

1 **Military Installation Development Authority**  
**and Other Development Zone Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jerry W. Stevenson**

House Sponsor:

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3 **LONG TITLE**

4 **General Description:**

5 This bill deals with the Military Installation Development Authority and the distribution of  
6 certain sales tax revenues related to certain authorities and zones.

7 **Highlighted Provisions:**

8 This bill:

- 9 ▶ defines terms;
- 10 ▶ authorizes a basic special district to use certain revenue the basic special district receives  
11 from the State Tax Commission under certain circumstances;
- 12 ▶ provides a formula for the State Tax Commission to distribute revenue from the sale of  
13 construction materials within a qualified development zone;
- 14 ▶ provides for the distribution of tax revenue generated by a Schedule J sale;
- 15 ▶ provides that the Military Installation Development Authority (authority) may act as the  
16 lead agency for any environmental review required by law related to the development of  
17 a project area;
- 18 ▶ provides that the authority may enter into an agreement with the state or an agency of the  
19 state, including an agreement to use revenue generated from a project area outside the  
20 project area, if the project area is on land owned by the state or the state armory board;
- 21 ▶ states that a public infrastructure district created by the authority may be a subsidiary of  
22 the authority; and
- 23 ▶ makes technical and conforming changes.

24 **Money Appropriated in this Bill:**

25 None

26 **Other Special Clauses:**

27 This bill provides a special effective date.

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **59-12-103 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapters 88, 501  
 31 **59-12-205 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapter 535  
 32 **63H-1-201 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 53

33 ENACTS:

34 **17B-1-1404 (Effective 01/01/26)**, Utah Code Annotated 1953

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

37 Section 1. Section **17B-1-1404** is enacted to read:

38 **17B-1-1404 (Effective 01/01/26). Use of revenue from a qualified development**  
 39 **zone.**

40 (1) As used in this section:

41 (a) "Qualified development zone" means the same as that term is defined in Subsection  
 42 59-12-205(7)(a)(ii)(E).

43 (b) "Qualifying construction materials" means the same as that term is defined in  
 44 Subsection 59-12-205(7)(a)(iii).

45 (2) A basic special district created before April 15, 2011, may receive revenue from the  
 46 State Tax Commission under Section 59-12-205 from the sale of qualifying construction  
 47 materials.

48 (3) A basic special district that receives revenue as described in Subsection (2) shall use the  
 49 revenue:

50 (a) for any purpose the basic special district is authorized to perform under this chapter;  
 51 and

52 (b)(i) in a manner approved by the municipality where the qualified development  
 53 zone is located; or

54 (ii) in a manner approved by a county, if the qualified development zone is located in  
 55 an unincorporated area of the county.

56 Section 2. Section **59-12-103** is amended to read:

57 **59-12-103 (Effective 01/01/26). Sales and use tax base -- Rates -- Effective dates**  
 58 **-- Use of sales and use tax revenue.**

59 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales  
 60 price for amounts paid or charged for the following transactions:

61 (a) retail sales of tangible personal property made within the state;

62 (b) amounts paid for:

63 (i) telecommunications service, other than mobile telecommunications service, that

- 64 originates and terminates within the boundaries of this state;
- 65 (ii) mobile telecommunications service that originates and terminates within the  
66 boundaries of one state only to the extent permitted by the Mobile  
67 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
- 68 (iii) an ancillary service associated with a:
- 69 (A) telecommunications service described in Subsection (1)(b)(i); or  
70 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 71 (c) sales of the following for commercial use:
- 72 (i) gas;  
73 (ii) electricity;  
74 (iii) heat;  
75 (iv) coal;  
76 (v) fuel oil; or  
77 (vi) other fuels;
- 78 (d) sales of the following for residential use:
- 79 (i) gas;  
80 (ii) electricity;  
81 (iii) heat;  
82 (iv) coal;  
83 (v) fuel oil; or  
84 (vi) other fuels;
- 85 (e) sales of prepared food;
- 86 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or  
87 user fees for theaters, movies, operas, museums, planetariums, shows of any type or  
88 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,  
89 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling  
90 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling  
91 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,  
92 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,  
93 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or  
94 any other amusement, entertainment, recreation, exhibition, cultural, or athletic  
95 activity;
- 96 (g) amounts paid or charged for services for repairs or renovations of tangible personal  
97 property, unless Section 59-12-104 provides for an exemption from sales and use tax

- 98 for:
- 99 (i) the tangible personal property; and
- 100 (ii) parts used in the repairs or renovations of the tangible personal property described
- 101 in Subsection (1)(g)(i), regardless of whether:
- 102 (A) any parts are actually used in the repairs or renovations of that tangible
- 103 personal property; or
- 104 (B) the particular parts used in the repairs or renovations of that tangible personal
- 105 property are exempt from a tax under this chapter;
- 106 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted
- 107 cleaning or washing of tangible personal property;
- 108 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer
- 109 court accommodations and services;
- 110 (j) amounts paid or charged for laundry or dry cleaning services;
- 111 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 112 this state the tangible personal property is:
- 113 (i) stored;
- 114 (ii) used; or
- 115 (iii) otherwise consumed;
- 116 (l) amounts paid or charged for tangible personal property if within this state the tangible
- 117 personal property is:
- 118 (i) stored;
- 119 (ii) used; or
- 120 (iii) consumed;
- 121 (m) amounts paid or charged for a sale:
- 122 (i)(A) of a product transferred electronically; or
- 123 (B) of a repair or renovation of a product transferred electronically; and
- 124 (ii) regardless of whether the sale provides:
- 125 (A) a right of permanent use of the product; or
- 126 (B) a right to use the product that is less than a permanent use, including a right:
- 127 (I) for a definite or specified length of time; and
- 128 (II) that terminates upon the occurrence of a condition; and
- 129 (n) sales of leased tangible personal property from the lessor to the lessee made in the
- 130 state.
- 131 (2)(a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are

- 132 imposed on a transaction described in Subsection (1) equal to the sum of:
- 133 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 134 (A) 4.70% plus the rate specified in Subsection (11)(a); and
- 135 (B)(I) the tax rate the state imposes in accordance with Part 18, Additional
- 136 State Sales and Use Tax Act, if the location of the transaction as determined
- 137 under Sections 59-12-211 through 59-12-215 is in a county in which the
- 138 state imposes the tax under Part 18, Additional State Sales and Use Tax Act;
- 139 and
- 140 (II) the tax rate the state imposes in accordance with Part 20, Supplemental
- 141 State Sales and Use Tax Act, if the location of the transaction as determined
- 142 under Sections 59-12-211 through 59-12-215 is in a city, town, or the
- 143 unincorporated area of a county in which the state imposes the tax under
- 144 Part 20, Supplemental State Sales and Use Tax Act; and
- 145 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 146 transaction under this chapter other than this part.
- 147 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state
- 148 tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal
- 149 to the sum of:
- 150 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 151 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 152 transaction under this chapter other than this part.
- 153 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed
- 154 on amounts paid or charged for food and food ingredients equal to the sum of:
- 155 (i) a state tax imposed on the amounts paid or charged for food and food ingredients
- 156 at a tax rate of 1.75%; and
- 157 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 158 amounts paid or charged for food and food ingredients under this chapter other
- 159 than this part.
- 160 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid
- 161 or charged for fuel to a common carrier that is a railroad for use in a locomotive
- 162 engine at a rate of 4.85%.
- 163 (e)(i)(A) If a shared vehicle owner certifies to the commission, on a form
- 164 prescribed by the commission, that the shared vehicle is an individual-owned
- 165 shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to

166 car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle  
167 owner.

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

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

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

178 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

179 (iii)(A) A car-sharing program may rely in good faith on a shared vehicle owner's  
180 representation that the shared vehicle is an individual-owned shared vehicle  
181 certified with the commission as described in Subsection (2)(e)(i).

182 (B) If a car-sharing program relies in good faith on a shared vehicle owner's  
183 representation that the shared vehicle is an individual-owned shared vehicle  
184 certified with the commission as described in Subsection (2)(e)(i), the  
185 car-sharing program is not liable for any tax, penalty, fee, or other sanction  
186 imposed on the shared vehicle owner.

187 (iv) If all shared vehicles shared through a car-sharing program are certified as  
188 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has  
189 no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax  
190 period.

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

193 (vi) A car-sharing program shall:

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

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

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

- 200 (A) a state tax imposed on the entire bundled transaction equal to the sum of:
- 201 (I) the tax rate described in Subsection (2)(a)(i)(A); and
- 202 (II)(Aa) the tax rate the state imposes in accordance with Part 18,
- 203 Additional State Sales and Use Tax Act, if the location of the transaction
- 204 as determined under Sections 59-12-211 through 59-12-215 is in a
- 205 county in which the state imposes the tax under Part 18, Additional State
- 206 Sales and Use Tax Act; and
- 207 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental
- 208 State Sales and Use Tax Act, if the location of the transaction as
- 209 determined under Sections 59-12-211 through 59-12-215 is in a city,
- 210 town, or the unincorporated area of a county in which the state imposes
- 211 the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 212 (B) a local tax imposed on the entire bundled transaction at the sum of the tax
- 213 rates described in Subsection (2)(a)(ii).
- 214 (ii) If an optional computer software maintenance contract is a bundled transaction
- 215 that consists of taxable and nontaxable products that are not separately itemized
- 216 on an invoice or similar billing document, the purchase of the optional computer
- 217 software maintenance contract is 40% taxable under this chapter and 60%
- 218 nontaxable under this chapter.
- 219 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled
- 220 transaction described in Subsection (2)(f)(i) or (ii):
- 221 (A) if the sales price of the bundled transaction is attributable to tangible personal
- 222 property, a product, or a service that is subject to taxation under this chapter
- 223 and tangible personal property, a product, or service that is not subject to
- 224 taxation under this chapter, the entire bundled transaction is subject to taxation
- 225 under this chapter unless:
- 226 (I) the seller is able to identify by reasonable and verifiable standards the
- 227 tangible personal property, product, or service that is not subject to taxation
- 228 under this chapter from the books and records the seller keeps in the seller's
- 229 regular course of business; or
- 230 (II) state or federal law provides otherwise; or
- 231 (B) if the sales price of a bundled transaction is attributable to two or more items
- 232 of tangible personal property, products, or services that are subject to taxation
- 233 under this chapter at different rates, the entire bundled transaction is subject to

- 234 taxation under this chapter at the higher tax rate unless:
- 235 (I) the seller is able to identify by reasonable and verifiable standards the
- 236 tangible personal property, product, or service that is subject to taxation
- 237 under this chapter at the lower tax rate from the books and records the seller
- 238 keeps in the seller's regular course of business; or
- 239 (II) state or federal law provides otherwise.
- 240 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
- 241 seller's regular course of business includes books and records the seller keeps in
- 242 the regular course of business for nontax purposes.
- 243 (g)(i) Except as otherwise provided in this chapter and subject to Subsections
- 244 (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible
- 245 personal property, a product, or a service that is subject to taxation under this
- 246 chapter, and the sale, lease, or rental of tangible personal property, other property,
- 247 a product, or a service that is not subject to taxation under this chapter, the entire
- 248 transaction is subject to taxation under this chapter unless the seller, at the time of
- 249 the transaction:
- 250 (A) separately states the portion of the transaction that is not subject to taxation
- 251 under this chapter on an invoice, bill of sale, or similar document provided to
- 252 the purchaser; or
- 253 (B) is able to identify by reasonable and verifiable standards, from the books and
- 254 records the seller keeps in the seller's regular course of business, the portion of
- 255 the transaction that is not subject to taxation under this chapter.
- 256 (ii) A purchaser and a seller may correct the taxability of a transaction if:
- 257 (A) after the transaction occurs, the purchaser and the seller discover that the
- 258 portion of the transaction that is not subject to taxation under this chapter was
- 259 not separately stated on an invoice, bill of sale, or similar document provided
- 260 to the purchaser because of an error or ignorance of the law; and
- 261 (B) the seller is able to identify by reasonable and verifiable standards, from the
- 262 books and records the seller keeps in the seller's regular course of business, the
- 263 portion of the transaction that is not subject to taxation under this chapter.
- 264 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller
- 265 keeps in the seller's regular course of business includes books and records the
- 266 seller keeps in the regular course of business for nontax purposes.
- 267 (h)(i) If the sales price of a transaction is attributable to two or more items of tangible



- 268 personal property, products, or services that are subject to taxation under this  
269 chapter at different rates, the entire purchase is subject to taxation under this  
270 chapter at the higher tax rate unless the seller, at the time of the transaction:
- 271 (A) separately states the items subject to taxation under this chapter at each of the  
272 different rates on an invoice, bill of sale, or similar document provided to the  
273 purchaser; or
  - 274 (B) is able to identify by reasonable and verifiable standards the tangible personal  
275 property, product, or service that is subject to taxation under this chapter at the  
276 lower tax rate from the books and records the seller keeps in the seller's regular  
277 course of business.
- 278 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the  
279 seller's regular course of business includes books and records the seller keeps in  
280 the regular course of business for nontax purposes.
- 281 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate  
282 imposed under the following shall take effect on the first day of a calendar quarter:
- 283 (i) Subsection (2)(a)(i)(A);
  - 284 (ii) Subsection (2)(b)(i);
  - 285 (iii) Subsection (2)(c)(i); or
  - 286 (iv) Subsection (2)(f)(i)(A)(I).
- 287 (j)(i) A tax rate increase takes effect on the first day of the first billing period that  
288 begins on or after the effective date of the tax rate increase if the billing period for  
289 the transaction begins before the effective date of a tax rate increase imposed  
290 under:
- 291 (A) Subsection (2)(a)(i)(A);
  - 292 (B) Subsection (2)(b)(i);
  - 293 (C) Subsection (2)(c)(i); or
  - 294 (D) Subsection (2)(f)(i)(A)(I).
- 295 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
296 statement for the billing period is rendered on or after the effective date of the  
297 repeal of the tax or the tax rate decrease imposed under:
- 298 (A) Subsection (2)(a)(i)(A);
  - 299 (B) Subsection (2)(b)(i);
  - 300 (C) Subsection (2)(c)(i); or
  - 301 (D) Subsection (2)(f)(i)(A)(I).

- 302 (k)(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale  
303 is computed on the basis of sales and use tax rates published in the catalogue, a  
304 tax rate repeal or change in a tax rate takes effect:
- 305 (A) on the first day of a calendar quarter; and
  - 306 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate  
307 change.
- 308 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 309 (A) Subsection (2)(a)(i)(A);
  - 310 (B) Subsection (2)(b)(i);
  - 311 (C) Subsection (2)(c)(i); or
  - 312 (D) Subsection (2)(f)(i)(A)(I).
- 313 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
314 the commission may by rule define the term "catalogue sale."
- 315 (l)(i) For a location described in Subsection (2)(l)(ii), the commission shall determine  
316 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel  
317 based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other  
318 fuel at the location.
- 319 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,  
320 or other fuel is furnished through a single meter for two or more of the following  
321 uses:
- 322 (A) a commercial use;
  - 323 (B) an industrial use; or
  - 324 (C) a residential use.
- 325 (3)(a) The following state taxes shall be deposited into the General Fund:
- 326 (i) the tax imposed by Subsection (2)(a)(i)(A);
  - 327 (ii) the tax imposed by Subsection (2)(b)(i);
  - 328 (iii) the tax imposed by Subsection (2)(c)(i); and
  - 329 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 330 (b) The following local taxes shall be distributed to a county, city, or town as provided  
331 in this chapter:
- 332 (i) the tax imposed by Subsection (2)(a)(ii);
  - 333 (ii) the tax imposed by Subsection (2)(b)(ii);
  - 334 (iii) the tax imposed by Subsection (2)(c)(ii); and
  - 335 (iv) the tax imposed by Subsection (2)(f)(i)(B).

- 336 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.  
337 (4)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
338 2003, the lesser of the following amounts shall be expended as provided in  
339 Subsections (4)(b) through (g):
- 340 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
    - 341 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
    - 342 (B) for the fiscal year; or
  - 343 (ii) \$17,500,000.
- 344 (b)(i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount  
345 described in Subsection (4)(a) shall be transferred each year as designated sales  
346 and use tax revenue to the Division of Wildlife Resources to:
- 347 (A) implement the measures described in Subsections 23A-3-214(3)(a) through  
348 (d) to protect sensitive plant and animal species; or
  - 349 (B) award grants, up to the amount authorized by the Legislature in an  
350 appropriations act, to political subdivisions of the state to implement the  
351 measures described in Subsections 23A-3-214(3)(a) through (d) to protect  
352 sensitive plant and animal species.
- 353 (ii) Money transferred to the Division of Wildlife Resources under Subsection  
354 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or  
355 any other person to list or attempt to have listed a species as threatened or  
356 endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et  
357 seq.
- 358 (iii) At the end of each fiscal year:
- 359 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to  
360 the Water Resources Conservation and Development Fund created in Section  
361 73-10-24;
  - 362 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
363 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
  - 364 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
365 Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 366 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
367 Subsection (4)(a) shall be deposited each year in the Agriculture Resource  
368 Development Fund created in Section 4-18-106.
- 369 (d)(i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount

- 370 described in Subsection (4)(a) shall be transferred each year as designated sales  
371 and use tax revenue to the Division of Water Rights to cover the costs incurred in  
372 hiring legal and technical staff for the adjudication of water rights.
- 373 (ii) At the end of each fiscal year:
- 374 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to  
375 the Water Resources Conservation and Development Fund created in Section  
376 73-10-24;
- 377 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
378 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
- 379 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the  
380 Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 381 (e)(i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount  
382 described in Subsection (4)(a) shall be deposited into the Water Resources  
383 Conservation and Development Fund created in Section 73-10-24 for use by the  
384 Division of Water Resources.
- 385 (ii) In addition to the uses allowed of the Water Resources Conservation and  
386 Development Fund under Section 73-10-24, the Water Resources Conservation  
387 and Development Fund may also be used to:
- 388 (A) conduct hydrologic and geotechnical investigations by the Division of Water  
389 Resources in a cooperative effort with other state, federal, or local entities, for  
390 the purpose of quantifying surface and ground water resources and describing  
391 the hydrologic systems of an area in sufficient detail so as to enable local and  
392 state resource managers to plan for and accommodate growth in water use  
393 without jeopardizing the resource;
- 394 (B) fund state required dam safety improvements; and
- 395 (C) protect the state's interest in interstate water compact allocations, including the  
396 hiring of technical and legal staff.
- 397 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in  
398 Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program  
399 Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund  
400 wastewater projects.
- 401 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
402 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program  
403 Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

- 404 (i) provide for the installation and repair of collection, treatment, storage, and  
405 distribution facilities for any public water system, as defined in Section 19-4-102;
- 406 (ii) develop underground sources of water, including springs and wells; and  
407 (iii) develop surface water sources.
- 408 (5)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
409 2006, the difference between the following amounts shall be expended as provided in  
410 this Subsection (5), if that difference is greater than \$1:
- 411 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for  
412 the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1);  
413 and  
414 (ii) \$17,500,000.
- 415 (b)(i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:  
416 (A) transferred each fiscal year to the Department of Natural Resources as  
417 designated sales and use tax revenue; and  
418 (B) expended by the Department of Natural Resources for watershed rehabilitation  
419 or restoration.
- 420 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use  
421 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources  
422 Conservation and Development Fund created in Section 73-10-24.
- 423 (c)(i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the  
424 remaining difference described in Subsection (5)(a) shall be:  
425 (A) transferred each fiscal year to the Division of Water Resources as designated  
426 sales and use tax revenue; and  
427 (B) expended by the Division of Water Resources for cloud-seeding projects  
428 authorized by Title 73, Chapter 15, Modification of Weather.
- 429 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use  
430 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources  
431 Conservation and Development Fund created in Section 73-10-24.
- 432 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the  
433 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
434 Resources Conservation and Development Fund created in Section 73-10-24 for use  
435 by the Division of Water Resources for:
- 436 (i) preconstruction costs:  
437 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,

- 438 Chapter 26, Bear River Development Act; and
- 439 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
- 440 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- 441 (ii) the cost of employing a civil engineer to oversee any project authorized by Title
- 442 73, Chapter 26, Bear River Development Act;
- 443 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline
- 444 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development
- 445 Act; and
- 446 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
- 447 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i)
- 448 through (iii).
- 449 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the
- 450 remaining difference described in Subsection (5)(a) shall be deposited each year into
- 451 the Water Rights Restricted Account created by Section 73-2-1.6.
- 452 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), each
- 453 fiscal year, the commission shall deposit into the Water Infrastructure Restricted
- 454 Account created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax
- 455 rate on the transactions described in Subsection (1) for the fiscal year.
- 456 (7)(a) Notwithstanding Subsection (3)(a) and subject to Subsections (7)(b), (c), and (d),
- 457 for a fiscal year beginning on or after July 1, 2023, the commission shall deposit into
- 458 the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of
- 459 the taxes listed under Subsection (3)(a) equal to 17% of the revenue collected from
- 460 the following sales and use taxes:
- 461 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 462 (ii) the tax imposed by Subsection (2)(b)(i);
- 463 (iii) the tax imposed by Subsection (2)(c)(i); and
- 464 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 465 (b)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall
- 466 annually reduce the deposit under Subsection (7)(a) into the Transportation
- 467 Investment Fund of 2005 by an amount equal to .44% of the revenue collected
- 468 from the following sales and use taxes:
- 469 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 470 (B) the tax imposed by Subsection (2)(b)(i);
- 471 (C) the tax imposed by Subsection (2)(c)(i); and

- 472 (D) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 473 (ii) The commission shall annually deposit the amount described in Subsection  
474 (7)(b)(i) into the Cottonwood Canyons Transportation Investment Fund created in  
475 Section 72-2-124.
- 476 (c)(i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,  
477 2023, the commission shall annually reduce the deposit into the Transportation  
478 Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is  
479 equal to 5% of:
- 480 (A) the amount of revenue generated in the current fiscal year by the portion of  
481 taxes listed under Subsection (3)(a) that equals 20.68% of the revenue  
482 collected from taxes described in Subsections (7)(a)(i) through (iv);
- 483 (B) the amount of revenue generated in the current fiscal year by registration fees  
484 designated under Section 41-1a-1201 to be deposited into the Transportation  
485 Investment Fund of 2005; and
- 486 (C) revenue transferred by the Division of Finance to the Transportation  
487 Investment Fund of 2005 in accordance with Section 72-2-106 in the current  
488 fiscal year.
- 489 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a  
490 given fiscal year.
- 491 (iii) The commission shall annually deposit the amount described in Subsection  
492 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection  
493 72-2-124(11).
- 494 (d)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall  
495 annually reduce the deposit into the Transportation Investment Fund of 2005  
496 under this Subsection (7) by an amount that is equal to 1% of the revenue  
497 collected from the following sales and use taxes:
- 498 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 499 (B) the tax imposed by Subsection (2)(b)(i);
- 500 (C) the tax imposed by Subsection (2)(c)(i); and
- 501 (D) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 502 (ii) The commission shall annually deposit the amount described in Subsection  
503 (7)(d)(i) into the Commuter Rail Subaccount created in Section 72-2-124.
- 504 (8)(a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
505 Subsection (7), and subject to ~~[Subsections]~~ Subsection (8)(b) ~~[and (d)(ii)]~~, for a fiscal

- 506 year beginning on or after July 1, 2018, the commission shall annually deposit into  
507 the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of  
508 the taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenue  
509 collected from the following taxes:
- 510 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
  - 511 (ii) the tax imposed by Subsection (2)(b)(i);
  - 512 (iii) the tax imposed by Subsection (2)(c)(i); and
  - 513 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 514 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually  
515 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection  
516 (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the  
517 current fiscal year by the portion of the tax imposed on motor and special fuel that is  
518 sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.
- 519 (c) The commission shall annually deposit the amount described in Subsection (8)(b)  
520 into the Transit Transportation Investment Fund created in Section 72-2-124.
- 521 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
522 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies  
523 Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.
- 524 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal  
525 year during which the commission receives notice under Section 63N-2-510 that  
526 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the  
527 commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the  
528 revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact  
529 Mitigation Fund, created in Section 63N-2-512.
- 530 (11)(a) The rate specified in this subsection is 0.15%.
- 531 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning  
532 on or after July 1, 2019, annually transfer the amount of revenue collected from the  
533 rate described in Subsection (11)(a) on the transactions that are subject to the sales  
534 and use tax under Subsection (2)(a)(i)(A) into the Medicaid ACA Fund created in  
535 Section 26B-1-315.
- 536 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
537 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated  
538 credit solely for use of the Search and Rescue Financial Assistance Program created in,  
539 and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.



- 540 (13)(a) For each fiscal year beginning with fiscal year 2020-21, the commission shall  
 541 annually transfer \$1,813,400 of the revenue deposited into the Transportation  
 542 Investment Fund of 2005 under Subsections (7) and (8) to the General Fund.
- 543 (b) If the total revenue deposited into the Transportation Investment Fund of 2005 under  
 544 Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall  
 545 transfer the total revenue deposited into the Transportation Investment Fund of 2005  
 546 under Subsections (7) and (8) during the fiscal year to the General Fund.
- 547 (14) Notwithstanding Subsection (3)(a) and except as provided in Subsections (18) and (19),  
 548 and as described in Section 63N-3-610, beginning the first day of the calendar quarter  
 549 one year after the sales and use tax boundary for a housing and transit reinvestment zone  
 550 is established, the commission, at least annually, shall transfer an amount equal to 15%  
 551 of the sales and use tax increment within an established sales and use tax boundary, as  
 552 defined in Section 63N-3-602, into the Transit Transportation Investment Fund created  
 553 in Section 72-2-124.
- 554 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning  
 555 on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure Restricted  
 556 Account, created in Section 51-9-902, a portion of the taxes listed under Subsection  
 557 (3)(a) equal to 1% of the revenue collected from the following sales and use taxes:  
 558 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;  
 559 (b) the tax imposed by Subsection (2)(b)(i);  
 560 (c) the tax imposed by Subsection (2)(c)(i); and  
 561 (d) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 562 (16) Notwithstanding Subsection (3)(a) and except as provided in Subsections (18) and (19),  
 563 beginning October 1, 2024 the commission shall transfer to the Utah Fairpark Area  
 564 Investment and Restoration District, created in Section 11-70-201, the revenue from the  
 565 sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions  
 566 occurring within the district sales tax area, as defined in Section 11-70-101.
- 567 (17)(a) As used in this Subsection (17):  
 568 (i) "Additional land" means point of the mountain state land described in Subsection  
 569 11-59-102(6)(b) that the point of the mountain authority acquires after the point of  
 570 the mountain authority provides the commission a map under Subsection (17)(c).  
 571 (ii) "Point of the mountain authority" means the Point of the Mountain State Land  
 572 Authority, created in Section 11-59-201.  
 573 (iii) "Point of the mountain state land" means the same as that term is defined in

574 Section 11-59-102.

575 (b) Notwithstanding Subsection (3)(a) and except as provided in Subsections (18) and  
 576 (19), the commission shall distribute to the point of the mountain authority 50% of  
 577 the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7%  
 578 rate, on transactions occurring on the point of the mountain state land.

579 (c) The distribution under Subsection (17)(b) shall begin the next calendar quarter that  
 580 begins at least 90 days after the point of the mountain authority provides the  
 581 commission a map that:

582 (i) accurately describes the point of the mountain state land; and

583 (ii) the point of the mountain authority certifies as accurate.

584 (d) A distribution under Subsection (17)(b) with respect to additional land shall begin  
 585 the next calendar quarter that begins at least 90 days after the point of the mountain  
 586 authority provides the commission a map of point of the mountain state land that:

587 (i) accurately describes the point of the mountain state land, including the additional  
 588 land; and

589 (ii) the point of the mountain authority certifies as accurate.

590 (e)(i) Upon the payment in full of bonds secured by the sales and use tax revenue  
 591 distributed to the point of the mountain authority under Subsection (17)(b), the  
 592 point of the mountain authority shall immediately notify the commission in  
 593 writing that the bonds are paid in full.

594 (ii) The commission shall discontinue distributions of sales and use tax revenue under  
 595 Subsection (17)(b) at the beginning of the calendar quarter that begins at least 90  
 596 days after the date that the commission receives the written notice under  
 597 Subsection (17)(e)(i).

598 (18)(a) As used in this Subsection (18):

599 (i) "Applicable percentage" means:

600 (A) for a housing and transit reinvestment zone created under Title 63N, Chapter  
 601 3, Part 6, Housing and Transit Reinvestment Zone Act, 15% of the revenue  
 602 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate  
 603 for sales occurring within the qualified development zone described in  
 604 Subsection (18)(a)(ii)(A);

605 (B) for the Utah Fairpark Area Investment and Restoration District created in  
 606 Section 11-70-201, the revenue from the sales and use tax imposed by  
 607 Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified

- 608 development zone described in Subsection (18)(a)(ii)(B); and  
 609 (C) for the Point of the Mountain State Land Authority created in Section  
 610 11-59-201, 50% of the revenue from sales and use tax imposed by Subsection  
 611 (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development  
 612 zone described in Subsection (18)(a)(ii)(C).
- 613 (ii) "Qualified development zone" means:  
 614 (A) the sales and use tax boundary of a housing and transit reinvestment zone  
 615 created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment  
 616 Act;  
 617 (B) the district sales tax boundary as defined in Section 11-70-101 for the Utah  
 618 Fairpark Area Investment and Restoration District, created in Section  
 619 11-70-201; or  
 620 (C) the sales and use tax boundary of point of the mountain state land, as defined  
 621 in Section 11-59-102, under the Point of the Mountain State Land Authority  
 622 created in Section 11-59-201.
- 623 (iii) "Qualifying construction materials" means construction materials that are:  
 624 (A) delivered to a delivery outlet within a qualified development zone; and  
 625 (B) intended to be permanently attached to real property within the qualified  
 626 development zone.
- 627 (b) For a sale of qualifying construction materials, the commission shall distribute the  
 628 product calculated in Subsection (18)(c) to a qualified development zone if the seller  
 629 of the construction materials:  
 630 (i) establishes a delivery outlet with the commission within the qualified development  
 631 zone;  
 632 (ii) reports the sales of the construction materials to the delivery outlet described in  
 633 Subsection (18)(b)(i); and  
 634 (iii) does not report the sales of the construction materials on a simplified electronic  
 635 return.
- 636 (c) For the purposes of Subsection (18)(b), the product is equal to:  
 637 (i) the sales price or purchase price of the qualifying construction materials; and  
 638 (ii) the applicable percentage.
- 639 (19)(a) As used in this Subsection (19):  
 640 (i) "Qualified development zone" means the same as that term is defined in  
 641 Subsection (18).

642 (ii) "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M,  
643 Schedule J or a substantially similar form as designated by the commission.

644 (b) Revenue generated by a Schedule J sale within a qualified development zone shall be  
645 deposited into the General Fund.

646 Section 3. Section **59-12-205** is amended to read:

647 **59-12-205 (Effective 01/01/26). Ordinances to conform with statutory**  
648 **amendments -- Distribution of tax revenue -- Determination of population.**

649 (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section  
650 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or  
651 town's sales and use tax ordinances:

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

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

655 (2)(a) Except as provided in Subsections (3) and (4) and subject to Subsection (5):

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

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

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

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

673 (D) 50% of each dollar collected from the sales and use tax authorized by this part  
674 within the lake authority boundary, as defined in Section 11-65-101, shall be  
675 distributed to the Utah Lake Authority, created in Section 11-65-201,

676 beginning the next full calendar quarter following the creation of the Utah  
 677 Lake Authority[-] ; and  
 678 (E) beginning January 1, 2026, 50% of each dollar collected from the sales and  
 679 use tax authorized by this part within the boundary of a basic special district  
 680 and, if applicable, the boundary of a public infrastructure district created by the  
 681 basic special district, shall be distributed to the basic special district.

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

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

685 (i) "Eligible county, city, or town" means a county, city, or town that:  
 686 (A) for fiscal year 2012-13, received a tax revenue distribution under Subsection  
 687 (3)(b) equal to the amount described in Subsection (3)(b)(ii); and  
 688 (B) does not impose a sales and use tax under Section 59-12-2103 on or before  
 689 July 1, 2016.

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

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

695 (i) the payment required by Subsection (2); or  
 696 (ii) the minimum tax revenue distribution.

697 (4)(a) For purposes of this Subsection (4):

698 (i) "Annual local contribution" means the lesser of \$275,000 or an amount equal to  
 699 2.55% of the participating local government's tax revenue distribution amount  
 700 under Subsection (2)(a)(i) for the previous fiscal year.

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

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

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

709 (A) subtracting an amount equal to one-twelfth of the annual local contribution for

- 710 each participating local government from the participating local government's  
711 tax revenue distribution; and
- 712 (B) if applicable, reducing the amount described in Subsection (4)(b)(i)(A) by an  
713 amount equal to one-twelfth of \$250 for each bed that is available at all  
714 homeless shelters located within the boundaries of the participating local  
715 government, as reported to the commission by the Office of Homeless Services  
716 in accordance with Section 35A-16-405; and
- 717 (ii) deposit the resulting amount described in Subsection (4)(b)(i) into the Homeless  
718 Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.
- 719 (c) For a participating local government that qualifies to receive a distribution described  
720 in Subsection (3), the commission shall apply the provisions of this Subsection (4)  
721 after the commission applies the provisions of Subsection (3).
- 722 (5)(a) As used in this Subsection (5):
- 723 (i) "Annual dedicated sand and gravel sales tax revenue" means an amount equal to  
724 the total revenue an establishment described in NAICS Code 327320, Ready-Mix  
725 Concrete Manufacturing, of the 2022 North American Industry Classification  
726 System of the federal Executive Office of the President, Office of Management  
727 and Budget, collects and remits under this part for a calendar year.
- 728 (ii) "Sand and gravel" means sand, gravel, or a combination of sand and gravel.
- 729 (iii) "Sand and gravel extraction site" means a pit, quarry, or deposit that:
- 730 (A) contains sand and gravel; and
- 731 (B) is assessed by the commission in accordance with Section 59-2-201.
- 732 (iv) "Ton" means a short ton of 2,000 pounds.
- 733 (v) "Tonnage ratio" means the ratio of:
- 734 (A) the total amount of sand and gravel, measured in tons, sold during a calendar  
735 year from all sand and gravel extraction sites located within a county, city, or  
736 town; to
- 737 (B) the total amount of sand and gravel, measured in tons, sold during the same  
738 calendar year from sand and gravel extraction sites statewide.
- 739 (b) For purposes of calculating the ratio described in Subsection (5)(a)(v), the  
740 commission shall:
- 741 (i) use the gross sales data provided to the commission as part of the commission's  
742 property tax valuation process; and
- 743 (ii) if a sand and gravel extraction site operates as a unit across municipal or county

744 lines, apportion the reported tonnage among the counties, cities, or towns based on  
745 the percentage of the sand and gravel extraction site located in each county, city,  
746 or town, as approximated by the commission.

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

752 (ii) The commission shall ensure that the revenue distributed under this Subsection  
753 (5)(c) is drawn from each jurisdiction's collections in proportion to the  
754 jurisdiction's share of total collections for the preceding 12-month period.

755 (d) A county, city, or town shall use revenue described in Subsection (5)(c) for class B  
756 or class C roads.

757 (6)(a) Population figures for purposes of this section shall be based on the most recent  
758 official census or census estimate of the United States Bureau of the Census.

759 (b) If a needed population estimate is not available from the United States Bureau of the  
760 Census, population figures shall be derived from the estimate from the Utah  
761 Population Committee.

762 (c) The population of a county for purposes of this section shall be determined only from  
763 the unincorporated area of the county.

764 (7)(a) As used in this Subsection (7):

765 (i) "Applicable percentage" means:

766 (A) for a project area adopted by the military installation development authority  
767 under Title 63H, Chapter 1, Military Installation Development Authority Act,  
768 for sales occurring within a qualified development zone described in  
769 Subsection (7)(a)(ii)(A):

770 (I) 50% of the revenue from the sales and use tax imposed under this part;

771 (II) 100% of the revenue from the sales and use tax imposed by the military  
772 installation development authority under Section 59-12-401; and

773 (III) 100% of the revenue from the sales and use tax imposed by the military  
774 installation development authority under Section 59-12-402; and

775 (B) for a project area under Title 11, Chapter 58, Utah Inland Port Authority Act,  
776 for sales occurring within a qualified development zone described in

777 Subsection (7)(a)(ii)(B), 20% of the revenue from the sales and use tax under

- 778 this part;
- 779 (C) for the lake authority boundary, as defined in Section 11-65-101, for sales
- 780 occurring within the qualified development zone described in Subsection (7)
- 781 (a)(ii)(C), 50% of the revenue from the sales and use tax under this part;
- 782 (D) for the Utah Fairpark Area Investment and Restoration District, created in
- 783 Section 11-70-201, for sales occurring within the qualified development zone
- 784 described in Subsection (7)(a)(ii)(D), 100% of the revenue from the sales and
- 785 use tax imposed by the Utah Fairpark Area Investment and Restoration District
- 786 under Sections 59-12-401 and 59-12-402; and
- 787 (E) for a basic special district created under Title 17B, Chapter 1, Part 14, Basic
- 788 Special District, before April 15, 2011, for sales occurring within a qualified
- 789 development zone described in Subsection (7)(a)(ii)(E), 50% of the revenue
- 790 from the sales and use tax imposed under this part.
- 791 (ii) "Qualified development zone" means the sales and use tax boundary of:
- 792 (A) a project area adopted by the military installation development authority under
- 793 Title 63H, Chapter 1, Military Installation Development Authority Act;
- 794 (B) a project area under Title 11, Chapter 58, Utah Inland Port Authority Act;
- 795 (C) the lake authority boundary, as defined in Section 11-65-101;
- 796 (D) the Utah Fairpark Investment and Restoration District, created in Section
- 797 11-70-201; or
- 798 (E) the area within the boundary of a basic special district created before April 15,
- 799 2011, and if applicable, the boundary of a public infrastructure district created
- 800 by the basic special district.
- 801 (iii) "Qualifying construction materials" means construction materials that are:
- 802 (A) delivered to a delivery outlet within a qualified development zone; and
- 803 (B) intended to be permanently attached to real property within the qualified
- 804 development zone.
- 805 (b) For a sale of qualifying construction materials, the commission shall distribute the
- 806 product calculated in Subsection (7)(c) to a qualified development zone if the seller
- 807 of the construction materials:
- 808 (i) establishes a delivery outlet with the commission within the qualified development
- 809 zone;
- 810 (ii) reports the sales of the construction materials to the delivery outlet described in
- 811 Subsection (7)(b)(i); and



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

814            (c) For the purposes of Subsection (7)(b), the product is equal to:

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

816            (ii) the applicable percentage.

817            (8)(a) As used in this Subsection (8):

818            (i) "Qualified development zone" means the same as that term is defined in  
 819            Subsection (7).

820            (ii) "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M,  
 821            Schedule J or a substantially similar form as designated by the commission.

822            (b) Revenue generated by a Schedule J sale within a qualified development zone shall be  
 823            distributed to the jurisdiction that would have received the revenue in the absence of  
 824            the qualified development zone.

825            Section 4. Section **63H-1-201** is amended to read:

826            **63H-1-201 (Effective 05/07/25). Creation of military installation development**  
 827            **authority -- Status and powers of authority -- Limitation.**

828            (1) There is created a military installation development authority.

829            (2) The authority is:

830            (a) an independent, nonprofit, separate body corporate and politic, with perpetual  
 831            succession and statewide jurisdiction, whose purpose is to facilitate the development  
 832            of land within a project area or on military land associated with a project area;

833            (b) a political subdivision of the state; and

834            (c) a public corporation, as defined in Section 63E-1-102.

835            (3) The authority may:

836            (a) facilitate the development of land within one or more project areas, including the  
 837            ongoing operation of facilities within a project area, or development of military land  
 838            associated with a project area;

839            (b) sue and be sued;

840            (c) enter into contracts generally;

841            (d) by itself or through a subsidiary, buy, obtain an option upon, or otherwise acquire  
 842            any interest in real or personal property:

843            (i) in a project area; or

844            (ii) outside a project area for public infrastructure and improvements, if the board  
 845            considers the purchase, option, or other interest acquisition to be necessary for

- 846 fulfilling the authority's development objectives;
- 847 (e) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or  
848 personal property;
- 849 (f) enter into a lease agreement on real or personal property, either as lessee or lessor:  
850 (i) in a project area; or  
851 (ii) outside a project area, if the board considers the lease to be necessary for  
852 fulfilling the authority's development objectives;
- 853 (g) provide for the development of land within a project area or military land associated  
854 with the project area under one or more contracts;
- 855 (h) exercise powers and perform functions under a contract, as authorized in the contract;
- 856 (i) exercise exclusive police power within a project area to the same extent as though the  
857 authority were a municipality, including the collection of regulatory fees;
- 858 (j) receive the property tax allocation and other taxes and fees as provided in this chapter;
- 859 (k) accept financial or other assistance from any public or private source for the  
860 authority's activities, powers, and duties, and expend any funds so received for any of  
861 the purposes of this chapter;
- 862 (l) borrow money, contract with, or accept financial or other assistance from the federal  
863 government, a public entity, or any other source for any of the purposes of this  
864 chapter and comply with any conditions of the loan, contract, or assistance;
- 865 (m) issue bonds to finance the undertaking of any development objectives of the  
866 authority, including bonds under Title 11, Chapter 17, Utah Industrial Facilities and  
867 Development Act, and bonds under Title 11, Chapter 42, Assessment Area Act;
- 868 (n) hire employees, including contract employees;
- 869 (o) transact other business and exercise all other powers provided for in this chapter;
- 870 (p) enter into a development agreement with a developer of land within a project area;
- 871 (q) enter into an agreement with a political subdivision of the state under which the  
872 political subdivision provides one or more municipal services within a project area;
- 873 (r) enter into an agreement with a private contractor to provide one or more municipal  
874 services within a project area;
- 875 (s) provide for or finance an energy efficiency upgrade, a clean energy system, or  
876 electric vehicle charging infrastructure, as those terms are defined in Section  
877 11-42a-102, in accordance with Title 11, Chapter 42a, Commercial Property  
878 Assessed Clean Energy Act;
- 879 (t) exercise powers and perform functions that the authority is authorized by statute to

- 880 exercise or perform;
- 881 (u) enter into an agreement with the federal government or an agency of the federal  
882 government under which the federal government or agency:
- 883 (i) provides law enforcement services only to military land within a project area; and  
884 (ii) may enter into a mutual aid or other cooperative agreement with a law  
885 enforcement agency of the state or a political subdivision of the state;
- 886 (v) by itself or through a subsidiary, act as a facilitator under Title 63N, Chapter 13, Part  
887 3, Facilitating Public-private Partnerships Act, to provide expertise and knowledge to  
888 another governmental entity interested in public-private partnerships;
- 889 (w) enter into an intergovernmental support agreement under Title 10, U.S.C. Sec. 2679  
890 with the military to provide support services to the military in accordance with the  
891 agreement;
- 892 (x) act as a developer, or assist a developer chosen by the military, to develop military  
893 land as part of an enhanced use lease under Title 10, U.S.C. Sec. 2667;[-and]
- 894 (y) develop public infrastructure and improvements[-:];
- 895 (z) act as the lead agency for any environmental review required by law related to the  
896 development of a project area; and
- 897 (aa) enter into an agreement with the state or any agency of the state, including entering  
898 into an agreement to use revenue generated from a project area outside the project  
899 area, if the project area is on land owned by the state or the state armory board  
900 created in Section 39A-2-101.
- 901 (4) The authority may not itself provide law enforcement service or fire protection service  
902 within a project area but may enter into an agreement for one or both of those services,  
903 as provided in Subsection (3)(q).
- 904 (5) The authority shall provide support to a subsidiary that enters into an agreement under  
905 Subsection (3)(v) that the authority determines necessary for the subsidiary to fulfill the  
906 requirements of the agreement.
- 907 (6) Because providing procurement, utility, construction, and other services for use by a  
908 military installation, including providing public infrastructure and improvements for use  
909 or occupancy by the military, are core functions of the authority and are typically  
910 provided by a local government for the local government's own needs or use, these  
911 services provided by the authority for the military under this chapter are considered to be  
912 for the authority's own needs and use.
- 913 (7) A public infrastructure district created by the authority under Title 17D, Chapter 4,

914 Public Infrastructure District Act, [is] may be a subsidiary of the authority.

915 Section 5. **Effective Date.**

916 (1) Except as provided in Subsection (2), this bill takes effect January 1, 2026.

917 (2) The actions affecting Section 63H-1-201 Effective 05/07/25 take effect on May 7, 2025.