

Walt Brooks proposes the following substitute bill:

**County Classification Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Walt Brooks**

Senate Sponsor: Don L. Ipson

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**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

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

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

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

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

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

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

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

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

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

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

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

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

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

31 **17-50-501 . Classification of counties.**

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

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

35 (b) A county with a population of [~~175,000~~] 260,000 or more but less than [~~1,000,000~~]  
36 1,150,000 is a county of the second class.

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

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

41 (e) A county with a population of [~~4,000~~] 5,000 or more but less than [~~11,000~~] 12,000 is a  
42 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.**

46 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  
49 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  
52 and submit data and apply for funds on behalf of the continuum of care, as required by  
53 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  
55 States Department of Housing and Urban Development to coordinate services for  
56 individuals experiencing homelessness within an area of the state.

57 (6) "Coordinator" means the state homelessness coordinator appointed under Section  
58 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;

(c) a temporary housing situation;

(d) a permanent housing situation; or

(e) other.

(9) "First-tier eligible municipality" means a municipality that:

(a) is located within:

(i) a county of the first or second class, as classified in Section 17-50-501; or

(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;

(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;

(c) due to the location of an eligible shelter within the municipality's geographic boundaries, requires eligible services; and

(d) is certified as a first-tier eligible municipality in accordance with Section 35A-16-404.

(10) "Homeless Management Information System" or "HMIS" means an information technology system that:

(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

(b) meets the requirements of the United States Department of Housing and Urban Development.

(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).

(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.

(13) "Office" means the Office of Homeless Services.

(14) "Second-tier eligible municipality" means a municipality that:

(a) is located within:

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

(ii) a county of the third class, if the municipality has a population of less than 100,000;

(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;

(c) due to the location of an eligible shelter within the municipality's geographic boundaries, requires eligible services; and

(d) is certified as a second-tier eligible municipality in accordance with Section 35A-16-404.

(15)(a) "Service provider" means a state agency, a local government, or a private organization that provides services to clients.

(b) "Service provider" includes a correctional facility and the Administrative Office of the Courts.

(16) "Steering committee" means the Utah Homeless Network Steering Committee created in Section 35A-16-206.

(17) "Strategic plan" means the statewide strategic plan to minimize homelessness in the state described in Subsection 35A-16-203(1)(c).

(18) "Type of homelessness" means:

(a) chronic homelessness;

(b) episodic homelessness;

(c) situational homelessness; or

(d) family homelessness.

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

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

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

(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;

(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:

(a) construction materials except:

(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

(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

(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
- 134 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)(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
- 148 in interstate or foreign commerce;
- 149 (6) sales of commercials, motion picture films, prerecorded audio program tapes or records,
- 150 and prerecorded video tapes by a producer, distributor, or studio to a motion picture
- 151 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
- 153 cleaning or washing of tangible personal property if the cleaning or washing of the
- 154 tangible personal property is not assisted cleaning or washing of tangible personal
- 155 property;
- 156 (b) if a seller that sells at the same business location assisted cleaning or washing of
- 157 tangible personal property and cleaning or washing of tangible personal property that
- 158 is not assisted cleaning or washing of tangible personal property, the exemption
- 159 described in Subsection (7)(a) applies if the seller separately accounts for the sales of
- 160 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
- 162 Administrative Rulemaking Act, the commission may make rules:
- 163 (i) governing the circumstances under which sales are at the same business location;
- 164 and

- 165 (ii) establishing the procedures and requirements for a seller to separately account for  
166 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  
168 religious or charitable functions and activities, if the requirements of Section 59-12-104.1  
169 are fulfilled;
- 170 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this  
171 state if:
- 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  
177 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  
180 state; or
- 181 (B) if the vehicle is used to conduct business, for the time period necessary to  
182 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,  
192 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  
198 general public:

- 199 (A) a church; or  
200 (B) a charitable institution; or  
201 (ii) an institution of higher education if:  
202 (A) the item described in Subsection (12)(c) is not available to the general public;  
203 or  
204 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal  
205 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  
214 or a product transferred electronically by a person:  
215 (i) regardless of the number of transactions involving the sale of that tangible  
216 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  
218 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  
221 regularly engaged in the business of selling that type of tangible personal property  
222 or product transferred electronically;  
223 (ii) the person holds that person out as regularly engaged in the business of selling  
224 that type of tangible personal property or product transferred electronically;  
225 (iii) the person sells an item of tangible personal property or product transferred  
226 electronically that the person purchased as a sale that is exempt under Subsection  
227 (25); or  
228 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws  
229 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  
231 vehicle or vessel being sold; or  
232 (B) in the absence of a bill of sale, lease agreement, or other written evidence of

- 233 value, the fair market value of the vehicle or vessel being sold at the time of the  
234 sale as determined by the commission; and
- 235 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
236 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  
238 property or product transferred electronically;
- 239 (ii) a sale of tangible personal property or a product transferred electronically is one  
240 of a series of sales of a character to indicate that a person is regularly engaged in  
241 the business of selling that type of tangible personal property or product  
242 transferred electronically; or
- 243 (iii) a person holds that person out as regularly engaged in the business of selling a  
244 type of tangible personal property or product transferred electronically;
- 245 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
246 operating repair or replacement parts, or materials, except for office equipment or office  
247 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  
251 replacement parts, or materials:
- 252 (A) in the manufacturing process to manufacture an item sold as tangible personal  
253 property, as the commission may define that phrase in accordance with Title  
254 63G, Chapter 3, Utah Administrative Rulemaking Act; or
- 255 (B) for a scrap recycler, to process an item sold as tangible personal property, as  
256 the commission may define that phrase in accordance with Title 63G, Chapter  
257 3, Utah Administrative Rulemaking Act;
- 258 (b) an establishment, as the commission defines that term in accordance with Title 63G,  
259 Chapter 3, Utah Administrative Rulemaking Act, that:
- 260 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS  
261 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for  
262 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except  
263 Fuels) Mining, of the 2002 North American Industry Classification System of the  
264 federal Executive Office of the President, Office of Management and Budget;
- 265 (ii) is located in the state; and
- 266 (iii) uses or consumes the machinery, equipment, normal operating repair or



- 267 replacement parts, or materials in:
- 268 (A) the production process to produce an item sold as tangible personal property,
- 269 as the commission may define that phrase in accordance with Title 63G,
- 270 Chapter 3, Utah Administrative Rulemaking Act;
- 271 (B) research and development, as the commission may define that phrase in
- 272 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 273 (C) transporting, storing, or managing tailings, overburden, or similar waste
- 274 materials produced from mining;
- 275 (D) developing or maintaining a road, tunnel, excavation, or similar feature used
- 276 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,
- 279 Chapter 3, Utah Administrative Rulemaking Act, that:
- 280 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
- 281 American Industry Classification System of the federal Executive Office of the
- 282 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
- 285 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
- 292 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
- 295 performance of any aerospace or electronics industry contract with the United
- 296 States government or any subcontract under that contract; and
- 297 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
- 298 title to the tooling, equipment, or parts is vested in the United States government
- 299 as evidenced by:
- 300 (A) a government identification tag placed on the tooling, equipment, or parts; or

- (B) listing on a government-approved property record if placing a government identification tag on the tooling, equipment, or parts is impractical;
- (16) sales of newspapers or newspaper subscriptions;
- (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:
- (i) the bill of sale or other written evidence of value of the vehicle being sold and the vehicle being traded in; or
  - (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
- (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:
- (i) money;
  - (ii) electricity;
  - (iii) water;
  - (iv) gas; or
  - (v) steam;
- (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:
- (A) becomes part of real estate; or
  - (B) is installed by a farmer, contractor, or subcontractor; or
  - (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
- (b) amounts paid or charged for the following are subject to the taxes imposed by this chapter:
- (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
  - (B) tangible personal property that is considered to be used in a manner that is

- 335 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
- 339 transferred electronically if the tangible personal property or product
- 340 transferred electronically is used in an activity other than farming; and
- 341 (B) tangible personal property or a product transferred electronically that is
- 342 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
- 349 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,
- 352 farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
- 353 garden, farm, or other agricultural produce is sold by:
- 354 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
- 355 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);
- 358 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under
- 359 the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
- 360 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
- 361 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
- 362 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
- 363 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  
371 time of the purchase;
- 372 (C) used for the personal use or enjoyment of the nonresident person described in  
373 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state;  
374 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  
378 of the product for a purpose for which the product is designed occurs outside of  
379 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  
382 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  
387 purposes of Subsection (24)(a), the commission may by rule define what constitutes  
388 the following:
- 389 (i) conducting business in this state if that phrase has the same meaning in this  
390 Subsection (24) as in Subsection (63);
- 391 (ii) the first use of a product if that phrase has the same meaning in this Subsection  
392 (24) as in Subsection (63); or
- 393 (iii) a purpose for which a product is designed if that phrase has the same meaning in  
394 this Subsection (24) as in Subsection (63);
- 395 (25) a product purchased for resale in the regular course of business, either in its original  
396 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  
398 subdivisions, except that the state shall be paid any difference between the tax paid and  
399 the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment  
400 is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local  
401 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;

(28) purchases made in accordance with the special supplemental nutrition program for women, infants, and children established in 42 U.S.C. Sec. 1786;

(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;

(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:

(a) not registered in this state; and

(b)(i) not used in this state; or

(ii) used in this state:

(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:

(I) 30 days in any calendar year; or

(II) the time period necessary to transport the boat, boat trailer, or outboard motor to the borders of this state; or

(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;

(31) sales of aircraft manufactured in Utah;

(32) amounts paid for the purchase of telecommunications service for purposes of providing telecommunications service;

(33) sales, leases, or uses of the following:

(a) a vehicle by an authorized carrier; or

(b) tangible personal property that is installed on a vehicle:

(i) sold or leased to or used by an authorized carrier; and

(ii) before the vehicle is placed in service for the first time;

(34)(a) 45% of the sales price of any new manufactured home; and

(b) 100% of the sales price of any used manufactured home;

(35) sales relating to schools and fundraising sales;

(36) sales or rentals of durable medical equipment if:

(a) a person presents a prescription for the durable medical equipment; and

(b) the durable medical equipment is used for home use only;

(37)(a) sales to a ski resort of electricity to operate a passenger ropeway as defined in Section 72-11-102; and

(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;

(38) sales to a ski resort of:

(a) snowmaking equipment;

(b) ski slope grooming equipment;

(c) passenger ropeways as defined in Section 72-11-102; or

(d) parts used in the repairs or renovations of equipment or passenger ropeways described in Subsections (38)(a) through (c);

(39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;

(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;

(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

(c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules:

(i) governing the circumstances under which sales are at the same business location; and

(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;

(41)(a) sales of photocopies by:

(i) a governmental entity; or

(ii) an entity within the state system of public education, including:

(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  
474 that is subject to the provisions of Title IX of the Education Amendments of 1972, 20  
475 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  
481 materials regardless of whether the semiconductor fabricating, processing, research, or  
482 development materials:  
483 (a) actually come into contact with a semiconductor; or  
484 (b) ultimately become incorporated into real property;

485 (45) an amount paid by or charged to a purchaser for accommodations and services  
486 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under  
487 Section 59-12-104.2;

488 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in  
489 accordance with Section 41-3-306 for the event period specified on the temporary sports  
490 event registration certificate;

491 (47)(a) sales or uses of electricity, if the sales or uses are made under a retail tariff  
492 adopted by the Public Service Commission only for purchase of electricity produced  
493 from a new alternative energy source built after January 1, 2016, as designated in the  
494 tariff by the Public Service Commission; and  
495 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies  
496 only to the portion of the tariff rate a customer pays under the tariff described in  
497 Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection  
498 (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  
500 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  
507 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;
- 510 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;
- 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
- 523 machinery or equipment by an establishment described in Subsection (54)(c) if the
- 524 machinery or equipment is primarily used in the production or postproduction of the
- 525 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
- 533 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
- 535 described in Subsection (54)(c) that is used for the production or postproduction of
- 536 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
- 541 Classification System of the federal Executive Office of the President, Office of
- 542 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
- 546 commission may by rule:
- 547 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);
- 548 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
- 555 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
- 561 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
- 564 Subsection (55)(a)(i) operational up to the point of interconnection with an
- 565 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:
- 577 (A) a new alternative energy electricity production facility; or
- 578 (B) the increase in the capacity of an alternative energy electricity production
- 579 facility;
- 580 (ii) contracted services required for construction and routine maintenance activities;
- 581 and
- 582 (iii) unless the tangible personal property is used or acquired for an increase in
- 583 capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal
- 584 property used or acquired after:
- 585 (A) the alternative energy electricity production facility described in Subsection
- 586 (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
- 588 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
- 590 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
- 596 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
- 599 Subsection (56)(a)(i) operational up to the point of interconnection with an
- 600 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
- 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;
- 614 and
- 615 (iii) unless the tangible personal property is used or acquired for an increase in
- 616 capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used
- 617 or acquired after:
- 618 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as
- 619 described in Subsection (56)(a)(iii); or
- 620 (B) the increased capacity described in Subsection (56)(a)(i) is operational as
- 621 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
- 623 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,
- 631 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;
- 639 and
- 640 (iii) unless the tangible personal property is used or acquired for an increase in

- 641 capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used  
642 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  
646 transferred electronically to a person within this state if that tangible personal  
647 property or product transferred electronically is subsequently shipped outside the  
648 state and incorporated pursuant to contract into and becomes a part of real property  
649 located outside of this state; and
- 650 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other  
651 state or political entity to which the tangible personal property is shipped imposes a  
652 sales, use, gross receipts, or other similar transaction excise tax on the transaction  
653 against which the other state or political entity allows a credit for sales and use taxes  
654 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  
667 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;  
670 and  
671 (ii) has a useful economic life of one or more years; and
- 672 (b) the following apply to Subsection (61)(a):
- 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  
679 personal property or a product transferred electronically that are used in the research  
680 and development of alternative energy technology; and
- 681 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
682 commission may, for purposes of Subsection (62)(a), make rules defining what  
683 constitutes purchases of tangible personal property or a product transferred  
684 electronically that are used in the research and development of alternative energy  
685 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  
690 (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  
694 the tangible personal property described in Subsection (63)(a)(ii)(B), the first  
695 use of the property for a purpose for which the property is designed occurs  
696 outside of this state; or  
697 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is  
698 registered outside of this state and not required to be registered in this state  
699 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  
702 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  
705 purposes of Subsection (63)(a), the commission may by rule define what constitutes  
706 the following:  
707 (i) conducting business in this state if that phrase has the same meaning in this  
708 Subsection (63) as in Subsection (24);

- 709 (ii) the first use of tangible personal property or a product transferred electronically if  
710 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  
712 electronically is designed if that phrase has the same meaning in this Subsection  
713 (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  
716 supplies;
- 717 (b) the disposable home medical equipment or supplies are used exclusively by the  
718 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  
720 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  
725 Act; or  
726 (b) of tangible personal property to a subcontractor of a public transit district, if the  
727 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  
740 (66)(b); and  
741 (B) located at the international airport described in Subsection (66)(b);
- 742 (67) sales of construction materials:

- 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
- 746 17-50-501; and
- 747 (ii) that is owned or operated by a city in which an airline as defined in Section
- 748 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
- 757 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
- 760 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in
- 761 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
- 762 aircraft's registration lists a state or country other than this state as the location of
- 763 registry of the fixed wing turbine powered aircraft; or
- 764 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
- 765 provider in connection with the maintenance, repair, overhaul, or refurbishment in
- 766 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
- 767 aircraft's registration lists a state or country other than this state as the location of
- 768 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
- 772 51% or more of that seller's sales revenue for the previous calendar quarter are sales
- 773 of a textbook for a higher education course;
- 774 (72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5)
- 775 on a purchaser from a business for which the municipality provides an enhanced level of
- 776 municipal services;

- 777 (73) amounts paid or charged for construction materials used in the construction of a new or  
778 expanding life science research and development facility in the state, if the construction  
779 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
    - 796 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
    - 800 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,  
803 Gambling, and Recreation Industries, of the 2012 North American Industry  
804 Classification System of the federal Executive Office of the President, Office of  
805 Management and Budget;
  - 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  
809 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment;
    - 810 and



(iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:

(A) amounts paid or charged as admission or user fees described in Subsection 59-12-103(1)(f); and

(B) subject to taxation under this chapter; and

(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:

(i) amounts paid or charged as admission or user fees described in Subsection 59-12-103(1)(f); and

(ii) subject to taxation under this chapter;

(77) purchases of a short-term lodging consumable by a business that provides accommodations and services described in Subsection 59-12-103(1)(i);

(78) amounts paid or charged to access a database:

(a) if the primary purpose for accessing the database is to view or retrieve information from the database; and

(b) not including amounts paid or charged for a:

(i) digital audio work;

(ii) digital audio-visual work; or

(iii) digital book;

(79) amounts paid or charged for a purchase or lease made by an electronic financial payment service, of:

(a) machinery and equipment that:

(i) are used in the operation of the electronic financial payment service; and

(ii) have an economic life of three or more years; and

(b) normal operating repair or replacement parts that:

(i) are used in the operation of the electronic financial payment service; and

(ii) have an economic life of three or more years;

(80) sales of a fuel cell as defined in Section 54-15-102;

(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:

(a) is stored, used, or consumed in the state; and

(b) is temporarily brought into the state from another state:

(i) during a disaster period as defined in Section 53-2a-1202;

- (ii) by an out-of-state business as defined in Section 53-2a-1202;
  - (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
  - (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
- (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;
- (83) amounts paid or charged for a purchase or lease of molten magnesium;
- (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:
- (a) are used in:
    - (i) the operation of the qualifying data center; or
    - (ii) the occupant's operations in the qualifying data center; and
  - (b) have an economic life of one or more years;
- (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;
- (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:
- (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined in Section 79-6-701 located in the state;
  - (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:
    - (i) the production process to produce gasoline or diesel fuel, or at which blendstock is added to gasoline or diesel fuel;
    - (ii) research and development;
    - (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;
    - (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in refining; or
    - (v) preventing, controlling, or reducing pollutants from refining; and
  - (c) if the person holds a valid refiner tax exemption certification as defined in Section

- 879           79-6-701;
- 880   (87) amounts paid to or charged by a proprietor for accommodations and services, as  
881       defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations  
882       tax imposed under Section 63H-1-205;
- 883   (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal  
884       operating repair or replacement parts, or materials, except for office equipment or office  
885       supplies, by an establishment, as the commission defines that term in accordance with  
886       Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 887       (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North  
888           American Industry Classification System of the federal Executive Office of the  
889           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  
892       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  
898       transparent polymer holder, coating, or encasement;
- 899   (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or  
900       surfing facility, if a trained instructor:
- 901       (a) is present with the participant, in person or by video, for the duration of the activity;  
902       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,  
905       repair, or replacement of facilities owned by or constructed for:
- 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  
909       machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels,  
910       that:
- 911       (a) is consumed in the performance of a service that is subject to tax under Subsection  
912       59-12-103(1)(b), (f), (g), (h), (i), or (j);

(b) has to be consumed for the service provider to provide the service described in Subsection (93)(a); and

(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;

(94) sales of rail rolling stock manufactured in Utah;

(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:

(a) the establishments are related directly or indirectly through 100% common ownership or control; and

(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:

(i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or

(ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing;

(96) sales of construction materials used for the construction of a qualified stadium, as defined in Section 11-70-101; and

(97) amounts paid or charged for sales of a cannabinoid product as that term is defined in Section 4-41-102.

Section 4. Section **63N-4-801** is amended to read:

**63N-4-801 . Definitions.**

As used in this part:

(1) "Advisory committee" means the Rural Opportunity Advisory Committee created in Section 63N-4-804.

(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.

(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.

(b) "Business entity" does not include a business primarily engaged in the following:

(i) construction;

(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
- 950 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
- 953 service.
- 954 (7) " Qualified project" means a project to build or improve one or more qualified assets for
- 955 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
- 961 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
- 965 17-50-501; or
- 966 (b) a county of the third class, as classified in Section 17-50-501, if the county of the
- 967 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
- 969 health care under Subsection 17D-1-201(6) that is located in a rural county or rural
- 970 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;
- 973 or
- 974 (b) a county of the second or third class, as classified in Section 17-50-501, if the
- 975 municipality has a population of 10,000 or less.
- 976 (12) "Rural Opportunity Program" or "program" means the Rural Opportunity Program
- 977 created in Section 63N-4-802.
- 978 Section 5. Section **72-2-133** is amended to read:
- 979 **72-2-133 . Rural Transportation Infrastructure Fund -- Creation -- Uses.**
- 980 (1) As used in this section:

(a) "Graveled road" means the same as that term is defined in Section 72-2-108.

(b) "Paved road" means the same as that term is defined in Section 72-2-108.

(c)(i) "Qualifying county" means a county that:

[~~(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);

[~~(ii)~~] (B) has imposed a local option sales and use tax pursuant to:

[~~(A)~~] (I) Section 59-12-2217;

[~~(B)~~] (II) Section 59-12-2218; or

[~~(C)~~] (III) Section 59-12-2219; and

[~~(iii)~~] (C) has not imposed a local option sales and use tax pursuant to Section 59-12-2220 on or before January 1, 2023.

(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.

(d) "Qualifying municipality" means a municipality located within a qualifying county.

(e) "Qualifying recipient" means qualifying county or a qualifying municipality.

(f) "Road mile" means the same as that term is defined in Section 72-2-108.

(g) "Weighted mileage" means the same as that term is defined in Section 72-2-108.

(2) There is created in the Transportation Fund an expendable special revenue fund called the Rural Transportation Infrastructure Fund.

(3) The Rural Transportation Infrastructure Fund shall be funded by:

(a) deposits into the fund as described in Subsection 41-1a-1201(10);

(b) appropriations by the Legislature; and

(c) other deposits into the fund.

(4) The department shall administer the fund.

(5) Beginning on January 1, 2024, the department shall annually distribute revenue in the fund among qualifying recipients in the following manner:

(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

(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

- 1015 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  
 1017 same manner as class B and class C road funds distributed in accordance with Section  
 1018 72-2-108.
- 1019 (7)(a)(i) Before October 1 of each year, the department shall inform the State Tax  
 1020 Commission which counties, if any, have an airport described in Subsection  
 1021 (1)(c)(ii).
- 1022 (ii) Before November 1 of each year, the State Tax Commission shall notify the  
 1023 department and indicate which counties are qualifying counties.
- 1024 (b) After receiving the notification described in Subsection (7)(a)(ii), the department  
 1025 shall distribute funds for the following year to the municipalities and counties that  
 1026 were identified as qualifying recipients in the notification described in Subsection  
 1027 (7)(a).
- 1028 Section 6. Section **78B-22-102** is amended to read:
- 1029 **78B-22-102 . Definitions.**
- 1030 As used in this chapter:
- 1031 (1) "Account" means the Indigent Defense Resources Restricted Account created in Section  
 1032 78B-22-405.
- 1033 (2) "Commission" means the Utah Indigent Defense Commission created in Section  
 1034 78B-22-401.
- 1035 (3) "Child welfare case" means a proceeding under Title 80, Chapter 3, Abuse, Neglect, and  
 1036 Dependency Proceedings, or Title 80, Chapter 4, Termination and Restoration of  
 1037 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  
 1040 (b) a county of the third class, as classified in Section 17-50-501, if the county of the  
 1041 third class has no municipality with a population of 100,000 or more.
- 1042 [(4)] (5) "Executive [~~Director~~] director" means the executive director of the Office of  
 1043 Indigent Defense Services, created in Section 78B-22-451, who is appointed in  
 1044 accordance with Section 78B-22-453.
- 1045 [(5)] (6) "Indigent defense resources" means the resources necessary to provide an effective  
 1046 defense for an indigent individual.
- 1047 [(6)] (7) "Indigent defense service provider" means an attorney or entity appointed to  
 1048 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;  
1054 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  
1059 court, juvenile court, and the county's justice courts; or  
1060 (c) an interlocal entity, created pursuant to Title 11, Chapter 13, Interlocal Cooperation  
1061 Act, that is responsible for providing indigent defense services according to the terms  
1062 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  
1068 other final court action; and  
1069 (b) an individual listed in Subsection 78B-22-201(1) who is found indigent pursuant to  
1070 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  
1073 78B-22-451.
- 1074 [(12)] (13) "Participating county" means a county that complies with this chapter for  
1075 participation in the Indigent Aggravated Murder Defense Fund as provided in Sections  
1076 78B-22-702 and 78B-22-703.
- 1077 Section 7. Section **78B-22-406** is amended to read:  
1078 **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  
1081 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.

(2) The commission may use grant money:

- (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;
- (b) to establish and maintain local indigent defense data collection systems;
- (c) to provide indigent defense services in addition to indigent defense services that are currently being provided by an indigent defense system;
- (d) to provide training and continuing legal education for indigent defense service providers;
- (e) to assist indigent defense systems with appeals from juvenile court proceedings;
- (f) to pay for indigent defense resources and costs and expenses for parental representation attorneys as described in Subsection 78B-22-804(2); and
- (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.

(3) To receive a grant from the commission, an indigent defense system shall demonstrate to the commission's satisfaction that:

- (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
- (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
- (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.

(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.

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

**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
- 1119 Restricted Account created in Section 78B-22-405;
- 1120 (b) assist the commission in performing the commission's statutory duties described in
- 1121 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
- 1124 commission's core principles for the effective representation of indigent
- 1125 individuals; and
- 1126 (ii) provide reports regarding the operation of the commission and the provision of
- 1127 indigent defense services by indigent defense systems in the state;
- 1128 (d) assist indigent defense systems by reviewing contracts and other agreements, to
- 1129 ensure compliance with the commission's core principles for effective representation
- 1130 of indigent individuals;
- 1131 (e) establish procedures for the receipt and acceptance of complaints regarding the
- 1132 provision of indigent defense services in the state;
- 1133 (f) establish procedures to award grants to indigent defense systems under Section
- 1134 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
- 1136 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~~
- 1138 ~~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
- 1142 procedures;
- 1143 (i) investigate, audit, and review the provision of indigent defense services to ensure
- 1144 compliance with the commission's core principles for the effective representation of
- 1145 indigent individuals;
- 1146 (j) administer the Child Welfare Parental Representation Program in accordance with
- 1147 Part 8, Child Welfare Parental Representation Program;
- 1148 (k) administer the Indigent Aggravated Murder Defense Fund in accordance with Part 7,
- 1149 Indigent Aggravated Murder Defense Fund;
- 1150 (l) assign an indigent defense service provider to represent an individual prosecuted for

1151 aggravated murder in accordance with Part 7, Indigent Aggravated Murder Defense  
1152 Fund;

1153 (m) annually report to the governor, Legislature, Judiciary Interim Committee, and  
1154 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  
1158 receiving grants from the commission;

1159 (n) submit recommendations to the commission for improving indigent defense services  
1160 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  
1163 services.

1164 (2) The office may enter into contracts and accept, allocate, and administer funds and grants  
1165 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  
1167 provided in a manner consistent with the commission's core principles implemented  
1168 under Section 78B-22-404.

1169 Section 9. Section **78B-22-903** is amended to read:

1170 **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~~  
1174 ~~sixth class~~] eligible counties;

1175 (ii) for an action or an appeal for postconviction relief under Chapter 9,  
1176 Postconviction Remedies Act, if the court appoints the division to represent the  
1177 indigent individual; and

1178 (iii) for an appeal of right from an action for the termination or restoration of parental  
1179 rights under Chapter 6, Part 1, Utah Adoption Act, Title 80, Chapter 3, Abuse,  
1180 Neglect, and Dependency Proceedings, or Title 80, Chapter 4, Termination and  
1181 Restoration of Parental Rights; and

1182 (b) provide appellate defense services in accordance with the core principles adopted by  
1183 the commission under Section 78B-22-404 and any other state and federal standards  
1184 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  
1191 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  
1197 indigent defense system, the division shall provide notice to the district court and the  
1198 indigent defense system that the division intends to be appointed as counsel for the  
1199 indigent individual.
- 1200 (4) The office shall assist with providing training and continual legal education on appellate  
1201 defense to indigent defense service providers in [~~counties of the third, fourth, fifth, and~~  
1202 ~~sixth class~~] eligible counties.
- 1203 Section 10. Section **78B-22-904** is amended to read:
- 1204 **78B-22-904 . Chief appellate officer -- Qualifications -- Staff -- Duties.**
- 1205 (1)(a) After consulting with the commission, the executive director shall appoint a chief  
1206 appellate officer.
- 1207 (b) When appointing the chief appellate officer, the executive director shall give  
1208 preference to an individual with experience in adult criminal appellate defense  
1209 representation.
- 1210 (2) The chief appellate officer shall be an active member of the Utah State Bar with an  
1211 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  
1213 78B-22-903.
- 1214 (4) The chief appellate officer shall:
- 1215 (a) provide appellate defense services in [~~a county of the third, fourth, fifth, or sixth class~~]  
1216 an eligible county;
- 1217 (b) hire staff as necessary to carry out the duties of the division described in Section  
1218 78B-22-903; and

1219 (c) perform all other duties that are necessary for the division to carry out the division's  
1220 statutory duties.

1221 (5) The chief appellate officer may provide appellate defense services in an action or an  
1222 appeal for postconviction relief under [~~Title 78B, Chapter 9, Postconviction Remedies~~  
1223 ~~Act~~] Chapter 9, Postconviction Remedies Act, if the court appoints the division to  
1224 represent the indigent individual.

1225 Section 11. **Effective Date.**

1226 This bill takes effect on July 1, 2025.