 2996 (128) "Shared vehicle driver" means the same as that term is defined in Section 13-48a-101.
- 2997 (129) "Shared vehicle owner" means the same as that term is defined in Section 13-48a-101.
- 2998 (130)(a) Subject to Subsections (130)(b) and (c), "short-term lodging consumable"
2999 means tangible personal property that:
3000 (i) a business that provides accommodations and services described in Subsection
3001 59-12-103(1)(i) purchases as part of a transaction to provide the accommodations
3002 and services to a purchaser;
3003 (ii) is intended to be consumed by the purchaser; and
3004 (iii) is:
3005 (A) included in the purchase price of the accommodations and services; and
3006 (B) not separately stated on an invoice, bill of sale, or other similar document
3007 provided to the purchaser.
- 3008 (b) "Short-term lodging consumable" includes:
3009 (i) a beverage;
3010 (ii) a brush or comb;
3011 (iii) a cosmetic;
3012 (iv) a hair care product;
3013 (v) lotion;
3014 (vi) a magazine;
3015 (vii) makeup;
3016 (viii) a meal;
3017 (ix) mouthwash;
3018 (x) nail polish remover;
3019 (xi) a newspaper;
3020 (xii) a notepad;

- 3021 (xiii) a pen;
3022 (xiv) a pencil;
3023 (xv) a razor;
3024 (xvi) saline solution;
3025 (xvii) a sewing kit;
3026 (xviii) shaving cream;
3027 (xix) a shoe shine kit;
3028 (xx) a shower cap;
3029 (xxi) a snack item;
3030 (xxii) soap;
3031 (xxiii) toilet paper;
3032 (xxiv) a toothbrush;
3033 (xxv) toothpaste; or
3034 (xxvi) an item similar to Subsections (130)(b)(i) through (xxv) as the commission
3035 may provide by rule made in accordance with Title 63G, Chapter 3, Utah
3036 Administrative Rulemaking Act.
- 3037 (c) "Short-term lodging consumable" does not include:
3038 (i) tangible personal property that is cleaned or washed to allow the tangible personal
3039 property to be reused; or
3040 (ii) a product transferred electronically.
- 3041 (131)(a) "Short-term rental" means a lease or rental for less than 30 consecutive days.
3042 (b) "Short-term rental" does not include car sharing.
- 3043 (132) "Simplified electronic return" means the electronic return:
3044 (a) described in Section 318(C) of the agreement; and
3045 (b) approved by the governing board of the agreement.
- 3046 (133) "Solar energy" means the sun used as the sole source of energy for producing
3047 electricity.
- 3048 (134)(a) "Sports or recreational equipment" means an item:
3049 (i) designed for human use; and
3050 (ii) that is:
3051 (A) worn in conjunction with:
3052 (I) an athletic activity; or
3053 (II) a recreational activity; and
3054 (B) not suitable for general use.

- 3055 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3056 commission shall make rules:
- 3057 (i) listing the items that constitute "sports or recreational equipment"; and
3058 (ii) that are consistent with the list of items that constitute "sports or recreational
3059 equipment" under the agreement.
- 3060 (135) "State" means the state of Utah, its departments, and agencies.
- 3061 (136) "Storage" means any keeping or retention of tangible personal property or any other
3062 taxable transaction under Subsection 59-12-103(1), in this state for any purpose except
3063 sale in the regular course of business.
- 3064 (137)(a) "Tangible personal property" means personal property that:
- 3065 (i) may be:
- 3066 (A) seen;
3067 (B) weighed;
3068 (C) measured;
3069 (D) felt; or
3070 (E) touched; or
- 3071 (ii) is in any manner perceptible to the senses.
- 3072 (b) "Tangible personal property" includes:
- 3073 (i) electricity;
3074 (ii) water;
3075 (iii) gas;
3076 (iv) steam; or
3077 (v) prewritten computer software, regardless of the manner in which the prewritten
3078 computer software is transferred.
- 3079 (c) "Tangible personal property" includes the following regardless of whether the item is
3080 attached to real property:
- 3081 (i) a dishwasher;
3082 (ii) a dryer;
3083 (iii) a freezer;
3084 (iv) a microwave;
3085 (v) a refrigerator;
3086 (vi) a stove;
3087 (vii) a washer; or
3088 (viii) an item similar to Subsections (137)(c)(i) through (vii) as determined by the

commission by rule made in accordance with Title 63G, Chapter 3, Utah
Administrative Rulemaking Act.

(d) "Tangible personal property" does not include a product that is transferred
electronically.

(e) "Tangible personal property" does not include the following if attached to real
property, regardless of whether the attachment to real property is only through a line
that supplies water, electricity, gas, telephone, cable, or supplies a similar item as
determined by the commission by rule made in accordance with Title 63G, Chapter 3,
Utah Administrative Rulemaking Act:

(i) a hot water heater;

(ii) a water filtration system; or

(iii) a water softener system.

(138)(a) "Telecommunications enabling or facilitating equipment, machinery, or
software" means an item listed in Subsection (138)(b) if that item is purchased or
leased primarily to enable or facilitate one or more of the following to function:

(i) telecommunications switching or routing equipment, machinery, or software; or

(ii) telecommunications transmission equipment, machinery, or software.

(b) The following apply to Subsection (138)(a):

(i) a pole;

(ii) software;

(iii) a supplementary power supply;

(iv) temperature or environmental equipment or machinery;

(v) test equipment;

(vi) a tower; or

(vii) equipment, machinery, or software that functions similarly to an item listed in
Subsections (138)(b)(i) through (vi) as determined by the commission by rule
made in accordance with Subsection (138)(c).

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
commission may by rule define what constitutes equipment, machinery, or software
that functions similarly to an item listed in Subsections (138)(b)(i) through (vi).

(139) "Telecommunications equipment, machinery, or software required for 911 service"
means equipment, machinery, or software that is required to comply with 47 C.F.R. Sec.
20.18.

(140) "Telecommunications maintenance or repair equipment, machinery, or software"

means equipment, machinery, or software purchased or leased primarily to maintain or repair one or more of the following, regardless of whether the equipment, machinery, or software is purchased or leased as a spare part or as an upgrade or modification to one or more of the following:

- (a) telecommunications enabling or facilitating equipment, machinery, or software;
- (b) telecommunications switching or routing equipment, machinery, or software; or
- (c) telecommunications transmission equipment, machinery, or software.

(141)(a) "Telecommunications service" means the electronic conveyance, routing, or transmission of audio, data, video, voice, or any other information or signal to a point, or among or between points.

(b) "Telecommunications service" includes:

(i) an electronic conveyance, routing, or transmission with respect to which a computer processing application is used to act:

- (A) on the code, form, or protocol of the content;
- (B) for the purpose of electronic conveyance, routing, or transmission; and
- (C) regardless of whether the service:
 - (I) is referred to as voice over Internet protocol service; or
 - (II) is classified by the Federal Communications Commission as enhanced or value added;

(ii) an 800 service;

(iii) a 900 service;

(iv) a fixed wireless service;

(v) a mobile wireless service;

(vi) a postpaid calling service;

(vii) a prepaid calling service;

(viii) a prepaid wireless calling service; or

(ix) a private communications service.

(c) "Telecommunications service" does not include:

(i) advertising, including directory advertising;

(ii) an ancillary service;

(iii) a billing and collection service provided to a third party;

(iv) a data processing and information service if:

(A) the data processing and information service allows data to be:

(I)(Aa) acquired;

3157 (Bb) generated;
3158 (Cc) processed;
3159 (Dd) retrieved; or
3160 (Ee) stored; and
3161 (II) delivered by an electronic transmission to a purchaser; and
3162 (B) the purchaser's primary purpose for the underlying transaction is the processed
3163 data or information;
3164 (v) installation or maintenance of the following on a customer's premises:
3165 (A) equipment; or
3166 (B) wiring;
3167 (vi) Internet access service;
3168 (vii) a paging service;
3169 (viii) a product transferred electronically, including:
3170 (A) music;
3171 (B) reading material;
3172 (C) a ring tone;
3173 (D) software; or
3174 (E) video;
3175 (ix) a radio and television audio and video programming service:
3176 (A) regardless of the medium; and
3177 (B) including:
3178 (I) furnishing conveyance, routing, or transmission of a television audio and
3179 video programming service by a programming service provider;
3180 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or
3181 (III) audio and video programming services delivered by a commercial mobile
3182 radio service provider as defined in 47 C.F.R. Sec. 20.3;
3183 (x) a value-added nonvoice data service; or
3184 (xi) tangible personal property.
3185 (142)(a) "Telecommunications service provider" means a person that:
3186 (i) owns, controls, operates, or manages a telecommunications service; and
3187 (ii) engages in an activity described in Subsection (142)(a)(i) for the shared use with
3188 or resale to any person of the telecommunications service.
3189 (b) A person described in Subsection (142)(a) is a telecommunications service provider
3190 whether or not the Public Service Commission of Utah regulates:

- 3191 (i) that person; or
3192 (ii) the telecommunications service that the person owns, controls, operates, or
3193 manages.
- 3194 (143)(a) "Telecommunications switching or routing equipment, machinery, or software"
3195 means an item listed in Subsection (143)(b) if that item is purchased or leased
3196 primarily for switching or routing:
- 3197 (i) an ancillary service;
3198 (ii) data communications;
3199 (iii) voice communications; or
3200 (iv) telecommunications service.
- 3201 (b) The following apply to Subsection (143)(a):
- 3202 (i) a bridge;
3203 (ii) a computer;
3204 (iii) a cross connect;
3205 (iv) a modem;
3206 (v) a multiplexer;
3207 (vi) plug in circuitry;
3208 (vii) a router;
3209 (viii) software;
3210 (ix) a switch; or
3211 (x) equipment, machinery, or software that functions similarly to an item listed in
3212 Subsections (143)(b)(i) through (ix) as determined by the commission by rule
3213 made in accordance with Subsection (143)(c).
- 3214 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3215 commission may by rule define what constitutes equipment, machinery, or software
3216 that functions similarly to an item listed in Subsections (143)(b)(i) through (ix).
- 3217 (144)(a) "Telecommunications transmission equipment, machinery, or software" means
3218 an item listed in Subsection (144)(b) if that item is purchased or leased primarily for
3219 sending, receiving, or transporting:
- 3220 (i) an ancillary service;
3221 (ii) data communications;
3222 (iii) voice communications; or
3223 (iv) telecommunications service.
- 3224 (b) The following apply to Subsection (144)(a):

- 3225 (i) an amplifier;
3226 (ii) a cable;
3227 (iii) a closure;
3228 (iv) a conduit;
3229 (v) a controller;
3230 (vi) a duplexer;
3231 (vii) a filter;
3232 (viii) an input device;
3233 (ix) an input/output device;
3234 (x) an insulator;
3235 (xi) microwave machinery or equipment;
3236 (xii) an oscillator;
3237 (xiii) an output device;
3238 (xiv) a pedestal;
3239 (xv) a power converter;
3240 (xvi) a power supply;
3241 (xvii) a radio channel;
3242 (xviii) a radio receiver;
3243 (xix) a radio transmitter;
3244 (xx) a repeater;
3245 (xxi) software;
3246 (xxii) a terminal;
3247 (xxiii) a timing unit;
3248 (xxiv) a transformer;
3249 (xxv) a wire; or
3250 (xxvi) equipment, machinery, or software that functions similarly to an item listed in
3251 Subsections (144)(b)(i) through (xxv) as determined by the commission by rule
3252 made in accordance with Subsection (144)(c).
- 3253 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3254 commission may by rule define what constitutes equipment, machinery, or software
3255 that functions similarly to an item listed in Subsections (144)(b)(i) through (xxv).
- 3256 (145)(a) "Textbook for a higher education course" means a textbook or other printed
3257 material that is required for a course:
3258 (i) offered by an institution of higher education; and

- 3259 (ii) that the purchaser of the textbook or other printed material attends or will attend.
- 3260 (b) "Textbook for a higher education course" includes a textbook in electronic format.
- 3261 (146) "Tobacco" means:
- 3262 (a) a cigarette;
- 3263 (b) a cigar;
- 3264 (c) chewing tobacco;
- 3265 (d) pipe tobacco; or
- 3266 (e) any other item that contains tobacco.
- 3267 (147) "Unassisted amusement device" means an amusement device, skill device, or ride
- 3268 device that is started and stopped by the purchaser or renter of the right to use or operate
- 3269 the amusement device, skill device, or ride device.
- 3270 (148)(a) "Use" means the exercise of any right or power over tangible personal property,
- 3271 a product transferred electronically, or a service under Subsection 59-12-103(1),
- 3272 incident to the ownership or the leasing of that tangible personal property, product
- 3273 transferred electronically, or service.
- 3274 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal
- 3275 property, a product transferred electronically, or a service in the regular course of
- 3276 business and held for resale.
- 3277 (149) "Value-added nonvoice data service" means a service:
- 3278 (a) that otherwise meets the definition of a telecommunications service except that a
- 3279 computer processing application is used to act primarily for a purpose other than
- 3280 conveyance, routing, or transmission; and
- 3281 (b) with respect to which a computer processing application is used to act on data or
- 3282 information:
- 3283 (i) code;
- 3284 (ii) content;
- 3285 (iii) form; or
- 3286 (iv) protocol.
- 3287 (150)(a) Subject to Subsection (150)(b), "vehicle" means the following that are required
- 3288 to be titled, registered, or titled and registered:
- 3289 (i) an aircraft as defined in Section 72-10-102;
- 3290 (ii) a vehicle as defined in Section 41-1a-102;
- 3291 (iii) an off-highway vehicle as defined in Section 41-22-2; or
- 3292 (iv) a vessel as defined in Section 41-1a-102.

- 3293 (b) For purposes of Subsection 59-12-104(33) only, "vehicle" includes:
- 3294 (i) a vehicle described in Subsection (150)(a); or
- 3295 (ii)(A) a locomotive;
- 3296 (B) a freight car;
- 3297 (C) railroad work equipment; or
- 3298 (D) other railroad rolling stock.
- 3299 (151) "Vehicle dealer" means a person engaged in the business of buying, selling, or
- 3300 exchanging a vehicle as defined in Subsection (150).
- 3301 (152)(a) "Vertical service" means an ancillary service that:
- 3302 (i) is offered in connection with one or more telecommunications services; and
- 3303 (ii) offers an advanced calling feature that allows a customer to:
- 3304 (A) identify a caller; and
- 3305 (B) manage multiple calls and call connections.
- 3306 (b) "Vertical service" includes an ancillary service that allows a customer to manage a
- 3307 conference bridging service.
- 3308 (153)(a) "Voice mail service" means an ancillary service that enables a customer to
- 3309 receive, send, or store a recorded message.
- 3310 (b) "Voice mail service" does not include a vertical service that a customer is required to
- 3311 have in order to utilize a voice mail service.
- 3312 (154)(a) "Waste energy facility" means a facility that generates electricity:
- 3313 (i) using as the primary source of energy waste materials that would be placed in a
- 3314 landfill or refuse pit if it were not used to generate electricity, including:
- 3315 (A) tires;
- 3316 (B) waste coal;
- 3317 (C) oil shale; or
- 3318 (D) municipal solid waste; and
- 3319 (ii) in amounts greater than actually required for the operation of the facility.
- 3320 (b) "Waste energy facility" does not include a facility that incinerates:
- 3321 (i) hospital waste as defined in 40 C.F.R. 60.51c; or
- 3322 (ii) medical/infectious waste as defined in 40 C.F.R. 60.51c.
- 3323 (155) "Watercraft" means a vessel as defined in Section 73-18-2.
- 3324 (156) "Wind energy" means wind used as the sole source of energy to produce electricity.
- 3325 (157) "ZIP Code" means a Zoning Improvement Plan Code assigned to a geographic
- 3326 location by the United States Postal Service.

Section 18. Section **59-12-103** is amended to read:

59-12-103 (Effective 07/01/26). Sales and use tax base -- Rates -- Effective dates
-- Use of sales and use tax revenue.

- (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for amounts paid or charged for the following transactions:
- (a) retail sales of tangible personal property made within the state;
 - (b) amounts paid for:
 - (i) telecommunications service, other than mobile telecommunications service, that originates and terminates within the boundaries of this state;
 - (ii) mobile telecommunications service that originates and terminates within the boundaries of one state only to the extent permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
 - (iii) an ancillary service associated with a:
 - (A) telecommunications service described in Subsection (1)(b)(i); or
 - (B) mobile telecommunications service described in Subsection (1)(b)(ii);
 - (c) sales of the following for commercial use:
 - (i) gas;
 - (ii) electricity;
 - (iii) heat;
 - (iv) coal;
 - (v) fuel oil; or
 - (vi) other fuels;
 - (d) sales of the following for residential use:
 - (i) gas;
 - (ii) electricity;
 - (iii) heat;
 - (iv) coal;
 - (v) fuel oil; or
 - (vi) other fuels;
 - (e) sales of prepared food;
 - (f) except as provided in Section 59-12-104, amounts paid or charged as admission or user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling

3361 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
3362 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
3363 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
3364 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
3365 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
3366 activity;

3367 (g) amounts paid or charged for services for repairs or renovations of tangible personal
3368 property, unless Section 59-12-104 provides for an exemption from sales and use tax
3369 for:

3370 (i) the tangible personal property; and

3371 (ii) parts used in the repairs or renovations of the tangible personal property described
3372 in Subsection (1)(g)(i), regardless of whether:

3373 (A) any parts are actually used in the repairs or renovations of that tangible
3374 personal property; or

3375 (B) the particular parts used in the repairs or renovations of that tangible personal
3376 property are exempt from a tax under this chapter;

3377 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted
3378 cleaning or washing of tangible personal property;

3379 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer
3380 court accommodations and services;

3381 (j) amounts paid or charged for laundry or dry cleaning services;

3382 (k) amounts paid or charged for leases or rentals of tangible personal property if within
3383 this state the tangible personal property is:

3384 (i) stored;

3385 (ii) used; or

3386 (iii) otherwise consumed;

3387 (l) amounts paid or charged for tangible personal property if within this state the tangible
3388 personal property is:

3389 (i) stored;

3390 (ii) used; or

3391 (iii) consumed;

3392 (m) amounts paid or charged for a sale:

3393 (i)(A) of a product transferred electronically; or

3394 (B) of a repair or renovation of a product transferred electronically; and

- 3395 (ii) regardless of whether the sale provides:
- 3396 (A) a right of permanent use of the product; or
- 3397 (B) a right to use the product that is less than a permanent use, including a right:
- 3398 (I) for a definite or specified length of time; and
- 3399 (II) that terminates upon the occurrence of a condition; and
- 3400 (n) sales of leased tangible personal property from the lessor to the lessee made in the
- 3401 state.
- 3402 (2)(a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are
- 3403 imposed on a transaction described in Subsection (1) equal to the sum of:
- 3404 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 3405 (A) 4.70% [~~plus~~] ;
- 3406 ~~(B) the rate specified in Subsection [(11)(a)] (6)(a); and~~
- 3407 ~~[(B)] (C)[(F) the tax rate the state imposes in accordance with Part 18,~~
- 3408 ~~Additional State Sales and Use Tax Act, if the location of the transaction as~~
- 3409 ~~determined under Sections 59-12-211 through 59-12-215 is in a county in~~
- 3410 ~~which the state imposes the tax under Part 18, Additional State Sales and~~
- 3411 ~~Use Tax Act; and]~~
- 3412 ~~[(H)] the tax rate the state imposes in accordance with Part 20, Supplemental~~
- 3413 ~~State Sales and Use Tax Act, if the location of the transaction as determined~~
- 3414 ~~under Sections 59-12-211 through 59-12-215 is in a city, town, or the~~
- 3415 ~~unincorporated area of a county in which the state imposes the tax under~~
- 3416 ~~Part 20, Supplemental State Sales and Use Tax Act; and~~
- 3417 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 3418 transaction under this chapter other than this part.
- 3419 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state
- 3420 tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal
- 3421 to the sum of:
- 3422 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 3423 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 3424 transaction under this chapter other than this part.
- 3425 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed
- 3426 on amounts paid or charged for food and food ingredients equal to the sum of:
- 3427 (i) a state tax imposed on the amounts paid or charged for food and food ingredients
- 3428 at a tax rate of 1.75%; and

- 3429 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
3430 amounts paid or charged for food and food ingredients under this chapter other
3431 than this part.
- 3432 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid
3433 or charged for fuel to a common carrier that is a railroad for use in a locomotive
3434 engine at a rate ~~[of 4.85%.]~~ equal to the sum of the rates described in Subsections
3435 (2)(a)(i)(A) and (2)(a)(i)(B).
- 3436 (e)(i)~~[(A) If a shared vehicle owner certifies to the commission, on a form~~
3437 ~~prescribed by the commission, that the shared vehicle is an individual-owned~~
3438 ~~shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to~~
3439 ~~car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle~~
3440 ~~owner.]~~
- 3441 (A) The rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B) do not apply to
3442 car sharing, a car sharing program, a shared vehicle driver, or a shared vehicle
3443 owner, for a car sharing or shared vehicle transaction if a shared vehicle owner
3444 certifies to the commission, on a form prescribed by the commission, that the
3445 shared vehicle is an individual-owned shared vehicle.
- 3446 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
3447 required once during the time that the shared vehicle owner owns the shared
3448 vehicle.
- 3449 (C) The commission shall verify that a shared vehicle is an individual-owned
3450 shared vehicle by verifying that the applicable Utah taxes imposed under this
3451 chapter were paid on the purchase of the shared vehicle.
- 3452 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
3453 individual-owned shared vehicle shared through a car-sharing program even if
3454 non-certified shared vehicles are also available to be shared through the same
3455 car-sharing program.
- 3456 (ii) A tax imposed under Subsection ~~[(2)(a)(i)(B)]~~ (2)(a)(i)(C) or (2)(a)(ii) applies to
3457 car sharing.
- 3458 (iii)(A) A car-sharing program may rely in good faith on a shared vehicle owner's
3459 representation that the shared vehicle is an individual-owned shared vehicle
3460 certified with the commission as described in Subsection (2)(e)(i).
- 3461 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
3462 representation that the shared vehicle is an individual-owned shared vehicle

3463 certified with the commission as described in Subsection (2)(e)(i), the
3464 car-sharing program is not liable for any tax, penalty, fee, or other sanction
3465 imposed on the shared vehicle owner.

3466 (iv) If all shared vehicles shared through a car-sharing program are certified as
3467 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has
3468 no obligation to collect and remit the tax under ~~[Subsection (2)(a)(i)(A)]~~
3469 Subsections (2)(a)(i)(A) and (2)(a)(i)(B) for that tax period.

3470 (v) A car-sharing program is not required to list or otherwise identify an
3471 individual-owned shared vehicle on a return or an attachment to a return.

3472 (vi) A car-sharing program shall:

3473 (A) retain tax information for each car-sharing program transaction; and

3474 (B) provide the information described in Subsection (2)(e)(vi)(A) to the
3475 commission at the commission's request.

3476 (f)(i) For a bundled transaction that is attributable to food and food ingredients and
3477 tangible personal property other than food and food ingredients, a state tax and a
3478 local tax is imposed on the entire bundled transaction equal to the sum of:

3479 (A) ~~[a state tax imposed on the entire bundled transaction equal to the sum of:]~~ the
3480 tax rates described in Subsection (2)(a)(i); and

3481 ~~[(F) the tax rate described in Subsection (2)(a)(i)(A); and]~~

3482 ~~[(H)(Aa) the tax rate the state imposes in accordance with Part 18,~~

3483 ~~Additional State Sales and Use Tax Act, if the location of the transaction~~
3484 ~~as determined under Sections 59-12-211 through 59-12-215 is in a~~
3485 ~~county in which the state imposes the tax under Part 18, Additional State~~
3486 ~~Sales and Use Tax Act; and]~~

3487 ~~[(Bb) the tax rate the state imposes in accordance with Part 20,~~

3488 ~~Supplemental State Sales and Use Tax Act, if the location of the~~
3489 ~~transaction as determined under Sections 59-12-211 through 59-12-215~~
3490 ~~is in a city, town, or the unincorporated area of a county in which the~~
3491 ~~state imposes the tax under Part 20, Supplemental State Sales and Use~~
3492 ~~Tax Act; and]~~

3493 (B) a local tax imposed on the entire bundled transaction at the sum of the tax
3494 rates described in Subsection (2)(a)(ii).

3495 (ii) If an optional computer software maintenance contract is a bundled transaction
3496 that consists of taxable and nontaxable products that are not separately itemized

on an invoice or similar billing document, the purchase of the optional computer software maintenance contract is 40% taxable under this chapter and 60% nontaxable under this chapter.

(iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled transaction described in Subsection (2)(f)(i) or (ii):

(A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise; or

(B) if the sales price of a bundled 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 bundled transaction is subject to taxation under this chapter at the higher tax rate unless:

(I) the seller 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; or

(II) state or federal law provides otherwise.

(iv) For purposes of Subsection (2)(f)(iii), 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.

(g)(i) Except as otherwise provided in this chapter and subject to Subsections (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:

- 3531 (A) separately states the portion of the transaction that is not subject to taxation
3532 under this chapter on an invoice, bill of sale, or similar document provided to
3533 the purchaser; or
- 3534 (B) is able to identify by reasonable and verifiable standards, from the books and
3535 records the seller keeps in the seller's regular course of business, the portion of
3536 the transaction that is not subject to taxation under this chapter.
- 3537 (ii) A purchaser and a seller may correct the taxability of a transaction if:
- 3538 (A) after the transaction occurs, the purchaser and the seller discover that the
3539 portion of the transaction that is not subject to taxation under this chapter was
3540 not separately stated on an invoice, bill of sale, or similar document provided
3541 to the purchaser because of an error or ignorance of the law; and
- 3542 (B) the seller is able to identify by reasonable and verifiable standards, from the
3543 books and records the seller keeps in the seller's regular course of business, the
3544 portion of the transaction that is not subject to taxation under this chapter.
- 3545 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller
3546 keeps in the seller's regular course of business includes books and records the
3547 seller keeps in the regular course of business for nontax purposes.
- 3548 (h)(i) If the sales price of a transaction is attributable to two or more items of tangible
3549 personal property, products, or services that are subject to taxation under this
3550 chapter at different rates, the entire purchase is subject to taxation under this
3551 chapter at the higher tax rate unless the seller, at the time of the transaction:
- 3552 (A) separately states the items subject to taxation under this chapter at each of the
3553 different rates on an invoice, bill of sale, or similar document provided to the
3554 purchaser; or
- 3555 (B) is able to identify by reasonable and verifiable standards the tangible personal
3556 property, product, or service that is subject to taxation under this chapter at the
3557 lower tax rate from the books and records the seller keeps in the seller's regular
3558 course of business.
- 3559 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
3560 seller's regular course of business includes books and records the seller keeps in
3561 the regular course of business for nontax purposes.
- 3562 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate
3563 imposed under the following shall take effect on the first day of a calendar quarter:
- 3564 (i) Subsection (2)(a)(i)(A);

- 3565 (ii) Subsection (2)(a)(i)(B);
 3566 ~~[(ii)]~~ (iii) Subsection (2)(b)(i);
 3567 ~~[(iii)]~~ (iv) Subsection (2)(c)(i); or
 3568 ~~[(iv)]~~ (v) Subsection (2)(f)(i)(A)[(F)].
- 3569 (j)(i) A tax rate increase takes effect on the first day of the first billing period that
 3570 begins on or after the effective date of the tax rate increase if the billing period for
 3571 the transaction begins before the effective date of a tax rate increase imposed
 3572 under:
- 3573 (A) Subsection (2)(a)(i)(A);
 3574 (B) Subsection (2)(a)(i)(B);
 3575 ~~[(B)]~~ (C) Subsection (2)(b)(i);
 3576 ~~[(C)]~~ (D) Subsection (2)(c)(i); or
 3577 ~~[(D)]~~ (E) Subsection (2)(f)(i)(A)[(F)].
- 3578 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
 3579 statement for the billing period is rendered on or after the effective date of the
 3580 repeal of the tax or the tax rate decrease imposed under:
- 3581 (A) Subsection (2)(a)(i)(A);
 3582 (B) Subsection (2)(a)(i)(B);
 3583 ~~[(B)]~~ (C) Subsection (2)(b)(i);
 3584 ~~[(C)]~~ (D) Subsection (2)(c)(i); or
 3585 ~~[(D)]~~ (E) Subsection (2)(f)(i)(A)[(F)].
- 3586 (k)(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
 3587 is computed on the basis of sales and use tax rates published in the catalogue, a
 3588 tax rate repeal or change in a tax rate takes effect:
- 3589 (A) on the first day of a calendar quarter; and
 3590 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate
 3591 change.
- 3592 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 3593 (A) Subsection (2)(a)(i)(A);
 3594 (B) Subsection (2)(a)(i)(B);
 3595 ~~[(B)]~~ (C) Subsection (2)(b)(i);
 3596 ~~[(C)]~~ (D) Subsection (2)(c)(i); or
 3597 ~~[(D)]~~ (E) Subsection (2)(f)(i)(A)[(F)].
- 3598 (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 commission shall deposit 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)(d); and~~
- ~~[(iv)]~~ (v) the tax imposed by Subsection (2)(f)(i)(A) ~~[(H)]~~.

(b) The commission shall distribute 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).

~~[(e) 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:]

[(A) implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species; or]

[(B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species.]

[(ii) Money transferred to the Division of Wildlife Resources under Subsection (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.]

[(iii) At the end of each fiscal year:]

[(A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;]

[(B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and]

[(C) 25% of any unexpended designated sales and use tax revenue shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.]

[(e) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund created in Section 4-18-106.]

[(d)(i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.]

[(ii) At the end of each fiscal year:]

[(A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;]

[(B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5;

and]

~~[(C) 25% of any unexpended designated sales and use tax revenue shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10e-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 73-10e-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 73-10e-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.]~~

(4)(a) Notwithstanding Subsection (3)(a), for each fiscal year the commission shall make the deposits described in Subsections (4)(b) through (4)(h) from the revenue from the taxes imposed by:

(i) Subsection (2)(a)(i)(A);

3701 (ii) Subsection (2)(b)(i);
3702 (iii) Subsection (2)(c)(i); and
3703 (iv) Subsection (2)(f)(i)(A).
3704 (b) The commission shall deposit 15% of the difference between 1.4543% of the
3705 revenue described in Subsection (4)(a) and the deposits made under Subsection (5)(b),
3706 into the Water Rights Restricted Account created in Section 73-2-1.6.
3707 (c) The commission shall deposit 85% of the difference between 1.4543% of the revenue
3708 described in Subsection (4)(a) and the deposits made under Subsection (5)(b), into
3709 the Water Resources Conservation and Development Fund created in Section
3710 73-10-24 for use by the Division of Water Resources for:
3711 (i) preconstruction costs:
3712 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,
3713 Chapter 26, Bear River Development Act; and
3714 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
3715 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
3716 (ii) the cost of employing a civil engineer to oversee any project authorized by Title
3717 73, Chapter 26, Bear River Development Act;
3718 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline
3719 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development
3720 Act; and
3721 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
3722 Subsection (5)(b)(iv)(B) after funding the uses specified in Subsections (4)(c)(i)
3723 through (iii).
3724 (d) The commission shall deposit 1.4543% of the revenue described in Subsection (4)(a)
3725 into the Water Infrastructure Restricted Account created in Section 73-10g-103.
3726 (e)(i) Subject to Subsection (4)(e)(ii), the commission shall deposit 26.24% of the
3727 revenue described in Subsection (4)(a) into the Transportation Investment Fund of
3728 2005 created in Section 72-2-124.
3729 (ii) The commission shall annually reduce the deposit described in Subsection
3730 (4)(e)(i) by the sum of:
3731 (A) \$1,813,400;
3732 (B) the earmark described in Subsection (5)(c); and
3733 (C) an amount equal to 35% of the revenue generated in the current fiscal year by
3734 the portion of the tax imposed on motor and special fuel that is sold, used, or

received in the state that exceeds 29.4 cents per gallon.

(iii) The amount described in Subsection (4)(e)(ii)(C) shall be annually deposited into the Transit Transportation Investment Fund created in Section 72-2-124.

(f) The commission shall deposit .44% of the revenue described in Subsection (4)(a) into the Cottonwood Canyons Transportation Investment Fund created in Section 72-2-124.

(g) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into the Commuter Rail Subaccount created in Section 72-2-124.

(h) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into the Outdoor Recreation Adventure Infrastructure Restricted Account created in Section 51-9-902.

~~[(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.]~~

~~[(b)(i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:]~~

~~[(A) transferred each fiscal year to the Department of Natural Resources as designated sales and use tax revenue; and]~~

~~[(B) expended by the Department of Natural Resources for watershed rehabilitation or restoration.]~~

~~[(ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.]~~

~~[(c)(i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the remaining difference described in Subsection (5)(a) shall be:]~~

~~[(A) transferred each fiscal year to the Division of Water Resources as designated sales and use tax revenue; and]~~

~~[(B) expended by the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.]~~

~~[(ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources~~

3769 Conservation and Development Fund created in Section 73-10-24.]

3770 [(d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
3771 remaining difference described in Subsection (5)(a) shall be deposited into the Water
3772 Resources Conservation and Development Fund created in Section 73-10-24 for use
3773 by the Division of Water Resources for:]

3774 [(i) preconstruction costs:]

3775 [(A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,
3776 Chapter 26, Bear River Development Act; and]

3777 [(B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
3778 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;]

3779 [(ii) the cost of employing a civil engineer to oversee any project authorized by Title
3780 73, Chapter 26, Bear River Development Act;]

3781 [(iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline
3782 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development
3783 Act; and]

3784 [(iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
3785 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i)
3786 through (iii).]

3787 [(e) After making the transfers required by Subsections (5)(b) and (c), 15% of the
3788 remaining difference described in Subsection (5)(a) shall be deposited each year into
3789 the Water Rights Restricted Account created by Section 73-2-1.6.]

3790 (5)(a) Notwithstanding Subsection (3)(a), each fiscal year the commission shall make
3791 the deposits described in this Subsection (5).

3792 (b)(i)(A) The commission shall deposit \$500,000 to the Department of Natural
3793 Resources to be used for watershed rehabilitation or restoration.

3794 (B) At the end of each fiscal year, 100% of any unexpended amount described in
3795 Subsection (5)(b)(i)(A) shall lapse into the Water Resources Conservation and
3796 Development Fund created in Section 73-10-24.

3797 (ii) The commission shall deposit \$150,000 to the Division of Water Resources for
3798 cloud-seeding projects authorized by Title 73, Chapter 15, Modification of
3799 Weather.

3800 (iii) The commission shall deposit \$525,000 into the Division of Conservation
3801 created in Section 4-46-401 to implement water related programs.

3802 (iv) The commission shall deposit \$7,175,000 into the Water Resources Conservation

and Development Fund created in Section 73-10-24 for use by the Division of Water Resources:

(A) for the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24;

(B) to 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;

(C) to fund state required dam safety improvements; and

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

(v) The commission shall deposit \$3,587,500 into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

(vi) The commission shall deposit \$3,587,500 into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

(A) 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;

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

(C) develop surface water sources.

(vii) The commission shall deposit \$2,450,000 to the Division of Wildlife Resources to:

(A) implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species; or

(B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species.

(viii) Funds transferred to the Division of Wildlife Resources under Subsection (5)(b)(vii)(A) may not be used to assist the United States Fish and Wildlife

Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531, et seq.

(ix) At the end of each fiscal year, any unexpended amounts described in Subsections (5)(b)(vii)(A) and (B) shall lapse:

(A) 50% into the Water Resources Conservation and Development Fund created in Section 73-10-24;

(B) 25% into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% into the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

(x) The commission shall allocate \$175,000 to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.

(xi) At the end of each fiscal year, any unexpended amounts described in Subsection (5)(b)(x) shall lapse:

(A) 50% into the Water Resources Conservation and Development Fund created in Section 73-10-24;

(B) 25% into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% into the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

(c) The commission shall deposit \$45,000,000 into the Active Transportation Investment Fund created in Section 72-2-124.

(d) The commission shall deposit \$533,750 into the Qualified Emergency Food Agencies Fund created by and expended in accordance with Section 35A-8-1009.

(e) The commission shall deposit \$200,000 into the General Fund as a dedicated credit for the sole use of the Search and Rescue Financial Assistance Program created by and to be expended in accordance with Title 53, Chapter 2a, Part 11, Search and Rescue Act.

~~[(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.]~~

3871 ~~[(7)(a) Notwithstanding Subsection (3)(a) and subject to Subsections (7)(b), (c), and~~
3872 ~~(d), for a fiscal year beginning on or after July 1, 2023, the commission shall deposit~~
3873 ~~into the Transportation Investment Fund of 2005 created by Section 72-2-124 a~~
3874 ~~portion of the taxes listed under Subsection (3)(a) equal to 17% of the revenue~~
3875 ~~collected from the following sales and use taxes:]~~
3876 ~~[(i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;]~~
3877 ~~[(ii) the tax imposed by Subsection (2)(b)(i);]~~
3878 ~~[(iii) the tax imposed by Subsection (2)(c)(i); and]~~
3879 ~~[(iv) the tax imposed by Subsection (2)(f)(i)(A)(I).]~~
3880 ~~[(b)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall~~
3881 ~~annually reduce the deposit under Subsection (7)(a) into the Transportation~~
3882 ~~Investment Fund of 2005 by an amount equal to .44% of the revenue collected~~
3883 ~~from the following sales and use taxes:]~~
3884 ~~[(A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;]~~
3885 ~~[(B) the tax imposed by Subsection (2)(b)(i);]~~
3886 ~~[(C) the tax imposed by Subsection (2)(c)(i); and]~~
3887 ~~[(D) the tax imposed by Subsection (2)(f)(i)(A)(I).]~~
3888 ~~[(ii) The commission shall annually deposit the amount described in Subsection~~
3889 ~~(7)(b)(i) into the Cottonwood Canyons Transportation Investment Fund created in~~
3890 ~~Section 72-2-124.]~~
3891 ~~[(c)(i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,~~
3892 ~~2023, the commission shall annually reduce the deposit into the Transportation~~
3893 ~~Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is~~
3894 ~~equal to 5% of:]~~
3895 ~~[(A) the amount of revenue generated in the current fiscal year by the portion of~~
3896 ~~taxes listed under Subsection (3)(a) that equals 20.68% of the revenue~~
3897 ~~collected from taxes described in Subsections (7)(a)(i) through (iv);]~~
3898 ~~[(B) the amount of revenue generated in the current fiscal year by registration fees~~
3899 ~~designated under Section 41-1a-1201 to be deposited into the Transportation~~
3900 ~~Investment Fund of 2005; and]~~
3901 ~~[(C) revenue transferred by the Division of Finance to the Transportation~~
3902 ~~Investment Fund of 2005 in accordance with Section 72-2-106 in the current~~
3903 ~~fiscal year.]~~
3904 ~~[(ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a~~

given fiscal year.]

[(iii) The commission shall annually deposit the amount described in Subsection (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).]

[(d)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under this Subsection (7) by an amount that is 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).]

[(ii) The commission shall annually deposit the amount described in Subsection (7)(d)(i) into the Commuter Rail Subaccount created in Section 72-2-124.]

[(8)(a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or after July 1, 2018, the commission shall annually deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenue collected from the following 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) For a fiscal year beginning on or after July 1, 2019, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.]

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

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

- 3939 ~~[(10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal~~
3940 ~~year during which the commission receives notice under Section 63N-2-510 that~~
3941 ~~construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the~~
3942 ~~commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the~~
3943 ~~revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact~~
3944 ~~Mitigation Fund, created in Section 63N-2-512.]~~
- 3945 ~~[(11)]~~ (6)(a) The rate specified in this ~~[subsection]~~ Subsection (6) is 0.15%.
- 3946 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning
3947 on or after July 1, 2019, annually transfer the amount of revenue collected from the
3948 rate described in Subsection ~~[(11)(a)]~~ (6)(a) on the transactions that are subject to the
3949 sales and use tax under Subsection ~~[(2)(a)(i)(A)]~~ (2)(a)(i)(B) into the Medicaid ACA
3950 Fund created in Section 26B-1-315.
- 3951 ~~[(12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year~~
3952 ~~2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated~~
3953 ~~credit solely for use of the Search and Rescue Financial Assistance Program created in,~~
3954 ~~and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.]~~
- 3955 ~~[(13)(a) For each fiscal year beginning with fiscal year 2020-21, the commission shall~~
3956 ~~annually transfer \$1,813,400 of the revenue deposited into the Transportation~~
3957 ~~Investment Fund of 2005 under Subsections (7) and (8) to the General Fund.]~~
- 3958 ~~[(b) If the total revenue deposited into the Transportation Investment Fund of 2005~~
3959 ~~under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the~~
3960 ~~commission shall transfer the total revenue deposited into the Transportation~~
3961 ~~Investment Fund of 2005 under Subsections (7) and (8) during the fiscal year to the~~
3962 ~~General Fund.]~~
- 3963 ~~[(14)]~~ (7) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610,
3964 beginning the first day of the calendar quarter one year after the sales and use tax
3965 boundary for a housing and transit reinvestment zone is established, the commission, at
3966 least annually, shall transfer an amount equal to 15% of the sales and use tax increment
3967 within an established sales and use tax boundary, as defined in Section 63N-3-602, into
3968 the Transit Transportation Investment Fund created in Section 72-2-124.
- 3969 ~~[(15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning~~
3970 ~~on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure Restricted~~
3971 ~~Account, created in Section 51-9-902, a portion of the taxes listed under Subsection~~
3972 ~~(3)(a) equal to 1% of the revenue collected from the following sales and use taxes:]~~

- 3973 [~~(a)~~ the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;]
- 3974 [~~(b)~~ the tax imposed by Subsection (2)(b)(i);]
- 3975 [~~(c)~~ the tax imposed by Subsection (2)(c)(i); and]
- 3976 [~~(d)~~ the tax imposed by Subsection (2)(f)(i)(A)(I).]
- 3977 [(16)] (8) Notwithstanding Subsection (3)(a), beginning October 1, 2024 the commission
- 3978 shall transfer to the Utah Fairpark Area Investment and Restoration District, created in
- 3979 Section 11-70-201, the revenue from the sales and use tax imposed by Subsection
- 3980 (2)(a)(i)(A)[~~at a 4.7% rate~~], on transactions occurring within the district sales tax area,
- 3981 as defined in Section 11-70-101.
- 3982 [(17)] (9)(a) As used in this Subsection [(17)] (9):
- 3983 (i) "Additional land" means point of the mountain state land described in Subsection
- 3984 11-59-102(6)(b) that the point of the mountain authority acquires after the point of
- 3985 the mountain authority provides the commission a map under Subsection [(17)(c)]
- 3986 (9)(c).
- 3987 (ii) "Point of the mountain authority" means the Point of the Mountain State Land
- 3988 Authority, created in Section 11-59-201.
- 3989 (iii) "Point of the mountain state land" means the same as that term is defined in
- 3990 Section 11-59-102.
- 3991 (b) Notwithstanding Subsection (3)(a), the commission shall distribute to the point of the
- 3992 mountain authority 50% of the revenue from the sales and use tax imposed by
- 3993 Subsection (2)(a)(i)(A)[~~at a 4.7% rate~~], on transactions occurring on the point of the
- 3994 mountain state land.
- 3995 (c) The distribution under Subsection [(17)(b)] (9)(b) shall begin the next calendar
- 3996 quarter that begins at least 90 days after the point of the mountain authority provides
- 3997 the commission a map that:
- 3998 (i) accurately describes the point of the mountain state land; and
- 3999 (ii) the point of the mountain authority certifies as accurate.
- 4000 (d) A distribution under Subsection [(17)(b)] (9)(b) with respect to additional land shall
- 4001 begin the next calendar quarter that begins at least 90 days after the point of the
- 4002 mountain authority provides the commission a map of point of the mountain state
- 4003 land that:
- 4004 (i) accurately describes the point of the mountain state land, including the additional
- 4005 land; and
- 4006 (ii) the point of the mountain authority certifies as accurate.

(e)(i) Upon the payment in full of bonds secured by the sales and use tax revenue distributed to the point of the mountain authority under Subsection ~~[(17)(b)]~~ (9)(b), the point of the mountain authority shall immediately notify the commission in writing that the bonds are paid in full.

(ii) The commission shall discontinue distributions of sales and use tax revenue under Subsection ~~[(17)(b)]~~ (9)(b) at the beginning of the calendar quarter that begins at least 90 days after the date that the commission receives the written notice under Subsection ~~[(17)(e)(i)]~~ (9)(e)(i).

(10) Notwithstanding Subsection (3)(a), the amount of state sales tax revenues described in Section 63N-2-503.5 is deposited into the Convention Incentive Fund created in Section 63N-2-503.5.

Section 19. Section **59-12-104.2** is amended to read:

59-12-104.2 (Effective 07/01/26). Exemption for accommodations and services taxed by the Navajo Nation.

(1) As used in this section "tribal taxing area" means the geographical area that:

(a) is subject to the taxing authority of the Navajo Nation; and

(b) consists of:

(i) notwithstanding the issuance of a patent, all land:

(A) within the limits of an Indian reservation under the jurisdiction of the federal government; and

(B) including any rights-of-way running through the reservation; and

(ii) all Indian allotments the Indian titles to which have not been extinguished, including any rights-of-way running through an Indian allotment.

(2)(a) Beginning July 1, 2001, amounts paid by or charged to a purchaser for accommodations and services described in Subsection 59-12-103(1)(i) are exempt from the tax imposed by ~~[Subsection 59-12-103(2)(a)(i)(A) or (2)(e)(i)(A)(I)]~~ Subsections 59-12-103(2)(a)(i)(A) and (B) or Subsection 59-12-103(2)(e)(i)(A) to the extent permitted under Subsection (2)(b) if:

(i) the accommodations and services described in Subsection 59-12-103(1)(i) are provided within:

(A) the state; and

(B) a tribal taxing area;

(ii) the Navajo Nation imposes and collects a tax on the amounts paid by or charged to the purchaser for the accommodations and services described in Subsection

59-12-103(1)(i);

(iii) the Navajo Nation imposes the tax described in Subsection (2)(a)(ii) without regard to whether or not the purchaser that pays or is charged for the accommodations and services is an enrolled member of the Navajo Nation; and

(iv) the requirements of Subsection (4) are met.

(b) If but for Subsection (2)(a) the amounts paid by or charged to a purchaser for accommodations and services described in Subsection (2)(a) are subject to a tax imposed by [~~Subsection 59-12-103(2)(a)(i)(A) or (2)(e)(i)(A)(I)~~] Subsections 59-12-103(2)(a)(i)(A) and (B) or Subsection 59-12-103(2)(e)(i)(A):

(i) the seller shall collect and pay to the state the difference described in Subsection (3) if that difference is greater than \$0; and

(ii) a person may not require the state to provide a refund, a credit, or similar tax relief if the difference described in Subsection (3) is equal to or less than \$0.

(3) The difference described in Subsection (2)(b) is equal to the difference between:

(a) the amount of tax imposed by [~~Subsection 59-12-103(2)(a)(i)(A) or (2)(e)(i)(A)(I)~~] Subsections 59-12-103(2)(a)(i)(A) and (B) or Subsection 59-12-103(2)(e)(i)(A) on the amounts paid by or charged to a purchaser for accommodations and services described in Subsection 59-12-103(1)(i); less

(b) the tax imposed and collected by the Navajo Nation on the amounts paid by or charged to a purchaser for the accommodations and services described in Subsection 59-12-103(1)(i).

(4)(a) If, on or after July 1, 2001, the Navajo Nation changes the tax rate of a tax imposed on amounts paid by or charged to a purchaser for accommodations and services described in Subsection 59-12-103(1)(i), any change in the amount of the exemption under Subsection (2) as a result of the change in the tax rate is not effective until the first day of the calendar quarter after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (4)(b) from the Navajo Nation.

(b) The notice described in Subsection (4)(a) shall state:

(i) that the Navajo Nation has changed or will change the tax rate of a tax imposed on amounts paid by or charged to a purchaser for accommodations and services described in Subsection 59-12-103(1)(i);

(ii) the effective date of the rate change on the tax described in Subsection (4)(b)(i); and

4075 (iii) the new rate of the tax described in Subsection (4)(b)(i).

4076 Section 20. Section **59-12-1201** is amended to read:

4077 **59-12-1201 (Effective 07/01/26). Motor vehicle rental tax -- Rate -- Exemptions --**
4078 **Administration, collection, and enforcement of tax -- Administrative charge -- Deposits.**

4079 (1) As used in this section:

4080 (a) "Fairpark district board" means the board of the fairpark district.

4081 (b) "Fairpark district" means the Utah Fairpark Area Investment and Restoration
4082 District, created in Section 11-70-201.

4083 (c) "Franchise agreement date" means the same as that term is defined in Section
4084 11-70-101.

4085 (d) "Stadium contribution" means the same as that term is defined in Section 11-70-101.

4086 (e) "Transition date" means the first day of the calendar quarter that begins at least 90
4087 days after the fairpark district board delivers to the commission the certificate
4088 described in Subsection (2)(a)(ii)(B).

4089 (2)(a)(i) Except as provided in Subsections (4) and (5), there is imposed a tax of 2.5%
4090 on all short-term rentals of motor vehicles.

4091 (ii)(A) In addition to the tax imposed under Subsection (2)(a)(i) and except as
4092 provided in Subsections (4) and (5), beginning on the transition date there is
4093 imposed a tax of 1.5% on all short-term leases and rentals of motor vehicles
4094 not exceeding 30 days.

4095 (B) After the franchise agreement date, the fairpark district board shall deliver to
4096 the commission a certificate verifying the execution of a franchise agreement,
4097 as defined in Section 11-70-101, and providing the franchise agreement date.

4098 (C) A tax under this Subsection (2)(a)(ii) is imposed only if the franchise
4099 agreement date is on or before June 30, 2032.

4100 (b) The tax imposed in this section is in addition to all other state, county, or municipal
4101 fees and taxes imposed on rentals of motor vehicles.

4102 (3)(a) Subject to Subsection (3)(b), a tax rate repeal or tax rate change for the tax
4103 imposed under Subsection (2) shall take effect on the first day of a calendar quarter.

4104 (b)(i) For a transaction subject to a tax under Subsection (2), a tax rate increase shall
4105 take effect on the first day of the first billing period:

4106 (A) that begins after the effective date of the tax rate increase; and

4107 (B) if the billing period for the transaction begins before the effective date of a tax
4108 rate increase imposed under Subsection (2).

- 4109 (ii) For a transaction subject to a tax under Subsection (2), the repeal of a tax or a tax
4110 rate decrease shall take effect on the first day of the last billing period:
4111 (A) that began before the effective date of the repeal of the tax or the tax rate
4112 decrease; and
4113 (B) if the billing period for the transaction begins before the effective date of the
4114 repeal of the tax or the tax rate decrease imposed under Subsection ~~[(1)]~~ (2).
- 4115 (4) A tax imposed under this section applies at the same rate to car sharing of less than 30
4116 days, except for car sharing for the purpose of temporarily replacing a person's motor
4117 vehicle that is being repaired pursuant to a repair or an insurance agreement.
- 4118 (5) A motor vehicle is exempt from the tax imposed under this section if:
4119 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;
4120 (b) the motor vehicle is rented as a personal household goods moving van; or
4121 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
4122 replacing a person's motor vehicle that is being repaired pursuant to a repair
4123 agreement or an insurance agreement.
- 4124 (6)(a)(i) The tax authorized under this section shall be administered, collected, and
4125 enforced in accordance with:
4126 (A) the same procedures used to administer, collect, and enforce the tax under Part
4127 1, Tax Collection; and
4128 (B) Chapter 1, General Taxation Policies.
- 4129 (ii) Notwithstanding Subsection ~~[(5)(a)(i)]~~ (6)(a)(i), a tax under this part is not subject
4130 to Subsections 59-12-103(4) through ~~[(9)]~~ (10) or Section 59-12-107.1 or
4131 59-12-123.
- 4132 (b) The commission shall retain and deposit an administrative charge in accordance with
4133 Section 59-1-306 from the revenue the commission collects from a tax under this part.
- 4134 (c) Except as provided under Subsections (6)(b) and (d):
4135 (i) the commission shall deposit daily with the state treasurer all revenue received
4136 under this section; and
4137 (ii) the state treasurer shall credit monthly all revenue received under this section to
4138 the Marda Dillree Corridor Preservation Fund under Section 72-2-117.
- 4139 (d)(i) Subject to Subsection (6)(d)(iii), all revenue received by the commission under
4140 Subsection (2)(a)(ii) shall be paid to the fairpark district.
- 4141 (ii) Within 10 days after the fairpark district completes payment of the stadium
4142 contribution, the fairpark district board shall deliver to the commission a written

statement verifying that the fairpark district has completed payment of the stadium contribution.

(iii) Upon receipt of the written statement under Subsection (6)(d)(ii), the commission shall:

(A) discontinue collecting revenue under Subsection (2)(a)(ii), beginning the first day of the calendar quarter that is at least 90 days after the commission's receipt of the written statement;

(B) discontinue distributing revenue under Subsection (2)(a)(ii) to the fairpark district, beginning the first day of the calendar quarter that is at least 90 days after the commission's receipt of the written statement; and

(C) notify the Executive Appropriations Committee of the Legislature that the commission is discontinuing collecting and distributing revenue under Subsection (2)(a)(ii).

Section 21. Section **63N-2-510** is amended to read:

63N-2-510 (Effective 07/01/26). Report by office -- Posting of report.

(1) The office shall include the following information in the office's annual written report described in Section 63N-1a-306:

(a) the state's success in attracting new conventions and corresponding new state revenue;

(b) the estimated amount of convention incentive commitments and the associated calculation made by the office and the period of time over which convention incentives are expected to be paid;

(c) the economic impact on the state related to generating new state revenue and providing convention incentives; and

(d) the estimated and actual costs and economic benefits of the convention incentive commitments that the office made.

(2) Upon the commencement of the construction of a qualified hotel, the office shall send a written notice to the Division of Finance[:]

~~[(a) referring to the two annual deposits required under Subsection 59-12-103(10); and]~~

~~[(b)]~~ notifying the Division of Finance that construction on the qualified hotel has begun.

Section 22. Section **63N-2-512** is amended to read:

63N-2-512 (Effective 07/01/26). Hotel Impact Mitigation Fund.

(1) As used in this section:

- 4177 (a) "Affected hotel" means a hotel built in the state before July 1, 2014.
- 4178 (b) "Direct losses" means affected hotels' losses of hotel guest business attributable to
- 4179 the qualified hotel room supply being added to the market in the state.
- 4180 (c) "Mitigation fund" means the Hotel Impact Mitigation Fund, created in Subsection (2).
- 4181 (2) There is created an expendable special revenue fund known as the Hotel Impact
- 4182 Mitigation Fund.
- 4183 (3) The mitigation fund shall:
- 4184 (a) be administered by GOEO;
- 4185 (b) earn interest; and
- 4186 (c) be funded by:
- 4187 ~~[(i) payments required to be deposited into the mitigation fund by the Division of~~
- 4188 ~~Finance under Subsection 59-12-103(10);]~~
- 4189 ~~[(ii)]~~ (i) money required to be deposited into the mitigation fund under Subsection
- 4190 17-31-9(2) by the county in which a qualified hotel is located; and
- 4191 ~~[(iii)]~~ (ii) any money deposited into the mitigation fund under Subsection (6).
- 4192 (4) Interest earned by the mitigation fund shall be deposited into the mitigation fund.
- 4193 (5)(a) In accordance with office rules, GOEO shall annually pay up to \$2,100,000 of
- 4194 money in the mitigation fund:
- 4195 (i) to affected hotels;
- 4196 (ii) for four consecutive years, beginning 12 months after the date of initial
- 4197 occupancy of the qualified hotel occurs; and
- 4198 (iii) to mitigate direct losses.
- 4199 (b)(i) If the amount GOEO pays under Subsection (5)(a) in any year is less than
- 4200 \$2,100,000, GOEO shall pay to the Stay Another Day and Bounce Back Fund,
- 4201 created in Section 63N-2-511, the difference between \$2,100,000 and the amount
- 4202 paid under Subsection (5)(a).
- 4203 (ii) GOEO shall make any required payment under Subsection (5)(b)(i) within 90
- 4204 days after the end of the year for which a determination is made of how much
- 4205 GOEO is required to pay to affected hotels under Subsection (5)(a).
- 4206 (6) A host local government or qualified hotel owner may make payments to the Division
- 4207 of Finance for deposit into the mitigation fund.
- 4208 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 4209 office shall, in consultation with the Utah Hotel and Lodging Association and the county
- 4210 in which the qualified hotel is located, make rules establishing procedures and criteria

4211 governing payments under Subsection (5)(a) to affected hotels.

4212 Section 23. Section **72-2-106** is amended to read:

4213 **72-2-106 (Effective 07/01/26). Appropriation and transfers from Transportation**
4214 **Fund.**

4215 (1) On and after July 1, 1981, there is appropriated from the Transportation Fund to the use
4216 of the department an amount equal to two-elevenths of the taxes collected from the
4217 motor fuel tax and the special fuel tax, exclusive of the formula amount appropriated for
4218 class B and class C roads, to be used for highway rehabilitation.

4219 (2) For a fiscal year beginning on or after July 1, 2016, the Division of Finance shall
4220 annually transfer an amount equal to the amount of revenue generated by a tax imposed
4221 on motor and special fuel that is sold, used, or received for sale or used in this state at a
4222 rate of 1.8 cents per gallon to the Transportation Investment Fund of 2005 created by
4223 Section 72-2-124.

4224 (3) For a fiscal year beginning on or after July 1, 2019, the Division of Finance shall
4225 annually transfer to the Transportation Investment Fund of 2005 created by Section
4226 72-2-124 an amount that is equal to 35% of the amount of revenue generated in the
4227 current fiscal year by the portion of the tax imposed on motor and special fuel that is
4228 sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

4229 ~~[(4) For purposes of the calculation described in Subsection 59-12-103(7)(c), the Division~~
4230 ~~of Finance shall notify the State Tax Commission of the amount of any transfer made~~
4231 ~~under Subsections (2) and (3).]~~

4232 Section 24. Section **72-2-124** is amended to read:

4233 **72-2-124 (Effective 07/01/26). Transportation Investment Fund of 2005.**

4234 (1) There is created a capital projects fund entitled the Transportation Investment Fund of
4235 2005.

4236 (2) The fund consists of money generated from the following sources:

4237 (a) any voluntary contributions received for the maintenance, construction,
4238 reconstruction, or renovation of state and federal highways;

4239 (b) appropriations made to the fund by the Legislature;

4240 (c) registration fees designated under Section 41-1a-1201;

4241 (d) the sales and use tax revenues deposited into the fund in accordance with Section
4242 59-12-103; and

4243 (e) revenues transferred to the fund in accordance with Section 72-2-106.

4244 (3)(a) The fund shall earn interest.

(b) All interest earned on fund money shall be deposited into the fund.

(4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund money to pay:

- (i) the costs of maintenance, construction, reconstruction, or renovation to state and federal highways prioritized by the Transportation Commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304;
- (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway projects described in Subsections 63B-18-401(2), (3), and (4);
- (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401 minus the costs paid from the County of the First Class Highway Projects Fund in accordance with Subsection 72-2-121(4)(e);
- (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified by Salt Lake County in accordance with Subsection 72-2-121.3 (4)(c) as necessary to pay the debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;
- (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101 for projects prioritized in accordance with Section 72-2-125;
- (vi) all highway general obligation bonds that are intended to be paid from revenues in the Centennial Highway Fund created by Section 72-2-118;
- (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described in Section 72-2-121;
- (viii) if a political subdivision provides a contribution equal to or greater than 40% of the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved nonmotorized transportation for projects that:
 - (A) mitigate traffic congestion on the state highway system;
 - (B) are part of an active transportation plan approved by the department; and
 - (C) are prioritized by the commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304;
- (ix) \$705,000,000 for the costs of right-of-way acquisition, construction, reconstruction, or renovation of or improvement to the following projects:
 - (A) the connector road between Main Street and 1600 North in the city of

- 4279 Vineyard;
- 4280 (B) Geneva Road from University Parkway to 1800 South;
- 4281 (C) the SR-97 interchange at 5600 South on I-15;
- 4282 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
- 4283 South Jordan Parkway;
- 4284 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 4285 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 4286 (G) widening I-15 between mileposts 6 and 8;
- 4287 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 4288 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
- 4289 in Spanish Fork Canyon;
- 4290 (J) I-15 northbound between mileposts 43 and 56;
- 4291 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
- 4292 43 and 45.1;
- 4293 (L) east Zion SR-9 improvements;
- 4294 (M) Toquerville Parkway;
- 4295 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 4296 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
- 4297 for construction of an interchange on Bangerter Highway at 13400 South; and
- 4298 (P) an environmental impact study for Kimball Junction in Summit County; and
- 4299 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
- 4300 costs based upon a statement of cash flow that the local jurisdiction where the
- 4301 project is located provides to the department demonstrating the need for money
- 4302 for the project, for the following projects in the following amounts:
- 4303 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 4304 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 4305 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 4306 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
- 4307 40 between mile markers 7 and 10.
- 4308 (b) The executive director may use fund money to exchange for an equal or greater
- 4309 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 4310 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
- 4311 not commence until a right-of-way not owned by a federal agency that is required
- 4312 for the realignment and extension of U-111, as described in the department's 2023

environmental study related to the project, is dedicated to the department.

(ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the project as described in Subsection (4)(c)(i) on or before October 1, 2024, the department may proceed with the project, except that the project will be limited to two lanes on U-111 from Herriman Parkway to 11800 South.

(5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of ineligibility for a municipality as described in Subsection 10-9a-408(7), the executive director may not program fund money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the municipality until the department receives notification from the Housing and Community Development Division within the Department of Workforce Services that ineligibility under this Subsection (5) no longer applies to the municipality.

(b) Within the boundaries of a municipality described in Subsection (5)(a), the executive director:

(i) may program fund money in accordance with Subsection (4)(a) for a

limited-access facility or interchange connecting limited-access facilities;

(ii) may not program fund money for the construction, reconstruction, or renovation of an interchange on a limited-access facility;

(iii) may program Transit Transportation Investment Fund money for a multi-community fixed guideway public transportation project; and

(iv) may not program Transit Transportation Investment Fund money for the construction, reconstruction, or renovation of a station that is part of a fixed guideway public transportation project.

(c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive director before July 1, 2022, for projects prioritized by the commission under Section 72-1-304.

(6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of ineligibility for a county as described in Subsection 17-27a-408(7), the executive director may not program fund money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the unincorporated area of the county until the department receives notification from the Housing and Community Development Division within the Department of Workforce Services that ineligibility under this

4347 Subsection (6) no longer applies to the county.

4348 (b) Within the boundaries of the unincorporated area of a county described in Subsection
4349 (6)(a), the executive director:

4350 (i) may program fund money in accordance with Subsection (4)(a) for a
4351 limited-access facility to a project prioritized by the commission under Section
4352 72-1-304;

4353 (ii) may not program fund money for the construction, reconstruction, or renovation
4354 of an interchange on a limited-access facility;

4355 (iii) may program Transit Transportation Investment Fund money for a
4356 multi-community fixed guideway public transportation project; and

4357 (iv) may not program Transit Transportation Investment Fund money for the
4358 construction, reconstruction, or renovation of a station that is part of a fixed
4359 guideway public transportation project.

4360 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
4361 director before July 1, 2022, for projects prioritized by the commission under Section
4362 72-1-304.

4363 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
4364 any fiscal year, the department and the commission shall appear before the Executive
4365 Appropriations Committee of the Legislature and present the amount of bond
4366 proceeds that the department needs to provide funding for the projects identified in
4367 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
4368 or next fiscal year.

4369 (b) The Executive Appropriations Committee of the Legislature shall review and
4370 comment on the amount of bond proceeds needed to fund the projects.

4371 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
4372 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
4373 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
4374 service or sinking fund.

4375 (9)(a) There is created in the Transportation Investment Fund of 2005 the Transit
4376 Transportation Investment Fund.

4377 (b) The fund shall be funded by:

4378 (i) contributions deposited into the fund in accordance with Section 59-12-103;

4379 (ii) appropriations into the account by the Legislature;

4380 (iii) deposits of sales and use tax increment related to a housing and transit

- 4381 reinvestment zone as described in Section 63N-3-610;
- 4382 (iv) transfers of local option sales and use tax revenue as described in Subsection
- 4383 59-12-2220(11)(b) or (c);
- 4384 (v) private contributions; and
- 4385 (vi) donations or grants from public or private entities.
- 4386 (c)(i) The fund shall earn interest.
- 4387 (ii) All interest earned on fund money shall be deposited into the fund.
- 4388 (d) Subject to Subsection (9)(e), the commission may prioritize money from the fund:
- 4389 (i) for public transit capital development of new capacity projects and fixed guideway
- 4390 capital development projects to be used as prioritized by the commission through
- 4391 the prioritization process adopted under Section 72-1-304;
- 4392 (ii) to the department for oversight of a fixed guideway capital development project
- 4393 for which the department has responsibility; or
- 4394 (iii) up to \$500,000 per year, to be used for a public transit study.
- 4395 (e)(i) Subject to Subsections (9)(g), (h), and (i), the commission may only prioritize
- 4396 money from the fund for a public transit capital development project or pedestrian
- 4397 or nonmotorized transportation project that provides connection to the public
- 4398 transit system if the public transit district or political subdivision provides funds of
- 4399 equal to or greater than 30% of the costs needed for the project.
- 4400 (ii) A public transit district or political subdivision may use money derived from a
- 4401 loan granted pursuant to ~~[Title 72, Chapter 2,]~~ Part 2, State Infrastructure Bank
- 4402 Fund, to provide all or part of the 30% requirement described in Subsection
- 4403 (9)(e)(i) if:
- 4404 (A) the loan is approved by the commission as required in ~~[Title 72, Chapter 2,]~~
- 4405 Part 2, State Infrastructure Bank Fund; and
- 4406 (B) the proposed capital project has been prioritized by the commission pursuant
- 4407 to Section 72-1-303.
- 4408 (f) Before July 1, 2022, the department and a large public transit district shall enter into
- 4409 an agreement for a large public transit district to pay the department \$5,000,000 per
- 4410 year for 15 years to be used to facilitate the purchase of zero emissions or low
- 4411 emissions rail engines and trainsets for regional public transit rail systems.
- 4412 (g) For any revenue transferred into the fund pursuant to Subsection 59-12-2220(11)(b):
- 4413 (i) the commission may prioritize money from the fund for public transit projects,
- 4414 operations, or maintenance within the county of the first class; and

- 4415 (ii) Subsection (9)(e) does not apply.
- 4416 (h) For any revenue transferred into the fund pursuant to Subsection 59-12-2220(11)(c):
- 4417 (i) the commission may prioritize public transit projects, operations, or maintenance
- 4418 in the county from which the revenue was generated; and
- 4419 (ii) Subsection (9)(e) does not apply.
- 4420 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
- 4421 the project described in Subsection (9)(e) does not apply to a public transit capital
- 4422 development project or pedestrian or nonmotorized transportation project that the
- 4423 department proposes.
- 4424 (j) In accordance with Part [3] 4, Public Transit Innovation Grants, the commission may
- 4425 prioritize money from the fund for public transit innovation grants, as defined in
- 4426 Section 72-2-401, for public transit capital development projects requested by a
- 4427 political subdivision within a public transit district.
- 4428 (10)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
- 4429 Canyons Transportation Investment Fund.
- 4430 (b) The fund shall be funded by:
- 4431 (i) money deposited into the fund in accordance with Section 59-12-103;
- 4432 (ii) appropriations into the account by the Legislature;
- 4433 (iii) private contributions; and
- 4434 (iv) donations or grants from public or private entities.
- 4435 (c)(i) The fund shall earn interest.
- 4436 (ii) All interest earned on fund money shall be deposited into the fund.
- 4437 (d) The Legislature may appropriate money from the fund for public transit or
- 4438 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 4439 (e) The department may use up to 2% of the revenue deposited into the account under
- 4440 Subsection [59-12-103(7)(b)] 59-12-103(4)(f) to contract with local governments as
- 4441 necessary for public safety enforcement related to the Cottonwood Canyons of Salt
- 4442 Lake County.
- 4443 (11)(a) There is created in the Transportation Investment Fund of 2005 the Active
- 4444 Transportation Investment Fund.
- 4445 (b) The fund shall be funded by:
- 4446 (i) money deposited into the fund in accordance with Section 59-12-103;
- 4447 (ii) appropriations into the account by the Legislature; and
- 4448 (iii) donations or grants from public or private entities.

- 4449 (c)(i) The fund shall earn interest.
- 4450 (ii) All interest earned on fund money shall be deposited into the fund.
- 4451 (d) The executive director may only use fund money to pay the costs needed for:
- 4452 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
- 4453 paved pedestrian or paved nonmotorized trail projects that:
- 4454 (A) are prioritized by the commission through the prioritization process for new
- 4455 transportation capacity projects adopted under Section 72-1-304;
- 4456 (B) serve a regional purpose; and
- 4457 (C) are part of an active transportation plan approved by the department or the
- 4458 plan described in Subsection (11)(d)(ii);
- 4459 (ii) the development of a plan for a statewide network of paved pedestrian or paved
- 4460 nonmotorized trails that serve a regional purpose; and
- 4461 (iii) the administration of the fund, including staff and overhead costs.
- 4462 (12)(a) As used in this Subsection (12), "commuter rail" means the same as that term is
- 4463 defined in Section 63N-3-602.
- 4464 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
- 4465 Subaccount.
- 4466 (c) The subaccount shall be funded by:
- 4467 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 4468 (ii) appropriations into the subaccount by the Legislature;
- 4469 (iii) private contributions; and
- 4470 (iv) donations or grants from public or private entities.
- 4471 (d)(i) The subaccount shall earn interest.
- 4472 (ii) All interest earned on money in the subaccount shall be deposited into the
- 4473 subaccount.
- 4474 (e) As prioritized by the commission through the prioritization process adopted under
- 4475 Section 72-1-304 or as directed by the Legislature, the department may only use
- 4476 money from the subaccount for projects that improve the state's commuter rail
- 4477 infrastructure, including the building or improvement of grade-separated crossings
- 4478 between commuter rail lines and public highways.
- 4479 (f) Appropriations made in accordance with this section are nonlapsing in accordance
- 4480 with Section 63J-1-602.1.
- 4481 Section 25. Section **73-2-1.6** is amended to read:
- 4482 **73-2-1.6 (Effective 07/01/26). Water Rights Restricted Account.**

- 4483 (1) As used in this section:
- 4484 (a) "Account" means the Water Rights Restricted Account created by this section.
- 4485 (b) "Division" means the Division of Water Rights.
- 4486 (2) There is created in the General Fund a restricted account known as the "Water Rights
- 4487 Restricted Account."
- 4488 (3) The account shall consist of the money deposited into the account under Subsection [
- 4489 ~~59-12-103(5)(e)] 59-12-103(4)(b).~~
- 4490 (4) Upon appropriation, the division may use money in the account for:
- 4491 (a) costs incurred by the division that benefit water rights adjudications, including:
- 4492 (i) employing technical staff;
- 4493 (ii) acquiring equipment;
- 4494 (iii) obtaining legal support;
- 4495 (iv) conducting studies;
- 4496 (A) installing, operating, and maintaining measurement infrastructure; and
- 4497 (B) sharing the costs of installed United States Geological Survey stream gauges;
- 4498 and
- 4499 (b) not to exceed 5% of the money deposited into the account under Subsection [
- 4500 ~~59-12-103(5)(e)] 59-12-103(4)(b) in the fiscal year preceding the fiscal year of~~
- 4501 appropriation, costs incurred by the division to acquire, manage, and analyze surface
- 4502 and groundwater data, not limited to geographic areas of adjudication.
- 4503 (5)(a) The account may not exceed \$8,000,000 at the end of a fiscal year.
- 4504 (b) If the account exceeds \$8,000,000 at the end of a fiscal year, the Division of Finance
- 4505 shall deposit into the Water Resources Conservation and Development Fund, created
- 4506 in Section 73-10-24, the money in excess of the amount necessary to maintain the
- 4507 account balance at \$8,000,000.

4508 **Section 26. Effective date.**

- 4509 (1) Except as provided in Subsections (2) and (3), this bill takes effect on July 1, 2026.
- 4510 (2) The actions affecting the following sections take effect on May 7, 2025:
- 4511 (a) Section 41-1a-102 (Effective 05/07/25);
- 4512 (b) Section 41-1a-110 (Effective 05/07/25);
- 4513 (c) Section 41-1a-1206 (Effective 05/07/25);
- 4514 (d) Section 41-6a-102 (Effective 05/07/25);
- 4515 (e) Section 41-6a-1509 (Effective 05/07/25);
- 4516 (f) Section 41-12a-804 (Effective 05/07/25);

4517 (g) Section 41-22-2 (Effective 05/07/25);
4518 (h) Section 41-22-3 (Effective 05/07/25);
4519 (i) Section 41-22-5.5 (Effective 05/07/25);
4520 (j) Section 41-22-10.7 (Effective 05/07/25); and
4521 (k) Section 41-22-10.8 (Effective 05/07/25).
4522 (3) The actions affecting Section 41-1a-215 (Effective 01/01/26) take effect on January 1,
4523 2026.