

Homelessness Revisions
2025 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Nelson T. Abbott

LONG TITLE

General Description:

This bill modifies provisions related to the annual local contribution formula that local governments provide to the Homeless Shelter Cities Mitigation Restricted Account.

Highlighted Provisions:

This bill:

- modifies the annual local contribution formula that local governments provide to the Homeless Shelter Cities Mitigation Restricted Account; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-12-205, as last amended by Laws of Utah 2024, Chapter 535

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

Section 1. Section **59-12-205** is amended to read:

59-12-205 . Ordinances to conform with statutory amendments -- Distribution of tax revenue -- Determination of population.

- (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or town's sales and use tax ordinances:
- (a) within 30 days of the day on which the state makes an amendment to an applicable provision of Part 1, Tax Collection; and
 - (b) as required to conform to the amendments to Part 1, Tax Collection.
- (2)(a) Except as provided in Subsections (3) and (4) and subject to Subsection (5):
- (i) 50% of each dollar collected from the sales and use tax authorized by this part

32 shall be distributed to each county, city, and town on the basis of the percentage
33 that the population of the county, city, or town bears to the total population of all
34 counties, cities, and towns in the state; and

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

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

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

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

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

55 (3)(a) As used in this Subsection (3):

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

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

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

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

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

- 66 (i) the payment required by Subsection (2); or
 67 (ii) the minimum tax revenue distribution.
- 68 (4)(a) For purposes of this Subsection (4):
- 69 (i) "Alternative amount" means an amount equal to:
- 70 (A) 2.55% of the participating local government's tax revenue distribution amount
 71 under Subsection (2)(a)(i) for the previous fiscal year minus 50% of the
 72 amount spent by the participating local government to achieve a goal described
 73 in Section 35A-16-302 during the preceding fiscal year; or
 74 (B) if the calculation described in Subsection (4)(a)(i)(A) results in a negative
 75 number, zero.
- 76 (ii) "Annual local contribution" means the lesser of:
- 77 (A) \$275,000; or
 78 (B) [an amount equal to 2.55% of the participating local government's tax revenue
 79 distribution amount under Subsection (2)(a)(i) for the previous fiscal year.] the
 80 alternative amount.
- 81 ~~[(ii)]~~ (iii) "Participating local government" means a county or municipality, as defined
 82 in Section 10-1-104, that is not an eligible municipality certified in accordance
 83 with Section 35A-16-404.
- 84 (b) For revenue collected from the tax authorized by this part that is distributed on or
 85 after January 1, 2019, the commission, before making a tax revenue distribution
 86 under Subsection (2)(a)(i) to a participating local government, shall:
- 87 (i) adjust a participating local government's tax revenue distribution under Subsection
 88 (2)(a)(i) by:
- 89 (A) subtracting an amount equal to one-twelfth of the annual local contribution for
 90 each participating local government from the participating local government's
 91 tax revenue distribution; and
- 92 (B) if applicable, reducing the amount described in Subsection (4)(b)(i)(A) by an
 93 amount equal to one-twelfth of \$250 for each bed that is available at all
 94 homeless shelters located within the boundaries of the participating local
 95 government, as reported to the commission by the Office of Homeless Services
 96 in accordance with Section 35A-16-405; and
- 97 (ii) deposit the resulting amount described in Subsection (4)(b)(i) into the Homeless
 98 Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.
- 99 (c) For a participating local government that qualifies to receive a distribution described

100 in Subsection (3), the commission shall apply the provisions of this Subsection (4)
101 after the commission applies the provisions of Subsection (3).

102 (5)(a) As used in this Subsection (5):

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

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

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

110 (A) contains sand and gravel; and

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

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

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

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

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

119 (b) For purposes of calculating the ratio described in Subsection (5)(a)(v), the
120 commission shall:

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

123 (ii) if a sand and gravel extraction site operates as a unit across municipal or county
124 lines, apportion the reported tonnage among the counties, cities, or towns based on
125 the percentage of the sand and gravel extraction site located in each county, city,
126 or town, as approximated by the commission.

127 (c)(i) Beginning July 2023, and each July thereafter, the commission shall distribute
128 from total collections under this part an amount equal to the annual dedicated sand
129 and gravel sales tax revenue for the preceding calendar year to each county, city,
130 or town in the same proportion as the county's, city's, or town's tonnage ratio for
131 the preceding calendar year.

132 (ii) The commission shall ensure that the revenue distributed under this Subsection
133 (5)(c) is drawn from each jurisdiction's collections in proportion to the

- 134 jurisdiction's share of total collections for the preceding 12-month period.
- 135 (d) A county, city, or town shall use revenue described in Subsection (5)(c) for class B
136 or class C roads.
- 137 (6)(a) Population figures for purposes of this section shall be based on the most recent
138 official census or census estimate of the United States Bureau of the Census.
- 139 (b) If a needed population estimate is not available from the United States Bureau of the
140 Census, population figures shall be derived from the estimate from the Utah
141 Population Committee.
- 142 (c) The population of a county for purposes of this section shall be determined only from
143 the unincorporated area of the county.
- 144 Section 2. **Effective date.**
- 145 This bill takes effect on January 1, 2026.