

HB0176S02 compared with HB0176S01

{Omitted text} shows text that was in HB0176S01 but was omitted in HB0176S02

inserted text shows text that was not in HB0176S01 but was inserted into HB0176S02

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County Classification Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Walt Brooks

Senate Sponsor: Don L. Ipson

LONG TITLE

General Description:

This bill modifies the population requirements for county classification.

Highlighted Provisions:

This bill:

- modifies definitions;
- modifies the population requirements for county classification;
- modifies a sales and use tax exemption applicable to airports in certain counties; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

This bill provides a special effective date.

AMENDS:

17-50-501 , as last amended by Laws of Utah 2021, Chapter 24 , as last amended by Laws of Utah 2021, Chapter 24

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35A-16-102 , as last amended by Laws of Utah 2024, Chapter 338 , as last amended by Laws of Utah 2024, Chapter 338

59-12-104 , as last amended by Laws of Utah 2024, Chapter 35 , as last amended by Laws of Utah 2024, Chapter 35

63N-4-801 , as last amended by Laws of Utah 2024, Chapters 438, 513 , as last amended by Laws of Utah 2024, Chapters 438, 513

72-2-133 , as enacted by Laws of Utah 2023, Chapter 372 , as enacted by Laws of Utah 2023, Chapter 372

78B-22-102 , as last amended by Laws of Utah 2024, Chapter 193 , as last amended by Laws of Utah 2024, Chapter 193

78B-22-406 , as last amended by Laws of Utah 2022, Chapter 281 , as last amended by Laws of Utah 2022, Chapter 281

78B-22-452 , as last amended by Laws of Utah 2024, Chapter 193 , as last amended by Laws of Utah 2024, Chapter 193

78B-22-903 , as last amended by Laws of Utah 2023, Chapter 229 , as last amended by Laws of Utah 2023, Chapter 229

78B-22-904 , as last amended by Laws of Utah 2022, Chapter 295 , as last amended by Laws of Utah 2022, Chapter 295

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

Section 1. Section **17-50-501** is amended to read:

17-50-501. Classification of counties.

(1) Each county shall be classified according to its population.

(2)

(a) A county with a population of [~~1,000,000~~] 1,150,000 or more is a county of the first class.

(b) A county with a population of [~~175,000~~] 260,000 or more but less than [~~1,000,000~~] 1,150,000 is a county of the second class.

(c) A county with a population of 40,000 or more but less than [~~175,000~~] 260,000 is a county of the third class.

(d) A county with a population of [~~11,000~~] 12,000 or more but less than 40,000 is a county of the fourth class.

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- 41 (e) A county with a population of [~~4,000~~] 5,000 or more but less than [~~11,000~~] 12,000 is a county of the
fifth class.
- 43 (f) A county with a population less than [~~4,000~~] 5,000 is a county of the sixth class.
- 44 Section 2. Section **35A-16-102** is amended to read:
- 45 **35A-16-102. Definitions.**
- As used in this chapter:
- 47 (1) "Board" means the Utah Homeless Services Board created in Section 35A-16-204.
- 48 (2) "Client" means an individual who is experiencing homelessness or an individual at risk of becoming
homeless.
- 50 (3) "Chief executive officer" means the same as that term is defined in Section 11-51-102.
- 51 (4) "Collaborative applicant" means the entity designated by a continuum of care to collect and submit
data and apply for funds on behalf of the continuum of care, as required by the United States
Department of Housing and Urban Development.
- 54 (5) "Continuum of care" means a regional or local planning body designated by the United States
Department of Housing and Urban Development to coordinate services for individuals experiencing
homelessness within an area of the state.
- 57 (6) "Coordinator" means the state homelessness coordinator appointed under Section 63J-4-202.
- 59 (7) "Executive committee" means the executive committee of the board.
- 60 (8) "Exit destination" means:
- 61 (a) a homeless situation;
- 62 (b) an institutional situation;
- 63 (c) a temporary housing situation;
- 64 (d) a permanent housing situation; or
- 65 (e) other.
- 66 (9) "First-tier eligible municipality" means a municipality that:
- 67 (a) is located within:
- 68 (i) a county of the first or second class, as classified in Section 17-50-501; or
- 69 (ii) a county of the third class, as classified in Section 17-50-501, if the municipality has a population of
100,000 or more;
- 71 (b) as determined by the office, has or is proposed to have an eligible shelter within the municipality's
geographic boundaries within the following fiscal year;

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- 73 (c) due to the location of an eligible shelter within the municipality's geographic boundaries, requires
eligible services; and
- 75 (d) is certified as a first-tier eligible municipality in accordance with Section 35A-16-404.
- 76 (10) "Homeless Management Information System" or "HMIS" means an information technology system
that:
- 78 (a) is used to collect client-level data and data on the provision of housing and services to homeless
individuals and individuals at risk of homelessness in the state; and
- 80 (b) meets the requirements of the United States Department of Housing and Urban Development.
- 82 (11) "Homeless services budget" means the comprehensive annual budget and overview of all homeless
services available in the state described in Subsection 35A-16-203(1)(b).
- 84 (12) "Local homeless council" means a local planning body designated by the steering committee to
coordinate services for individuals experiencing homelessness within an area of the state.
- 87 (13) "Office" means the Office of Homeless Services.
- 88 (14) "Second-tier eligible municipality" means a municipality that:
- 89 (a) is located within:
- 90 (i) a county of the [~~third,~~]fourth, fifth, or sixth class; or
- 91 (ii) a county of the third class, if the municipality has a population of less than 100,000;
- 93 (b) as determined by the office, has or is proposed to have an eligible shelter within the municipality's
geographic boundaries within the following fiscal year;
- 95 (c) due to the location of an eligible shelter within the municipality's geographic boundaries, requires
eligible services; and
- 97 (d) is certified as a second-tier eligible municipality in accordance with Section 35A-16-404.
- 99 (15)
- . (a) "Service provider" means a state agency, a local government, or a private organization that provides
services to clients.
- 101 (b) "Service provider" includes a correctional facility and the Administrative Office of the Courts.
- 103 (16) "Steering committee" means the Utah Homeless Network Steering Committee created in Section
35A-16-206.
- 105 (17) "Strategic plan" means the statewide strategic plan to minimize homelessness in the state described
in Subsection 35A-16-203(1)(c).
- 107 (18) "Type of homelessness" means:

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- 108 (a) chronic homelessness;
- 109 (b) episodic homelessness;
- 110 (c) situational homelessness; or
- 111 (d) family homelessness.

112 Section 3. Section **59-12-104** is amended to read:

113 **59-12-104. Exemptions.**

Exemptions from the taxes imposed by this chapter are as follows:

- 115 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax under Chapter
13, Motor and Special Fuel Tax Act;
- 117 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political subdivisions;
however, this exemption does not apply to sales of:
 - 119 (a) construction materials except:
 - 120 (i) construction materials purchased by or on behalf of institutions of the public education system as
defined in Utah Constitution, Article X, Section 2, provided the construction materials are clearly
identified and segregated and installed or converted to real property which is owned by institutions
of the public education system; and
 - 125 (ii) construction materials purchased by the state, its institutions, or its political subdivisions which
are installed or converted to real property by employees of the state, its institutions, or its political
subdivisions; or
 - 128 (b) tangible personal property in connection with the construction, operation, maintenance, repair, or
replacement of a project, as defined in Section 11-13-103, or facilities providing additional project
capacity, as defined in Section 11-13-103;
- 131 (3)
 - . (a) sales of an item described in Subsection (3)(b) from a vending machine if:
 - 132 (i) the proceeds of each sale do not exceed \$1; and
 - 133 (ii) the seller or operator of the vending machine reports an amount equal to 150% of the cost of the
item described in Subsection (3)(b) as goods consumed; and
 - 135 (b) Subsection (3)(a) applies to:
 - 136 (i) food and food ingredients; or
 - 137 (ii) prepared food;
 - 138 (4)

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- . (a) sales of the following to a commercial airline carrier for in-flight consumption:
 - 139 (i) alcoholic beverages;
 - 140 (ii) food and food ingredients; or
 - 141 (iii) prepared food;
- 142 (b) sales of tangible personal property or a product transferred electronically:
 - 143 (i) to a passenger;
 - 144 (ii) by a commercial airline carrier; and
 - 145 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 146 (c) services related to Subsection (4)(a) or (b);
- 147 (5) sales of parts and equipment for installation in an aircraft operated by a common carrier in interstate or foreign commerce;
- 149 (6) sales of commercials, motion picture films, prerecorded audio program tapes or records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture exhibitor, distributor, or commercial television or radio broadcaster;
- 152 (7)
 - . (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of cleaning or washing of tangible personal property if the cleaning or washing of the tangible personal property is not assisted cleaning or washing of tangible personal property;
 - 156 (b) if a seller that sells at the same business location assisted cleaning or washing of tangible personal property and cleaning or washing of tangible personal property that is not assisted cleaning or washing of tangible personal property, the exemption described in Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning or washing of the tangible personal property; and
 - 161 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules:
 - 163 (i) governing the circumstances under which sales are at the same business location; and
 - 165 (ii) establishing the procedures and requirements for a seller to separately account for sales of assisted cleaning or washing of tangible personal property;
 - 167 (8) sales made to or by religious or charitable institutions in the conduct of their regular religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are fulfilled;
 - 170 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this state if:

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- 172 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;
173 (b) the vehicle is not registered in this state; and
174 (c)
. (i) the vehicle is not used in this state; or
175 (ii) the vehicle is used in this state:
176 (A) if the vehicle is not used to conduct business, for a time period that does not exceed the longer of:
178 (I) 30 days in any calendar year; or
179 (II) the time period necessary to transport the vehicle to the borders of this state; or
181 (B) if the vehicle is used to conduct business, for the time period necessary to transport the vehicle to
the borders of this state;
183 (10)
. (a) amounts paid for an item described in Subsection (10)(b) if:
184 (i) the item is intended for human use; and
185 (ii)
. (A) a prescription was issued for the item; or
186 (B) the item was purchased by a hospital or other medical facility; and
187 (b)
. (i) Subsection (10)(a) applies to:
188 (A) a drug;
189 (B) a syringe; or
190 (C) a stoma supply; and
191 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission
may by rule define the terms:
193 (A) "syringe"; or
194 (B) "stoma supply";
195 (11) purchases or leases exempt under Section 19-12-201;
196 (12)
. (a) sales of an item described in Subsection (12)(c) served by:
197 (i) the following if the item described in Subsection (12)(c) is not available to the general public:
199 (A) a church; or
200 (B) a charitable institution; or

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- 201 (ii) an institution of higher education if:
- 202 (A) the item described in Subsection (12)(c) is not available to the general public; or
- 204 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan offered by the
institution of higher education; or
- 206 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 207 (i) a medical facility; or
- 208 (ii) a nursing facility; and
- 209 (c) Subsections (12)(a) and (b) apply to:
- 210 (i) food and food ingredients;
- 211 (ii) prepared food; or
- 212 (iii) alcoholic beverages;
- 213 (13)
- . (a) except as provided in Subsection (13)(b), the sale of tangible personal property or a product
transferred electronically by a person:
- 215 (i) regardless of the number of transactions involving the sale of that tangible personal property or
product transferred electronically by that person; and
- 217 (ii) not regularly engaged in the business of selling that type of tangible personal property or
product transferred electronically;
- 219 (b) this Subsection (13) does not apply if:
- 220 (i) the sale is one of a series of sales of a character to indicate that the person is regularly engaged in the
business of selling that type of tangible personal property or product transferred electronically;
- 223 (ii) the person holds that person out as regularly engaged in the business of selling that type of tangible
personal property or product transferred electronically;
- 225 (iii) the person sells an item of tangible personal property or product transferred electronically that the
person purchased as a sale that is exempt under Subsection (25); or
- 228 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of this state in
which case the tax is based upon:
- 230 (A) the bill of sale, lease agreement, or other written evidence of value of the vehicle or vessel being
sold; or
- 232

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- (B) in the absence of a bill of sale, lease agreement, or other written evidence of value, the fair market value of the vehicle or vessel being sold at the time of the sale as determined by the commission; and
- 235 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules establishing the circumstances under which:
- 237 (i) a person is regularly engaged in the business of selling a type of tangible personal property or product transferred electronically;
- 239 (ii) a sale of tangible personal property or a product transferred electronically is one of a series of sales of a character to indicate that a person is regularly engaged in the business of selling that type of tangible personal property or product transferred electronically; or
- 243 (iii) a person holds that person out as regularly engaged in the business of selling a type of tangible personal property or product transferred electronically;
- 245 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, or materials, except for office equipment or office supplies, by:
- 248 (a) a manufacturing facility that:
- 249 (i) is located in the state; and
- 250 (ii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or materials:
- 252 (A) in the manufacturing process to manufacture an item sold as tangible personal property, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; or
- 255 (B) for a scrap recycler, to process an item sold as tangible personal property, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 258 (b) an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 260 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;
- 265 (ii) is located in the state; and

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- 266 (iii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or
materials in:
- 268 (A) the production process to produce an item sold as tangible personal property, as the commission
may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
Act;
- 271 (B) research and development, as the commission may define that phrase in accordance with Title 63G,
Chapter 3, Utah Administrative Rulemaking Act;
- 273 (C) transporting, storing, or managing tailings, overburden, or similar waste materials produced from
mining;
- 275 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in mining; or
- 277 (E) preventing, controlling, or reducing dust or other pollutants from mining; or
- 278 (c) an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah
Administrative Rulemaking Act, that:
- 280 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North American Industry
Classification System of the federal Executive Office of the President, Office of Management and
Budget;
- 283 (ii) is located in the state; and
- 284 (iii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or
materials in the operation of the web search portal;
- 286 (15)
- . (a) sales of the following if the requirements of Subsection (15)(b) are met:
- 287 (i) tooling;
- 288 (ii) special tooling;
- 289 (iii) support equipment;
- 290 (iv) special test equipment; or
- 291 (v) parts used in the repairs or renovations of tooling or equipment described in Subsections (15)(a)
(i) through (iv); and
- 293 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
- 294 (i) the tooling, equipment, or parts are used or consumed exclusively in the performance of any
aerospace or electronics industry contract with the United States government or any subcontract
under that contract; and

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- 297 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i), title to the tooling,
equipment, or parts is vested in the United States government as evidenced by:
- 300 (A) a government identification tag placed on the tooling, equipment, or parts; or
- 301 (B) listing on a government-approved property record if placing a government identification tag on the
tooling, equipment, or parts is impractical;
- 303 (16) sales of newspapers or newspaper subscriptions;
- 304 (17)
- . (a) except as provided in Subsection (17)(b), tangible personal property or a product transferred
electronically traded in as full or part payment of the purchase price, except that for purposes of
calculating sales or use tax upon vehicles not sold by a vehicle dealer, trade-ins are limited to other
vehicles only, and the tax is based upon:
- 308 (i) the bill of sale or other written evidence of value of the vehicle being sold and the vehicle being
traded in; or
- 310 (ii) in the absence of a bill of sale or other written evidence of value, the then existing fair
market value of the vehicle being sold and the vehicle being traded in, as determined by the
commission; and
- 313 (b) Subsection (17)(a) does not apply to the following items of tangible personal property or products
transferred electronically traded in as full or part payment of the purchase price:
- 316 (i) money;
- 317 (ii) electricity;
- 318 (iii) water;
- 319 (iv) gas; or
- 320 (v) steam;
- 321 (18)
- . (a)
- . (i) except as provided in Subsection (18)(b), sales of tangible personal property or a product
transferred electronically used or consumed primarily and directly in farming operations,
regardless of whether the tangible personal property or product transferred electronically:
- 325 (A) becomes part of real estate; or
- 326 (B) is installed by a farmer, contractor, or subcontractor; or
- 327

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- (ii) sales of parts used in the repairs or renovations of tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically is exempt under Subsection (18)(a)(i); and
- 330 (b) amounts paid or charged for the following are subject to the taxes imposed by this chapter:
- 332 (i)
- . (A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or supplies if used in a manner that is incidental to farming; and
- 334 (B) tangible personal property that is considered to be used in a manner that is incidental to farming includes:
- 336 (I) hand tools; or
- 337 (II) maintenance and janitorial equipment and supplies;
- 338 (ii)
- . (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically is used in an activity other than farming; and
- 341 (B) tangible personal property or a product transferred electronically that is considered to be used in an activity other than farming includes:
- 343 (I) office equipment and supplies; or
- 344 (II) equipment and supplies used in:
- 345 (Aa) the sale or distribution of farm products;
- 346 (Bb) research; or
- 347 (Cc) transportation; or
- 348 (iii) a vehicle required to be registered by the laws of this state during the period ending two years after the date of the vehicle's purchase;
- 350 (19) sales of hay;
- 351 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or garden, farm, or other agricultural produce is sold by:
- 354 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other agricultural produce;
- 356 (b) an employee of the producer described in Subsection (20)(a); or
- 357 (c) a member of the immediate family of the producer described in Subsection (20)(a);

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- 358 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under the Food
Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
- 360 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags, nonreturnable shipping
cases, and nonreturnable casings to a manufacturer, processor, wholesaler, or retailer for use in
packaging tangible personal property to be sold by that manufacturer, processor, wholesaler, or
retailer;
- 364 (23) a product stored in the state for resale;
- 365 (24)
- . (a) purchases of a product if:
- 366 (i) the product is:
- 367 (A) purchased outside of this state;
- 368 (B) brought into this state:
- 369 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
- 370 (II) by a nonresident person who is not living or working in this state at the time of the purchase;
- 372 (C) used for the personal use or enjoyment of the nonresident person described in Subsection (24)(a)(i)
(B)(II) while that nonresident person is within the state; and
- 375 (D) not used in conducting business in this state; and
- 376 (ii) for:
- 377 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of the product for a
purpose for which the product is designed occurs outside of this state;
- 380 (B) a boat, the boat is registered outside of this state; or
- 381 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered outside of this
state;
- 383 (b) the exemption provided for in Subsection (24)(a) does not apply to:
- 384 (i) a lease or rental of a product; or
- 385 (ii) a sale of a vehicle exempt under Subsection (33); and
- 386 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of
Subsection (24)(a), the commission may by rule define what constitutes the following:
- 389 (i) conducting business in this state if that phrase has the same meaning in this Subsection (24) as in
Subsection (63);

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- (ii) the first use of a product if that phrase has the same meaning in this Subsection (24) as in Subsection (63); or
- 393 (iii) a purpose for which a product is designed if that phrase has the same meaning in this Subsection (24) as in Subsection (63);
- 395 (25) a product purchased for resale in the regular course of business, either in its original form or as an ingredient or component part of a manufactured or compounded product;
- 397 (26) a product upon which a sales or use tax was paid to some other state, or one of its subdivisions, except that the state shall be paid any difference between the tax paid and the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax Act;
- 402 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person for use in compounding a service taxable under the subsections;
- 404 (28) purchases made in accordance with the special supplemental nutrition program for women, infants, and children established in 42 U.S.C. Sec. 1786;
- 406 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of the President, Office of Management and Budget;
- 410 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:
 - 413 (a) not registered in this state; and
 - 414 (b)
 - . (i) not used in this state; or
 - 415 (ii) used in this state:
 - 416 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a time period that does not exceed the longer of:
 - 418 (I) 30 days in any calendar year; or
 - 419 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to the borders of this state; or
 - 421 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time period necessary to transport the boat, boat trailer, or outboard motor to the borders of this state;

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- 424 (31) sales of aircraft manufactured in Utah;
- 425 (32) amounts paid for the purchase of telecommunications service for purposes of providing
telecommunications service;
- 427 (33) sales, leases, or uses of the following:
- 428 (a) a vehicle by an authorized carrier; or
- 429 (b) tangible personal property that is installed on a vehicle:
- 430 (i) sold or leased to or used by an authorized carrier; and
- 431 (ii) before the vehicle is placed in service for the first time;
- 432 (34)
- . (a) 45% of the sales price of any new manufactured home; and
- 433 (b) 100% of the sales price of any used manufactured home;
- 434 (35) sales relating to schools and fundraising sales;
- 435 (36) sales or rentals of durable medical equipment if:
- 436 (a) a person presents a prescription for the durable medical equipment; and
- 437 (b) the durable medical equipment is used for home use only;
- 438 (37)
- . (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in Section 72-11-102;
and
- 440 (b) the commission shall by rule determine the method for calculating sales exempt under Subsection
(37)(a) that are not separately metered and accounted for in utility billings;
- 443 (38) sales to a ski resort of:
- 444 (a) snowmaking equipment;
- 445 (b) ski slope grooming equipment;
- 446 (c) passenger ropeways as defined in Section 72-11-102; or
- 447 (d) parts used in the repairs or renovations of equipment or passenger ropeways described in
Subsections (38)(a) through (c);
- 449 (39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel oil, or other
fuels for industrial use;
- 451 (40)
- . (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for amusement,
entertainment, or recreation an unassisted amusement device as defined in Section 59-12-102;

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- 454 (b) if a seller that sells or rents at the same business location the right to use or operate for amusement,
entertainment, or recreation one or more unassisted amusement devices and one or more assisted
amusement devices, the exemption described in Subsection (40)(a) applies if the seller separately
accounts for the sales or rentals of the right to use or operate for amusement, entertainment, or
recreation for the assisted amusement devices; and
- 460 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah
Administrative Rulemaking Act, the commission may make rules:
- 462 (i) governing the circumstances under which sales are at the same business location; and
- 464 (ii) establishing the procedures and requirements for a seller to separately account for the sales or
rentals of the right to use or operate for amusement, entertainment, or recreation for assisted
amusement devices;
- 467 (41)
- . (a) sales of photocopies by:
- 468 (i) a governmental entity; or
- 469 (ii) an entity within the state system of public education, including:
- 470 (A) a school; or
- 471 (B) the State Board of Education; or
- 472 (b) sales of publications by a governmental entity;
- 473 (42) amounts paid for admission to an athletic event at an institution of higher education that is subject
to the provisions of Title IX of the Education Amendments of 1972, 20 U.S.C. Sec. 1681 et seq.;
- 476 (43)
- . (a) sales made to or by:
- 477 (i) an area agency on aging; or
- 478 (ii) a senior citizen center owned by a county, city, or town; or
- 479 (b) sales made by a senior citizen center that contracts with an area agency on aging;
- 480 (44) sales or leases of semiconductor fabricating, processing, research, or development materials
regardless of whether the semiconductor fabricating, processing, research, or development
materials:
- 483 (a) actually come into contact with a semiconductor; or
- 484 (b) ultimately become incorporated into real property;
- 485

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- (45) an amount paid by or charged to a purchaser for accommodations and services described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section 59-12-104.2;
- 488 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in accordance with Section 41-3-306 for the event period specified on the temporary sports event registration certificate;
- 491 (47)
- . (a) sales or uses of electricity, if the sales or uses are made under a retail tariff adopted by the Public Service Commission only for purchase of electricity produced from a new alternative energy source built after January 1, 2016, as designated in the tariff by the Public Service Commission; and
- 495 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies only to the portion of the tariff rate a customer pays under the tariff described in Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the customer would have paid absent the tariff;
- 499 (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for the mobility enhancing equipment;
- 501 (49) sales of water in a:
- 502 (a) pipe;
- 503 (b) conduit;
- 504 (c) ditch; or
- 505 (d) reservoir;
- 506 (50) sales of currency or coins that constitute legal tender of a state, the United States, or a foreign nation;
- 508 (51)
- . (a) sales of an item described in Subsection (51)(b) if the item:
- 509 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 511 (ii) has a gold, silver, or platinum content of 50% or more; and
- 512 (b) Subsection (51)(a) applies to a gold, silver, or platinum:
- 513 (i) ingot;
- 514 (ii) bar;
- 515 (iii) medallion; or
- 516 (iv) decorative coin;

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- 517 (52) amounts paid on a sale-leaseback transaction;
- 518 (53) sales of a prosthetic device:
- 519 (a) for use on or in a human; and
- 520 (b)
- . (i) for which a prescription is required; or
- 521 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
- 522 (54)
- . (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of machinery or equipment by an establishment described in Subsection (54)(c) if the machinery or equipment is primarily used in the production or postproduction of the following media for commercial distribution:
- 526 (i) a motion picture;
- 527 (ii) a television program;
- 528 (iii) a movie made for television;
- 529 (iv) a music video;
- 530 (v) a commercial;
- 531 (vi) a documentary; or
- 532 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the commission by administrative rule made in accordance with Subsection (54)(d); or
- 534 (b) purchases, leases, or rentals of machinery or equipment by an establishment described in Subsection (54)(c) that is used for the production or postproduction of the following are subject to the taxes imposed by this chapter:
- 537 (i) a live musical performance;
- 538 (ii) a live news program; or
- 539 (iii) a live sporting event;
- 540 (c) the following establishments listed in the 1997 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget, apply to Subsections (54)(a) and (b):
- 543 (i) NAICS Code 512110; or
- 544 (ii) NAICS Code 51219; and
- 545 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule:

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- 547 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi); or
549 (ii) define:
- 550 (A) "commercial distribution";
551 (B) "live musical performance";
552 (C) "live news program"; or
553 (D) "live sporting event";
554 (55)
- . (a) leases of seven or more years or purchases made on or after July 1, 2004, but on or before June 30,
2027, of tangible personal property that:
- 556 (i) is leased or purchased for or by a facility that:
- 557 (A) is an alternative energy electricity production facility;
558 (B) is located in the state; and
559 (C)
- . (I) becomes operational on or after July 1, 2004; or
560 (II) has its generation capacity increased by one or more megawatts on or after July 1, 2004, as a result
of the use of the tangible personal property;
- 562 (ii) has an economic life of five or more years; and
563 (iii) is used to make the facility or the increase in capacity of the facility described in Subsection
(55)(a)(i) operational up to the point of interconnection with an existing transmission grid
including:
- 566 (A) a wind turbine;
567 (B) generating equipment;
568 (C) a control and monitoring system;
569 (D) a power line;
570 (E) substation equipment;
571 (F) lighting;
572 (G) fencing;
573 (H) pipes; or
574 (I) other equipment used for locating a power line or pole; and
- 575 (b) this Subsection (55) does not apply to:
- 576 (i) tangible personal property used in construction of:

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- 577 (A) a new alternative energy electricity production facility; or
578 (B) the increase in the capacity of an alternative energy electricity production facility;
580 (ii) contracted services required for construction and routine maintenance activities; and
582 (iii) unless the tangible personal property is used or acquired for an increase in capacity of the facility
described in Subsection (55)(a)(i)(C)(II), tangible personal property used or acquired after:
585 (A) the alternative energy electricity production facility described in Subsection (55)(a)(i) is operational
as described in Subsection (55)(a)(iii); or
587 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described in Subsection
(55)(a)(iii);
589 (56)
. (a) leases of seven or more years or purchases made on or after July 1, 2004, but on or before June 30,
2027, of tangible personal property that:
591 (i) is leased or purchased for or by a facility that:
592 (A) is a waste energy production facility;
593 (B) is located in the state; and
594 (C)
. (I) becomes operational on or after July 1, 2004; or
595 (II) has its generation capacity increased by one or more megawatts on or after July 1, 2004, as a result
of the use of the tangible personal property;
597 (ii) has an economic life of five or more years; and
598 (iii) is used to make the facility or the increase in capacity of the facility described in Subsection
(56)(a)(i) operational up to the point of interconnection with an existing transmission grid
including:
601 (A) generating equipment;
602 (B) a control and monitoring system;
603 (C) a power line;
604 (D) substation equipment;
605 (E) lighting;
606 (F) fencing;
607 (G) pipes; or
608 (H) other equipment used for locating a power line or pole; and

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- 609 (b) this Subsection (56) does not apply to:
- 610 (i) tangible personal property used in construction of:
- 611 (A) a new waste energy facility; or
- 612 (B) the increase in the capacity of a waste energy facility;
- 613 (ii) contracted services required for construction and routine maintenance activities; and
- 615 (iii) unless the tangible personal property is used or acquired for an increase in capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:
- 618 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as described in Subsection (56)(a)(iii); or
- 620 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described in Subsection (56)(a)(iii);
- 622 (57)
- . (a) leases of five or more years or purchases made on or after July 1, 2004, but on or before June 30, 2027, of tangible personal property that:
- 624 (i) is leased or purchased for or by a facility that:
- 625 (A) is located in the state;
- 626 (B) produces fuel from alternative energy, including:
- 627 (I) methanol; or
- 628 (II) ethanol; and
- 629 (C)
- . (I) becomes operational on or after July 1, 2004; or
- 630 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as a result of the installation of the tangible personal property;
- 632 (ii) has an economic life of five or more years; and
- 633 (iii) is installed on the facility described in Subsection (57)(a)(i);
- 634 (b) this Subsection (57) does not apply to:
- 635 (i) tangible personal property used in construction of:
- 636 (A) a new facility described in Subsection (57)(a)(i); or
- 637 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or
- 638 (ii) contracted services required for construction and routine maintenance activities; and
- 640

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(iii) unless the tangible personal property is used or acquired for an increase in capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:

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

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

645 (58)

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

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

655 (59) purchases:

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

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

658 (A) names; or

659 (B) addresses; or

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

661 (A) names; or

662 (B) addresses; and

663 (b) used to send direct mail;

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

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

666 (b) redeemed or repurchased within the time period established in a written agreement between the person and the pawnbroker for redeeming or repurchasing the product;

668 (61)

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

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

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

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

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- 673 (i) telecommunications enabling or facilitating equipment, machinery, or software;
674 (ii) telecommunications equipment, machinery, or software required for 911 service;
675 (iii) telecommunications maintenance or repair equipment, machinery, or software;
676 (iv) telecommunications switching or routing equipment, machinery, or software; or
677 (v) telecommunications transmission equipment, machinery, or software;
678 (62)
- . (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible personal property or a product transferred electronically that are used in the research and development of alternative energy technology; and
- 681 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may, for purposes of Subsection (62)(a), make rules defining what constitutes purchases of tangible personal property or a product transferred electronically that are used in the research and development of alternative energy technology;
- 686 (63)
- . (a) purchases of tangible personal property or a product transferred electronically if:
- 687 (i) the tangible personal property or product transferred electronically is:
- 688 (A) purchased outside of this state;
- 689 (B) brought into this state at any time after the purchase described in Subsection (63)(a)(i)(A); and
- 691 (C) used in conducting business in this state; and
- 692 (ii) for:
- 693 (A) tangible personal property or a product transferred electronically other than the tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property for a purpose for which the property is designed occurs outside of this state; or
- 697 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered outside of this state and not required to be registered in this state under Section 41-1a-202 or 73-18-9 based on residency;
- 700 (b) the exemption provided for in Subsection (63)(a) does not apply to:
- 701 (i) a lease or rental of tangible personal property or a product transferred electronically; or
- 703 (ii) a sale of a vehicle exempt under Subsection (33); and
- 704 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of Subsection (63)(a), the commission may by rule define what constitutes the following:

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- 707 (i) conducting business in this state if that phrase has the same meaning in this Subsection (63) as in
Subsection (24);
- 709 (ii) the first use of tangible personal property or a product transferred electronically if that phrase has
the same meaning in this Subsection (63) as in Subsection (24); or
- 711 (iii) a purpose for which tangible personal property or a product transferred electronically is designed if
that phrase has the same meaning in this Subsection (63) as in Subsection (24);
- 714 (64) sales of disposable home medical equipment or supplies if:
- 715 (a) a person presents a prescription for the disposable home medical equipment or supplies;
- 717 (b) the disposable home medical equipment or supplies are used exclusively by the person to whom the
prescription described in Subsection (64)(a) is issued; and
- 719 (c) the disposable home medical equipment and supplies are listed as eligible for payment under:
- 721 (i) Title XVIII, federal Social Security Act; or
- 722 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;
- 723 (65) sales:
- 724 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District Act; or
- 726 (b) of tangible personal property to a subcontractor of a public transit district, if the tangible personal
property is:
- 728 (i) clearly identified; and
- 729 (ii) installed or converted to real property owned by the public transit district;
- 730 (66) sales of construction materials:
- 731 (a) purchased on or after July 1, 2010;
- 732 (b) purchased by, on behalf of, or for the benefit of an international airport:
- 733 (i) located within a county of the first class; and
- 734 (ii) that has a United States customs office on its premises; and
- 735 (c) if the construction materials are:
- 736 (i) clearly identified;
- 737 (ii) segregated; and
- 738 (iii) installed or converted to real property:
- 739 (A) owned or operated by the international airport described in Subsection (66)(b); and
- 741 (B) located at the international airport described in Subsection (66)(b);
- 742 (67) sales of construction materials:

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- 743 (a) purchased on or after July 1, 2008;
- 744 (b) purchased by, on behalf of, or for the benefit of a new airport:
- 745 (i) located within a county of the second or third class, as classified in Section 17-50-501; and
- 747 (ii) that is owned or operated by a city in which an airline as defined in Section 59-2-102 is
headquartered; and
- 749 (c) if the construction materials are:
- 750 (i) clearly identified;
- 751 (ii) segregated; and
- 752 (iii) installed or converted to real property:
- 753 (A) owned or operated by the new airport described in Subsection (67)(b);
- 754 (B) located at the new airport described in Subsection (67)(b); and
- 755 (C) as part of the construction of the new airport described in Subsection (67)(b);
- 756 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common carrier that is
a railroad for use in a locomotive engine;
- 758 (69) purchases and sales described in Section 63H-4-111;
- 759 (70)
- . (a) sales of tangible personal property to an aircraft maintenance, repair, and overhaul provider for use
in the maintenance, repair, overhaul, or refurbishment in this state of a fixed wing turbine powered
aircraft if that fixed wing turbine powered aircraft's registration lists a state or country other than
this state as the location of registry of the fixed wing turbine powered aircraft; or
- 764 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul provider in
connection with the maintenance, repair, overhaul, or refurbishment in this state of a fixed wing
turbine powered aircraft if that fixed wing turbine powered aircraft's registration lists a state or
country other than this state as the location of registry of the fixed wing turbine powered aircraft;
- 769 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
- 770 (a) to a person admitted to an institution of higher education; and
- 771 (b) by a seller, other than a bookstore owned by an institution of higher education, if 51% or more
of that seller's sales revenue for the previous calendar quarter are sales of a textbook for a higher
education course;
- 774

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- (72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced level of municipal services;
- 777 (73) amounts paid or charged for construction materials used in the construction of a new or expanding
life science research and development facility in the state, if the construction materials are:
- 780 (a) clearly identified;
- 781 (b) segregated; and
- 782 (c) installed or converted to real property;
- 783 (74) amounts paid or charged for:
- 784 (a) a purchase or lease of machinery and equipment that:
- 785 (i) are used in performing qualified research:
- 786 (A) as defined in Section 41(d), Internal Revenue Code; and
- 787 (B) in the state; and
- 788 (ii) have an economic life of three or more years; and
- 789 (b) normal operating repair or replacement parts:
- 790 (i) for the machinery and equipment described in Subsection (74)(a); and
- 791 (ii) that have an economic life of three or more years;
- 792 (75) a sale or lease of tangible personal property used in the preparation of prepared food if:
- 793 (a) for a sale:
- 794 (i) the ownership of the seller and the ownership of the purchaser are identical; and
- 795 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that tangible personal
property prior to making the sale; or
- 797 (b) for a lease:
- 798 (i) the ownership of the lessor and the ownership of the lessee are identical; and
- 799 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible personal
property prior to making the lease;
- 801 (76)
- . (a) purchases of machinery or equipment if:
- 802 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement, Gambling,
and Recreation Industries, of the 2012 North American Industry Classification System of the
federal Executive Office of the President, Office of Management and Budget;

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- 806 (ii) the machinery or equipment:
- 807 (A) has an economic life of three or more years; and
- 808 (B) is used by one or more persons who pay admission or user fees described in Subsection
59-12-103(1)(f) to the purchaser of the machinery and equipment; and
- 811 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
- 812 (A) amounts paid or charged as admission or user fees described in Subsection 59-12-103(1)(f); and
- 814 (B) subject to taxation under this chapter; and
- 815 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission
may make rules for verifying that 51% of a purchaser's sales revenue for the previous calendar
quarter is:
- 818 (i) amounts paid or charged as admission or user fees described in Subsection 59-12-103(1)(f); and
- 820 (ii) subject to taxation under this chapter;
- 821 (77) purchases of a short-term lodging consumable by a business that provides accommodations and
services described in Subsection 59-12-103(1)(i);
- 823 (78) amounts paid or charged to access a database:
- 824 (a) if the primary purpose for accessing the database is to view or retrieve information from the
database; and
- 826 (b) not including amounts paid or charged for a:
- 827 (i) digital audio work;
- 828 (ii) digital audio-visual work; or
- 829 (iii) digital book;
- 830 (79) amounts paid or charged for a purchase or lease made by an electronic financial payment service,
of:
- 832 (a) machinery and equipment that:
- 833 (i) are used in the operation of the electronic financial payment service; and
- 834 (ii) have an economic life of three or more years; and
- 835 (b) normal operating repair or replacement parts that:
- 836 (i) are used in the operation of the electronic financial payment service; and
- 837 (ii) have an economic life of three or more years;
- 838 (80) sales of a fuel cell as defined in Section 54-15-102;
- 839

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- (81) amounts paid or charged for a purchase or lease of tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically:
- 842 (a) is stored, used, or consumed in the state; and
- 843 (b) is temporarily brought into the state from another state:
- 844 (i) during a disaster period as defined in Section 53-2a-1202;
- 845 (ii) by an out-of-state business as defined in Section 53-2a-1202;
- 846 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
- 847 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
- 848 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined in Section 39A-7-102, made pursuant to Title 39A, Chapter 7, Morale, Welfare, and Recreation Program;
- 851 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 852 (84) amounts paid or charged for a purchase or lease made by a qualifying data center or an occupant of a qualifying data center of machinery, equipment, or normal operating repair or replacement parts, if the machinery, equipment, or normal operating repair or replacement parts:
- 856 (a) are used in:
- 857 (i) the operation of the qualifying data center; or
- 858 (ii) the occupant's operations in the qualifying data center; and
- 859 (b) have an economic life of one or more years;
- 860 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle that includes cleaning or washing of the interior of the vehicle;
- 862 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used or consumed:
- 865 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined in Section 79-6-701 located in the state;
- 867 (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:
- 869 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is added to gasoline or diesel fuel;
- 871 (ii) research and development;
- 872

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- (iii) transporting, storing, or managing raw materials, work in process, finished products, and waste materials produced from refining gasoline or diesel fuel, or adding blendstock to gasoline or diesel fuel;
- 875 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in refining; or
- 877 (v) preventing, controlling, or reducing pollutants from refining; and
- 878 (c) if the person holds a valid refiner tax exemption certification as defined in Section 79-6-701;
- 880 (87) amounts paid to or charged by a proprietor for accommodations and services, as defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations tax imposed under Section 63H-1-205;
- 883 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, or materials, except for office equipment or office supplies, by an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 887 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;
- 890 (b) is located in this state; and
- 891 (c) uses the machinery, equipment, normal operating repair or replacement parts, or materials in the operation of the establishment;
- 893 (89) amounts paid or charged for an item exempt under Section 59-12-104.10;
- 894 (90) sales of a note, leaf, foil, or film, if the item:
- 895 (a) is used as currency;
- 896 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 897 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any transparent polymer holder, coating, or encasement;
- 899 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or surfing facility, if a trained instructor:
- 901 (a) is present with the participant, in person or by video, for the duration of the activity; and
- 903 (b) actively instructs the participant, including providing observation or feedback;
- 904 (92) amounts paid or charged in connection with the construction, operation, maintenance, repair, or replacement of facilities owned by or constructed for:

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- 906 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or
907 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;
908 (93) amounts paid by the service provider for tangible personal property, other than machinery,
equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels, that:
911 (a) is consumed in the performance of a service that is subject to tax under Subsection 59-12-103(1)(b),
(f), (g), (h), (i), or (j);
913 (b) has to be consumed for the service provider to provide the service described in Subsection (93)(a);
and
915 (c) will be consumed in the performance of the service described in Subsection (93)(a), to one or more
customers, to the point that the tangible personal property disappears or cannot be used for any other
purpose;
918 (94) sales of rail rolling stock manufactured in Utah;
919 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or construction
materials between establishments, as the commission defines that term in accordance with Title
63G, Chapter 3, Utah Administrative Rulemaking Act, if:
922 (a) the establishments are related directly or indirectly through 100% common ownership or control;
and
924 (b) each establishment is described in one of the following subsectors of the 2022 North American
Industry Classification System of the federal Executive Office of the President, Office of
Management and Budget:
927 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or
928 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing;
929 (96) sales of construction materials used for the construction of a qualified stadium, as defined in
Section 11-70-101; and
931 (97) amounts paid or charged for sales of a cannabinoid product as that term is defined in Section
4-41-102.
933 Section 4. Section **63N-4-801** is amended to read:
934 **63N-4-801. Definitions.**
As used in this part:
936 (1) "Advisory committee" means the Rural Opportunity Advisory Committee created in Section
63N-4-804.

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- 938 (2) "Association of governments" means an association of political subdivisions of the state, established
pursuant to an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act.
- 941 (3)
- . (a) "Business entity" means a sole proprietorship, partnership, association, joint venture, corporation,
firm, trust, foundation, or other organization or entity used in carrying on a business.
- 944 (b) "Business entity" does not include a business primarily engaged in the following:
- 945 (i) construction;
- 946 (ii) staffing;
- 947 (iii) retail trade; or
- 948 (iv) public utility activities.
- 949 (4) "CEO board" means a County Economic Opportunity Advisory Board as described in Section
63N-4-803.
- 951 (5) "Fund" means the Rural Opportunity Fund created in Section 63N-4-805.
- 952 (6) "Qualified asset" means a physical asset that provides or supports an essential public service.
- 954 (7) "Qualified project" means a project to build or improve one or more qualified assets for a rural
community, including:
- 956 (a) telecom and high-speed Internet infrastructure;
- 957 (b) power and energy infrastructure;
- 958 (c) water and sewerage infrastructure;
- 959 (d) healthcare infrastructure; or
- 960 (e) other infrastructure as defined by rule made by the office in accordance with Title 63G, Chapter 3,
Utah Administrative Rulemaking Act.
- 962 (8) "Rural community" means a rural county or rural municipality.
- 963 (9) "Rural county" means:
- 964 (a) a county of the [~~third,~~]fourth, fifth, or sixth class[-] , as classified in Section 17-50-501; or
- 966 (b) a county of the third class, as classified in Section 17-50-501, if the county of the third class has no
municipality with a population of 100,000 or more.
- 968 (10) "Rural health care special district" means a special service district created to provide health care
under Subsection 17D-1-201(6) that is located in a rural county or rural municipality.
- 971 (11) "Rural municipality" means a city{-}or town located within the boundaries of:
- 972 (a) a county of the {~~third,~~ } fourth, fifth, or sixth class{~~, as classified in Section 17-50-501~~}; or

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- 974 (b) a county of the second ~~{or third}~~ class, ~~{as classified in Section 17-50-501,}~~ if the municipality has
a population of 10,000 or less.
- 976 (12) "Rural Opportunity Program" or "program" means the Rural Opportunity Program created in
Section 63N-4-802.
- 976 Section 5. Section **72-2-133** is amended to read:
- 977 **72-2-133. Rural Transportation Infrastructure Fund -- Creation -- Uses.**
- 980 (1) As used in this section:
- 981 (a) "Graveled road" means the same as that term is defined in Section 72-2-108.
- 982 (b) "Paved road" means the same as that term is defined in Section 72-2-108.
- 983 (c)
- . (i) "Qualifying county" means a county that:
- 984 [(i)] (A) is a county of the third through sixth class, as classified in Section 17-50-501, except as
provided in Subsection (1)(c)(ii);
- 986 [(ii)] (B) has imposed a local option sales and use tax pursuant to:
- 987 [(A)] (I) Section 59-12-2217;
- 988 [(B)] (II) Section 59-12-2218; or
- 989 [(C)] (III) Section 59-12-2219; and
- 990 [(iii)] (C) has not imposed a local option sales and use tax pursuant to Section 59-12-2220 on or
before January 1, 2023.
- 992 (ii) "Qualifying county" does not include a county of the third class, as classified in Section 17-50-501,
with an airport facilitating commercial flights to three or more airports outside of the state.
- 995 (d) "Qualifying municipality" means a municipality located within a qualifying county.
- 996 (e) "Qualifying recipient" means qualifying county or a qualifying municipality.
- 997 (f) "Road mile" means the same as that term is defined in Section 72-2-108.
- 998 (g) "Weighted mileage" means the same as that term is defined in Section 72-2-108.
- 999 (2) There is created in the Transportation Fund an expendable special revenue fund called the Rural
Transportation Infrastructure Fund.
- 1001 (3) The Rural Transportation Infrastructure Fund shall be funded by:
- 1002 (a) deposits into the fund as described in Subsection 41-1a-1201(10);
- 1003 (b) appropriations by the Legislature; and
- 1004 (c) other deposits into the fund.

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- 1005 (4) The department shall administer the fund.
- 1006 (5) Beginning on January 1, 2024, the department shall annually distribute revenue in the fund among
qualifying recipients in the following manner:
- 1008 (a) 50% in the ratio that the class B roads weighted mileage within each county and class C roads
weighted mileage within each municipality bear to the total class B and class C roads weighted
mileage within the state; and
- 1011 (b) 50% in the ratio that the population of a county or municipality bears to the total population of the
state as of the last official federal census or the United States Census Bureau estimate, whichever
is most recent, except that if population estimates are not available from the United States Census
Bureau, population figures shall be derived from the estimate from the Utah Population Committee.
- 1016 (6) A qualifying recipient may only use funds distributed as described in this section in the same
manner as class B and class C road funds distributed in accordance with Section 72-2-108.
- 1019 (7)
- . (a)
- . (i) Before October 1 of each year, the department shall inform the State Tax Commission which
counties, if any, have an airport described in Subsection (1)(c)(ii).
- 1022 (ii) Before November 1 of each year, the State Tax Commission shall notify the department and
indicate which counties are qualifying counties.
- 1024 (b) After receiving the notification described in Subsection (7)(a)(ii), the department shall distribute
funds for the following year to the municipalities and counties that were identified as qualifying
recipients in the notification described in Subsection (7)(a).
- 1026 Section 6. Section **78B-22-102** is amended to read:
- 1027 **78B-22-102. Definitions.**
- As used in this chapter:
- 1031 (1) "Account" means the Indigent Defense Resources Restricted Account created in Section
78B-22-405.
- 1033 (2) "Commission" means the Utah Indigent Defense Commission created in Section 78B-22-401.
- 1035 (3) "Child welfare case" means a proceeding under Title 80, Chapter 3, Abuse, Neglect, and
Dependency Proceedings, or Title 80, Chapter 4, Termination and Restoration of Parental Rights.
- 1038 (4) "Eligible county" means:
- 1039 (a) a county of the fourth, fifth, and sixth class, as classified in Section 17-50-501; and

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- 1040 (b) a county of the third class, as classified in Section 17-50-501, if the county of the third class has no
1041 municipality with a population of 100,000 or more.
- 1042 ~~[(4)]~~ (5) "Executive ~~[Director]~~ director" means the executive director of the Office of Indigent Defense
Services, created in Section 78B-22-451, who is appointed in accordance with Section 78B-22-453.
- 1045 ~~[(5)]~~ (6) "Indigent defense resources" means the resources necessary to provide an effective defense for
an indigent individual.
- 1047 ~~[(6)]~~ (7) "Indigent defense service provider" means an attorney or entity appointed to represent an
indigent individual through:
- 1049 (a) a contract with an indigent defense system to provide indigent defense services;
- 1050 (b) an order issued by the court under Subsection 78B-22-203(2)(a); or
- 1051 (c) direct employment with an indigent defense system.
- 1052 ~~[(7)]~~ (8) "Indigent defense services" means:
- 1053 (a) the representation of an indigent individual by an indigent defense service provider; and
- 1055 (b) the provision of indigent defense resources for an indigent individual.
- 1056 ~~[(8)]~~ (9) "Indigent defense system" means:
- 1057 (a) a city or town that is responsible for providing indigent defense services;
- 1058 (b) a county that is responsible for providing indigent defense services in the district court, juvenile
court, and the county's justice courts; or
- 1060 (c) an interlocal entity, created pursuant to Title 11, Chapter 13, Interlocal Cooperation Act, that is
responsible for providing indigent defense services according to the terms of an agreement between
a county, city, or town.
- 1063 ~~[(9)]~~ (10) "Indigent individual" means:
- 1064 (a) a minor who is:
- 1065 (i) arrested and admitted into detention for an offense under Section 78A-6-103;
- 1066 (ii) charged by petition or information in the juvenile or district court; or
- 1067 (iii) described in this Subsection ~~[(9)(a)]~~ (10)(a), who is appealing an adjudication or other final court
action; and
- 1069 (b) an individual listed in Subsection 78B-22-201(1) who is found indigent pursuant to Section
78B-22-202.
- 1071 ~~[(10)]~~ (11) "Minor" means the same as that term is defined in Section 80-1-102.
- 1072 ~~[(11)]~~ (12) "Office" means the Office of Indigent Defense Services created in Section 78B-22-451.

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- 1074 [(12)] (13) "Participating county" means a county that complies with this chapter for participation in the
Indigent Aggravated Murder Defense Fund as provided in Sections 78B-22-702 and 78B-22-703.
- 1075 Section 7. Section **78B-22-406** is amended to read:
- 1076 **78B-22-406. Indigent defense services grant program.**
- 1079 (1) The commission may award grants:
- 1080 (a) to supplement local spending by an indigent defense system for indigent defense services; and
- 1082 (b) for contracts to provide indigent defense services for appeals from juvenile court proceedings in [a
county of the third, fourth, fifth, or sixth class] an eligible county.
- 1084 (2) The commission may use grant money:
- 1085 (a) to assist an indigent defense system to provide indigent defense services that meet the commission's
core principles for the effective representation of indigent individuals;
- 1088 (b) to establish and maintain local indigent defense data collection systems;
- 1089 (c) to provide indigent defense services in addition to indigent defense services that are currently being
provided by an indigent defense system;
- 1091 (d) to provide training and continuing legal education for indigent defense service providers;
- 1093 (e) to assist indigent defense systems with appeals from juvenile court proceedings;
- 1094 (f) to pay for indigent defense resources and costs and expenses for parental representation attorneys as
described in Subsection 78B-22-804(2); and
- 1096 (g) to reimburse an indigent defense system for the cost of providing indigent defense services in an
action initiated by a private party under Title 80, Chapter 4, Termination and Restoration of Parental
Rights, if the indigent defense system has complied with the commission's policies and procedures
for reimbursement.
- 1100 (3) To receive a grant from the commission, an indigent defense system shall demonstrate to the
commission's satisfaction that:
- 1102 (a) the indigent defense system has incurred or reasonably anticipates incurring expenses for indigent
defense services that are in addition to the indigent defense system's average annual spending on
indigent defense services in the three fiscal years immediately preceding the grant application; and
- 1106 (b)
- . (i) a grant from the commission is necessary for the indigent defense system to meet the commission's
core principles for the effective representation of indigent individuals; or
- 1109

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- (ii) the indigent defense system shall use the grant in an innovative manner that meets the commission's core principles for the effective representation of indigent individuals.

1112 (4) The commission may revoke a grant if an indigent defense system fails to meet requirements of the grant or any of the commission's core principles for the effective representation of indigent individuals.

1113 Section 8. Section **78B-22-452** is amended to read:

1114 **78B-22-452. Duties of the office.**

1117 (1) The office shall:

1118 (a) establish an annual budget for the office for the Indigent Defense Resources Restricted Account created in Section 78B-22-405;

1120 (b) assist the commission in performing the commission's statutory duties described in this chapter;

1122 (c) identify and collect data that is necessary for the commission to:

1123 (i) aid, oversee, and review compliance by indigent defense systems with the commission's core principles for the effective representation of indigent individuals; and

1126 (ii) provide reports regarding the operation of the commission and the provision of indigent defense services by indigent defense systems in the state;

1128 (d) assist indigent defense systems by reviewing contracts and other agreements, to ensure compliance with the commission's core principles for effective representation of indigent individuals;

1131 (e) establish procedures for the receipt and acceptance of complaints regarding the provision of indigent defense services in the state;

1133 (f) establish procedures to award grants to indigent defense systems under Section 78B-22-406 that are consistent with the commission's core principles;

1135 (g) create and enter into contracts consistent with Section 78B-22-454 to provide indigent defense services for an indigent defense inmate who:

1137 (i) is incarcerated in a state prison located in [~~a county of the third, fourth, fifth, or sixth class as classified in Section 17-50-501~~] an eligible county;

1139 (ii) is charged with having committed a crime within that state prison; and

1140 (iii) has been appointed counsel in accordance with Section 78B-22-203;

1141 (h) assist the commission in developing and reviewing advisory caseload guidelines and procedures;

1143 (i) investigate, audit, and review the provision of indigent defense services to ensure compliance with the commission's core principles for the effective representation of indigent individuals;

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- 1146 (j) administer the Child Welfare Parental Representation Program in accordance with Part 8, Child
Welfare Parental Representation Program;
- 1148 (k) administer the Indigent Aggravated Murder Defense Fund in accordance with Part 7, Indigent
Aggravated Murder Defense Fund;
- 1150 (l) assign an indigent defense service provider to represent an individual prosecuted for aggravated
murder in accordance with Part 7, Indigent Aggravated Murder Defense Fund;
- 1153 (m) annually report to the governor, Legislature, Judiciary Interim Committee, and Judicial Council,
regarding:
- 1155 (i) the operations of the commission;
- 1156 (ii) the operations of the indigent defense systems in the state; and
- 1157 (iii) compliance with the commission's core principles by indigent defense systems receiving grants
from the commission;
- 1159 (n) submit recommendations to the commission for improving indigent defense services in the state;
- 1161 (o) publish an annual report on the commission's website; and
- 1162 (p) perform all other duties assigned by the commission related to indigent defense services.
- 1164 (2) The office may enter into contracts and accept, allocate, and administer funds and grants from any
public or private person to accomplish the duties of the office.
- 1166 (3) Any contract entered into under this part shall require that indigent defense services are provided in
a manner consistent with the commission's core principles implemented under Section 78B-22-404.
- 1167 Section 9. Section **78B-22-903** is amended to read:
- 1168 **78B-22-903. Powers and duties of the division.**
- 1171 (1) The division shall:
- 1172 (a) provide appellate defense services:
- 1173 (i) for an appeal under Section 77-18a-1, in [~~counties of the third, fourth, fifth, and sixth class~~] eligible
counties;
- 1175 (ii) for an action or an appeal for postconviction relief under Chapter 9, Postconviction Remedies Act, if
the court appoints the division to represent the indigent individual; and
- 1178 (iii) for an appeal of right from an action for the termination or restoration of parental rights under
Chapter 6, Part 1, Utah Adoption Act, Title 80, Chapter 3, Abuse, Neglect, and Dependency
Proceedings, or Title 80, Chapter 4, Termination and Restoration of Parental Rights; and
- 1182

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- (b) provide appellate defense services in accordance with the core principles adopted by the commission under Section 78B-22-404 and any other state and federal standards for appellate defense services.

1185 (2) Upon consultation with the executive director and the commission, the division shall:

1186 (a) adopt a budget for the division;

1187 (b) adopt and publish on the commission's website:

1188 (i) appellate performance standards;

1189 (ii) case weighting standards; and

1190 (iii) any other relevant measures or information to assist with appellate defense services; and

1192 (c) if requested by the commission, provide a report to the commission on:

1193 (i) the provision of appellate defense services by the division;

1194 (ii) the caseloads of appellate attorneys; and

1195 (iii) any other information relevant to appellate defense services in the state.

1196 (3) If the division provides appellate defense services to an indigent individual in an indigent defense system, the division shall provide notice to the district court and the indigent defense system that the division intends to be appointed as counsel for the indigent individual.

1200 (4) The office shall assist with providing training and continual legal education on appellate defense to indigent defense service providers in [~~counties of the third, fourth, fifth, and sixth class~~] eligible counties.

1201 Section 10. Section **78B-22-904** is amended to read:

1202 **78B-22-904. Chief appellate officer -- Qualifications -- Staff -- Duties.**

1205 (1)

. (a) After consulting with the commission, the executive director shall appoint a chief appellate officer.

1207 (b) When appointing the chief appellate officer, the executive director shall give preference to an individual with experience in adult criminal appellate defense representation.

1210 (2) The chief appellate officer shall be an active member of the Utah State Bar with an appropriate background and experience to serve as the chief appellate officer.

1212 (3) The chief appellate officer shall carry out the duties of the division described in Section 78B-22-903.

1214 (4) The chief appellate officer shall:

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(a) provide appellate defense services in [~~a county of the third, fourth, fifth, or sixth class~~] an eligible county;

1217 (b) hire staff as necessary to carry out the duties of the division described in Section 78B-22-903; and

1219 (c) perform all other duties that are necessary for the division to carry out the division's statutory duties.

1221 (5) The chief appellate officer may provide appellate defense services in an action or an appeal for
postconviction relief under [~~Title 78B, Chapter 9, Postconviction Remedies Act~~] Chapter 9,
Postconviction Remedies Act, if the court appoints the division to represent the indigent individual.

1223 Section 11. **Effective date.**

This bill takes effect on July 1, 2025.

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