

Jerry W. Stevenson proposes the following substitute bill:

Major Sporting Event Venue Financing Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W. Stevenson

House Sponsor:

LONG TITLE

General Description:

This bill enacts the Major Sporting Event Venue Zone Act and related provisions.

Highlighted Provisions:

This bill:

- defines terms;
- establishes objectives and requirements for a municipality or county to create a major sporting event venue zone to capture property tax increment and local sales and use tax increment within a defined area around a major sporting event venue;
- defines permitted uses and administration of property tax increment and local sales and use tax increment generated pursuant to a major sporting event venue zone;
- authorizes a creating entity of a major sporting event venue to impose, under certain circumstances:
 - an accommodation tax within a major sporting event venue zone;
 - a resort communities sales and use tax within a major sporting event venue zone;
 - an additional resort communities sales and use tax within a major sporting event venue zone;
 - if the creating entity is a county, a municipal energy tax within a major sporting event venue zone; and
 - if the creating entity is a county, a municipal telecommunications tax within a major sporting event venue zone;
- provides that certain counties of the third class can implement a resort communities tax, the same as if the county of the third class were an eligible municipality, and use the revenue from the tax on public infrastructure related to a major sporting event venue;
- authorizes a creating entity of a major sporting event venue zone to designate a community reinvestment agency or a public infrastructure district as a fiscal agent for

- 29 major sporting event venue zone funds;
- 30 ▸ authorizes a creating entity to enter into an agreement with a person to utilize major
- 31 sporting event venue zone funds in regard to owning, leasing, or operating a major
- 32 sporting event venue;
- 33 ▸ authorizes a creating entity to utilize major sporting venue zone funds to bond;
- 34 ▸ provides a sales and use tax exemption for construction materials used for the remodeling,
- 35 or refurbishing of a major sporting event venue;
- 36 ▸ requires a municipality or county to submit a major sporting event venue zone proposal to
- 37 the Governor's Office of Economic Opportunity;
- 38 ▸ requires the Governor's Office of Economic Opportunity to initiate an analysis of the
- 39 feasibility of the major sporting event venue zone proposal;
- 40 ▸ creates and defines the membership of a committee to review a proposed major sporting
- 41 event venue zone;
- 42 ▸ requires the committee to evaluate the proposed major sporting event venue zone and, if
- 43 certain criteria are met, approve the proposal with or without modifications;
- 44 ▸ requires participation from local taxing entities if the major sporting event venue zone
- 45 meets statutory requirements;
- 46 ▸ provides procedures for a major sports event venue that overlaps with a community
- 47 reinvestment project, a housing and transit reinvestment zone, a first home investment
- 48 zone, or a revitalization zone; and
- 49 ▸ makes technical and conforming changes.

Money Appropriated in this Bill:

51 None

Other Special Clauses:

53 This bill provides a special effective date.

Utah Code Sections Affected:

55 AMENDS:

56 **10-1-303**, as last amended by Laws of Utah 2024, Chapters 419, 438

57 **10-1-304**, as last amended by Laws of Utah 2024, Chapter 419

58 **10-1-403**, as last amended by Laws of Utah 2024, Chapter 419

59 **59-2-924**, as last amended by Laws of Utah 2024, Chapter 258

60 **59-12-104**, as last amended by Laws of Utah 2024, Chapter 35

61 **59-12-205**, as last amended by Laws of Utah 2024, Chapter 535

62 **59-12-352**, as last amended by Laws of Utah 2024, Chapters 413, 419

- 63 **59-12-354**, as last amended by Laws of Utah 2024, Chapter 419
- 64 **59-12-401**, as last amended by Laws of Utah 2024, Chapter 419
- 65 **59-12-402**, as last amended by Laws of Utah 2024, Chapter 419
- 66 **59-12-405**, as last amended by Laws of Utah 2019, Chapter 245

67 ENACTS:

- 68 **11-71-101**, Utah Code Annotated 1953
- 69 **11-71-201**, Utah Code Annotated 1953
- 70 **11-71-202**, Utah Code Annotated 1953
- 71 **11-71-203**, Utah Code Annotated 1953
- 72 **11-71-204**, Utah Code Annotated 1953
- 73 **11-71-301**, Utah Code Annotated 1953
- 74 **63N-3-1701**, Utah Code Annotated 1953
- 75 **63N-3-1702**, Utah Code Annotated 1953
- 76 **63N-3-1703**, Utah Code Annotated 1953
- 77 **63N-3-1704**, Utah Code Annotated 1953
- 78 **63N-3-1705**, Utah Code Annotated 1953
- 79 **63N-3-1706**, Utah Code Annotated 1953
- 80 **63N-3-1707**, Utah Code Annotated 1953
- 81 **63N-3-1708**, Utah Code Annotated 1953
- 82 **63N-3-1709**, Utah Code Annotated 1953
- 83 **63N-3-1710**, Utah Code Annotated 1953
- 84 **63N-3-1711**, Utah Code Annotated 1953
- 85 **63N-3-1712**, Utah Code Annotated 1953

86

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

88 Section 1. Section **10-1-303** is amended to read:

89 **10-1-303 . Definitions.**

90 As used in this part:

- 91 (1) "Commission" means the State Tax Commission.
- 92 (2) "Contractual franchise fee" means:
 - 93 (a) a fee:
 - 94 (i) provided for in a franchise agreement; and
 - 95 (ii) that is consideration for the franchise agreement; or
 - 96 (b)(i) a fee similar to Subsection (2)(a); or

- 97 (ii) any combination of Subsections (2)(a) and (b).
- 98 (3)(a) "Delivered value" means the fair market value of the taxable energy delivered for
99 sale or use in the municipality and includes:
- 100 (i) the value of the energy itself; and
- 101 (ii) any transportation, freight, customer demand charges, services charges, or other
102 costs typically incurred in providing taxable energy in usable form to each class of
103 customer in the municipality.
- 104 (b) "Delivered value" does not include the amount of a tax paid under:
- 105 (i) Title 59, Chapter 12, Sales and Use Tax Act; or
- 106 (ii) this part.
- 107 (4) "De minimis amount" means an amount of taxable energy that does not exceed the
108 greater of:
- 109 (a) 5% of the energy supplier's estimated total Utah gross receipts from sales of property
110 or services; or
- 111 (b) \$10,000.
- 112 (5) "Energy supplier" means a person supplying taxable energy, except that the commission
113 may by rule exclude from this definition a person supplying a de minimis amount of
114 taxable energy.
- 115 (6) "Fairpark district" means the Utah Fairpark Area Investment and Restoration District,
116 created in Section 11-70-201.
- 117 (7) "Franchise agreement" means a franchise or an ordinance, contract, or agreement
118 granting a franchise.
- 119 (8) "Franchise tax" means:
- 120 (a) a franchise tax;
- 121 (b) a tax similar to a franchise tax; or
- 122 (c) any combination of Subsections (8)(a) and (b).
- 123 (9) "Major sporting event venue zone" means the same as that term is defined in Section
124 63N-3-1701.
- 125 [~~9~~] (10) "Military authority" means the Military Installation Development Authority,
126 created in Section 63H-1-201.
- 127 [~~10~~] (11) "Municipality" means a city or town.
- 128 [~~11~~] (12) "Person" is as defined in Section 59-12-102.
- 129 [~~12~~] (13) "Point of the mountain authority" means the Point of the Mountain State Land
130 Authority, created in Section 11-59-201.

131 [(13)] (14) "Taxable energy" means gas and electricity.

132 Section 2. Section **10-1-304** is amended to read:

133 **10-1-304 . Energy sales and use tax -- Rate -- Imposition or repeal of tax -- Tax**
 134 **rate change -- Effective date -- Notice requirements -- Exemptions.**

135 (1)(a) Except as provided in Subsections (4) and (5), a municipality may levy a
 136 municipal energy sales and use tax on the sale or use of taxable energy within the
 137 municipality:

138 (i) by ordinance as provided in Section 10-1-305; and

139 (ii) of up to 6% of the delivered value of the taxable energy.

140 (b) Subject to Section 63H-1-203, the military authority may levy a municipal energy
 141 sales and use tax under this part within a project area described in a project area plan
 142 adopted by the military authority under Title 63H, Chapter 1, Military Installation
 143 Development Authority Act, as though the military authority were a municipality.

144 (c)(i) Beginning July 1, 2022, the point of the mountain authority may by resolution
 145 levy a municipal energy sales and use tax under this part within the area that
 146 constitutes the point of the mountain state land, as defined in Section 11-59-102,
 147 as though the point of the mountain authority were a municipality.

148 (ii) The point of the mountain authority's adoption of a resolution under Subsection
 149 (1)(c)(i) that otherwise complies with the requirements under this part applicable
 150 to an ordinance is considered the equivalent of adopting an ordinance under this
 151 part.

152 (d)(i) Beginning October 1, 2024, the fairpark district may by resolution levy a
 153 municipal energy sales and use tax under this part within the district sales tax area,
 154 as defined in Section 11-70-101, as though the fairpark district were a
 155 municipality.

156 (ii) The fairpark district's adoption of a resolution under Subsection (1)(d)(i) that
 157 otherwise complies with the requirements under this part applicable to an
 158 ordinance is considered the equivalent of adopting an ordinance under this part.

159 (e) Beginning January 1, 2026, the legislative body of a county with a major sporting
 160 event venue zone on unincorporated county land may, by ordinance, levy a municipal
 161 energy sales and use tax on the sale or use of taxable energy within the portion of the
 162 major sporting event venue zone that is on unincorporated county land, as though the
 163 county were a municipality.

164 (2) A municipal energy sales and use tax imposed under this part may be in addition to any

165 sales and use tax imposed by the municipality under Title 59, Chapter 12, Sales and Use
166 Tax Act.

167 (3)(a) For purposes of this Subsection (3):

168 (i) "Annexation" means an annexation to a municipality under Chapter 2, Part 4,
169 Annexation.

170 (ii) "Annexing area" means an area that is annexed into a municipality.

171 (b)(i) If, on or after May 1, 2000, a city or town enacts or repeals a tax or changes the
172 rate of a tax under this part, the enactment, repeal, or change shall take effect:

173 (A) on the first day of a calendar quarter; and

174 (B) after a 90-day period beginning on the date the commission receives notice
175 meeting the requirements of Subsection (3)(b)(ii) from the municipality.

176 (ii) The notice described in Subsection (3)(b)(i)(B) shall state:

177 (A) that the city or town will enact or repeal a tax or change the rate of a tax under
178 this part;

179 (B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);

180 (C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and

181 (D) if the city or town enacts the tax or changes the rate of the tax described in
182 Subsection (3)(b)(ii)(A), the new rate of the tax.

183 (c)(i) If, for an annexation that occurs on or after May 1, 2000, the annexation will
184 result in a change in the rate of a tax under this part for an annexing area, the
185 change shall take effect:

186 (A) on the first day of a calendar quarter; and

187 (B) after a 90-day period beginning on the date the commission receives notice
188 meeting the requirements of Subsection (3)(c)(ii) from the municipality that
189 annexes the annexing area.

190 (ii) The notice described in Subsection (3)(c)(i)(B) shall state:

191 (A) that the annexation described in Subsection (3)(c)(i) will result in a change in
192 the rate of a tax under this part for the annexing area;

193 (B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);

194 (C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and

195 (D) the new rate of the tax described in Subsection (3)(c)(ii)(A).

196 (4)(a) Subject to Subsection (4)(b), a sale or use of electricity within a municipality is
197 exempt from the tax authorized by this section if the sale or use is made under a tariff
198 adopted by the Public Service Commission [~~of Utah~~] only for purchase of electricity

- 199 produced from a new source of alternative energy, as defined in Section 59-12-102,
 200 as designated in the tariff by the Public Service Commission[~~of Utah~~].
- 201 (b) The exemption under Subsection (4)(a) applies to the portion of the tariff rate a
 202 customer pays under the tariff described in Subsection (4)(a) that exceeds the tariff
 203 rate under the tariff described in Subsection (4)(a) that the customer would have paid
 204 absent the tariff.
- 205 (5)(a) A municipality may not levy a municipal energy sales and use tax:
- 206 (i) within any portion of the municipality that is within a project area described in a
 207 project area plan adopted by the military authority under Title 63H, Chapter 1,
 208 Military Installation Development Authority Act;
- 209 (ii) on or after July 1, 2022, within the point of the mountain state land, as defined in
 210 Section 11-59-102; or
- 211 (iii) on or after October 1, 2024, within the district sales tax area, as defined in
 212 Section 11-70-101.
- 213 (b) Subsection (5)(a) does not apply to:
- 214 (i) the military authority's levy of a municipal energy sales and use tax;
- 215 (ii) the point of the mountain authority's levy of a municipal energy sales and use tax;
 216 or
- 217 (iii) the fairpark district's levy of a municipal energy sales and use tax.
- 218 (6) A tax levied under this part by the military authority, point of the mountain authority, [
 219 ~~or~~]fairpark district, or county with a major sporting event venue zone shall be
 220 administered and collected on behalf of and paid to the military authority, point of the
 221 mountain authority, [~~or~~]fairpark district, or county with a major sporting event venue
 222 zone respectively, in the same way that a tax levied under this part by a municipality is
 223 administered and collected on behalf of and paid to the municipality.
- 224 Section 3. Section **10-1-403** is amended to read:
- 225 **10-1-403 . Levy of telecommunications license tax -- Recovery from customers --**
 226 **Enactment, repeal, or change in rate of tax -- Annexation.**
- 227 (1)(a)(i) Subject to the provisions of this section, beginning July 1, 2004, a
 228 municipality may levy on and provide that there is collected from a
 229 telecommunications provider a municipal telecommunications license tax on the
 230 telecommunications provider's gross receipts from telecommunications service
 231 that are attributed to the municipality in accordance with Section 10-1-407.
- 232 (ii) Subject to Section 63H-1-203, the military installation development authority

233 created in Section 63H-1-201 may levy and collect a municipal
234 telecommunications license tax under this part for telecommunications service
235 provided within a project area described in a project area plan adopted by the
236 authority under Title 63H, Chapter 1, Military Installation Development Authority
237 Act, as though the authority were a municipality.

238 (iii) Beginning October 1, 2024, the Utah Fairpark Area Investment and Restoration
239 District, created in Section 11-70-201, may levy and collect a municipal
240 telecommunications license tax under this part for telecommunications service
241 provided within the district sales tax area, as defined in Section 11-70-101, to the
242 same extent and in the same manner that a municipality is authorized to levy and
243 collect a municipal telecommunications license tax under this part.

244 (iv) Beginning January 1, 2026, a county with a major sporting event venue zone
245 may by ordinance levy a municipal telecommunications license tax under this part
246 for telecommunications service provided within the portion of the major sporting
247 event venue zone that is on unincorporated county land as though the county were
248 a municipality.

249 (b) To levy and provide for the collection of a municipal telecommunications license tax
250 under this part, the municipality shall adopt an ordinance that complies with the
251 requirements of Section 10-1-404.

252 (c) Beginning on July 1, 2007, a municipal telecommunications license tax imposed
253 under this part shall be at a rate of up to 3.5% of the telecommunications provider's
254 gross receipts from telecommunications service that are attributed to the municipality
255 in accordance with Section 10-1-407.

256 (2) A telecommunications provider may recover the amounts paid in municipal
257 telecommunications license taxes from the customers of the telecommunications
258 provider within the municipality imposing the municipal telecommunications license tax
259 through a charge that is separately identified in the statement of the transaction with the
260 customer as the recovery of a tax.

261 (3)(a) For purposes of this Subsection (3):

262 (i) "Annexation" means an annexation to a municipality under [~~Title 10~~], Chapter 2,
263 Part 4, Annexation.

264 (ii) "Annexing area" means an area that is annexed into a municipality.

265 (b)(i) If, on or after July 1, 2004, a municipality enacts or repeals a tax or changes the
266 rate of the tax under this part, the enactment, repeal, or change shall take effect:

- 267 (A) on the first day of a calendar quarter; and
268 (B) after a 90-day period beginning on the date the commission receives notice
269 meeting the requirements of Subsection (3)(b)(ii) from the municipality.
- 270 (ii) The notice described in Subsection (3)(b)(i)(B) shall state:
271 (A) that the municipality will enact or repeal a tax under this part or change the
272 rate of the tax;
273 (B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);
274 (C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and
275 (D) if the municipality enacts the municipal telecommunications license tax or
276 changes the rate of the tax, the new rate of the tax.
- 277 (c)(i) If, for an annexation that occurs on or after July 1, 2004, the annexation will
278 result in a change in the rate of the tax under this part for an annexing area, the
279 change shall take effect:
280 (A) on the first day of a calendar quarter; and
281 (B) after a 90-day period beginning on the date the commission receives notice
282 meeting the requirements of Subsection (3)(c)(ii) from the municipality that
283 annexes the annexing area.
- 284 (ii) The notice described in Subsection (3)(c)(i)(B) shall state:
285 (A) that the annexation described in Subsection (3)(c)(i) will result in a change in
286 the rate of a tax under this part for the annexing area;
287 (B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);
288 (C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and
289 (D) the new rate of the tax described in Subsection (3)(c)(ii)(A).
- 290 (4) Notwithstanding Subsection (3)(b), for purposes of a change in a municipal
291 telecommunications license tax rate that takes effect on July 1, 2007, a municipality is
292 not subject to the notice requirements of Subsection (3)(b) if:
293 (a) on June 30, 2007, the municipality has in effect an ordinance that levies a municipal
294 telecommunications license tax at a rate that exceeds 3.5%; and
295 (b) on July 1, 2007, the municipality has in effect an ordinance that levies a municipal
296 telecommunications license tax at a rate of 3.5%.
- 297 (5) Notwithstanding Subsection (3)(b), for purposes of a change in a municipal
298 telecommunications license tax rate that takes effect on July 1, 2007, the 90-day period
299 described in Subsection (3)(b)(i)(B) is considered to be a 30-day period if:
300 (a) on June 30, 2007, the municipality has in effect an ordinance that levies a municipal

- 301 telecommunications license tax at a rate that exceeds 3.5%; and
- 302 (b) on July 1, 2007, the municipality has in effect an ordinance that levies a municipal
- 303 telecommunications license tax at a rate that is less than 3.5%.
- 304 (6)(a)(i) A municipality may not levy or collect a municipal telecommunications
- 305 license tax for telecommunications service provided within any portion of the
- 306 municipality that is within a project area described in a project area plan adopted
- 307 by the military installation development authority under Title 63H, Chapter 1,
- 308 Military Installation Development Authority Act.
- 309 (ii) Beginning October 1, 2024, a municipality may not levy or collect a municipal
- 310 telecommunications license fee for telecommunications service provided within
- 311 any portion of the municipality that is within the district sales tax area, as defined
- 312 in Section 11-70-101.
- 313 (b) Subsection (6)(a) does not apply to:
- 314 (i) the military installation development authority's levy of a municipal
- 315 telecommunications license tax; or
- 316 (ii) the levy of a municipal telecommunications license tax by the Utah Fairpark Area
- 317 Investment and Restoration District, created in Section 11-70-201.
- 318 (7)(a) The State Tax Commission shall provide to the military installation development
- 319 authority the collection data necessary to verify that revenue collected by the State
- 320 Tax Commission is distributed to the military installation development authority in
- 321 accordance with this part.
- 322 (b) The data described in Subsection (7)(a) shall include the State Tax Commission's
- 323 breakdown of military installation development authority revenue, including reports
- 324 of collections and distributions.

325 Section 4. Section **11-71-101** is enacted to read:

326 **CHAPTER 71. MAJOR SPORTING EVENT VENUE ZONES**

327 **Part 1. General Provisions**

328 **11-71-101 . Definitions.**

329 As used in this chapter:

- 330 (1) "Accommodations and services" means an accommodation or service described in
- 331 Subsection 59-12-103(1)(i).
- 332 (2) "Agency" means a community reinvestment agency established by a creating entity
- 333 under Title 17C, Limited Purpose Local Government Entities - Community

- 334 Reinvestment Agencies.
- 335 (3) "Committee" means a major sporting event venue zone committee convened under Title
336 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.
- 337 (4) "Creating entity" means:
- 338 (a) a municipality or county with an approved major sporting event venue zone in the
339 jurisdictional boundaries of the municipality or county; or
- 340 (b) one or more municipalities, one or more counties, or a municipality and a county that:
- 341 (i) have entered into an interlocal agreement to form a major sporting event venue
342 zone; and
- 343 (ii) have an approved major sporting event venue zone, as described in Title 63N,
344 Chapter 3, Part 17, Major Sporting Event Venue Zone Act.
- 345 (5) "Development" means:
- 346 (a) construction of a new major sporting event venue, including public infrastructure and
347 improvements;
- 348 (b) demolition, reconstruction, modification, upgrade, or expansion of an existing but
349 aging major sporting event venue, including new public infrastructure, public
350 infrastructure upgrades, or public infrastructure improvements; and
- 351 (c) the planning of, arranging for, or participation in activities listed in Subsection (5)(a)
352 or (b).
- 353 (6) "Fiscal agent" means:
- 354 (a) an agency; or
- 355 (b) a public infrastructure financing district created under Title 17D, Chapter 4, Public
356 Infrastructure District Act.
- 357 (7) "Impacted primary area" means the same as that term is defined in Section 63N-3-1701.
- 358 (8) "Major sporting event venue zone" means the area within a municipality or county
359 approved by a major sporting event venue zone committee, as described in Title 63N,
360 Chapter 3, Part 17, Major Sporting Event Venue Zone Act.
- 361 (9) "Major sporting event venue zone revenue" means the same as that term is defined in
362 Section 63N-3-1701.
- 363 (10)(a) "Public infrastructure and improvements" means infrastructure, improvements,
364 facilities, or buildings that:
- 365 (i)(A) benefit the public and are owned by a public entity or a public utility; or
- 366 (B) benefit the public and are publicly maintained or operated by a public entity; or
- 367 (ii)(A) are privately owned;

- 368 (B) benefit the public;
- 369 (C) as determined by the legislative body of the creating entity, provide a
- 370 substantial benefit to the development and operation of a major sporting event
- 371 venue zone; and
- 372 (D) are built according to applicable county or municipal design and safety
- 373 standards.
- 374 (b) "Public infrastructure and improvements" includes:
- 375 (i) facilities, lines, or systems that provide water, sewer, storm drainage, natural gas,
- 376 electricity, energy storage, clean energy, microgrids, or telecommunications
- 377 service; and
- 378 (ii) a transportation system or components of a transportation system.
- 379 (11) "Qualified development zone" means the same as that term is defined in Section
- 380 63N-3-1701.
- 381 (12) "Secondary project area" means the same as that term is defined in Section 63N-3-1701.
- 382 (13) "Transportation system" means the same as the term is defined in Section 63N-3-1701.
- 383 Section 5. Section **11-71-201** is enacted to read:
- 384 **11-71-201 . Taxes within and for the benefit of a major sporting event venue zone.**
- 385 (1) The legislative body of a creating entity may, by ordinance, impose within the
- 386 boundaries of a qualified development zone for a major sporting event venue:
- 387 (a)(i) the accommodations tax described in Section 11-71-202; or
- 388 (ii)(A) a transient room tax, as described in Section 59-12-352;
- 389 (B) a resort communities sales and use tax, as described in Section 59-12-401; and
- 390 (C) an additional resort communities sales and use tax, as described in Section
- 391 59-12-402; and
- 392 (b) for a creating entity county:
- 393 (i) a municipal energy sales and use tax on the sale or use of taxable energy within
- 394 the part of the qualified development zone on the county's unincorporated land, as
- 395 described in Section 10-1-304; and
- 396 (ii) a municipal telecommunications license tax under this part for
- 397 telecommunications service provided within the part of the qualified development
- 398 zone on the county's unincorporated land, as described in Section 10-1-403.
- 399 (2) Revenue generated by a tax described in Subsection (1) is governed by Section
- 400 11-71-203.
- 401 Section 6. Section **11-71-202** is enacted to read:

402 **11-71-202 . Accommodations tax.**

- 403 (1) A creating entity may impose by ordinance an accommodations tax on a provider for
404 amounts paid or charged for accommodations and services, if the place of
405 accommodation is:
- 406 (a) located within a qualified development zone of a major sporting event venue; and
 - 407 (b) located on:
 - 408 (i) municipality-owned or county-owned property;
 - 409 (ii) privately owned property on which the creating entity owns some or all of the
410 place of accommodation; or
 - 411 (iii) privately owned property on which the creating entity legislative body finds that
412 a private owner is receiving significant benefit due to the proximity of the major
413 sporting event venue to the privately owned property
- 414 (2) The maximum rate of the accommodations tax authorized by this section is 15% of the
415 amounts paid to or charged by the provider for accommodations and services.
- 416 (3) A provider may recover an amount equal to the accommodations tax authorized in this
417 section from customers, if the provider includes the amount as a separate billing line
418 item.
- 419 (4) If a creating entity imposes the tax described in this section for an area within a
420 qualified development zone, the creating entity may not also impose on the amounts
421 paid or charged for accommodations and services in the same area any other tax
422 described in:
- 423 (a) Title 59, Chapter 12, Sales and Use Tax Act; or
 - 424 (b) Title 59, Chapter 28, State Transient Room Tax Act.
- 425 (5) Except as provided in Subsection (6) or (7), the tax imposed under this section shall be
426 administered, collected, and enforced in accordance with:
- 427 (a) the same procedures used to administer, collect, and enforce the tax under:
 - 428 (i) Title 59, Chapter 12, Part 1, Tax Collection; or
 - 429 (ii) Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and
 - 430 (b) Title 59, Chapter 1, General Taxation Policies.
- 431 (6) The location of a transaction shall be determined in accordance with Sections 59-12-211
432 through 59-12-215.
- 433 (7)(a) A tax under this section is not subject to Section 59-12-107.1 or 59-12-123 or
434 Subsections 59-12-205(2) through (5).
- 435 (b) The exemptions described in Sections 59-12-104, 59-12-104.1, and 59-12-104.6 do

436 not apply to a tax imposed under this section.

437 (8) The State Tax Commission shall:

438 (a) except as provided in Subsection (8)(b), distribute the revenue collected from the tax
439 to the creating entity; and

440 (b) retain and deposit an administrative charge in accordance with Section 59-1-306
441 from revenue the commission collects from a tax under this section.

442 (9)(a) If the creating entity imposes, repeals, or changes the rate of tax under this
443 section, the implementation, repeal, or change shall take effect:

444 (i) on the first day of a calendar quarter; and

445 (ii) after a 90-day period beginning on the date the State Tax Commission receives
446 the notice described in Subsection (9)(b) from the creating entity.

447 (b) The notice required in Subsection (9)(a)(ii) shall state:

448 (i) that the creating entity will impose, repeal, or change the rate of a tax under this
449 section;

450 (ii) the effective date of the implementation, repeal, or change of the tax; and

451 (iii) the rate of the tax.

452 Section 7. Section **11-71-203** is enacted to read:

453 **11-71-203 . Major sporting event venue zone revenue.**

454 (1) The following are approved revenue sources for a major sporting event venue zone:

455 (a) property tax increment for:

456 (i) the major sporting event venue zone, for at least 25 years but no more than 40, as
457 approved by the committee; and

458 (ii) if applicable, the secondary project area, for at least 25 years but no more than 40,
459 as approved by the committee;

460 (b) sales and use tax increment for the major sporting event venue zone, for at least 25
461 years but no more than 40, as approved by the committee; and

462 (c) the revenue generated by a tax described in Section 11-71-201.

463 (2) Revenue generated from a source described in Subsection (1):

464 (a) is major sporting event venue zone revenue; and

465 (b) shall be administered by the creating entity or a fiscal agent designated by the
466 creating entity.

467 (3) If a creating entity designates a fiscal agent to administer major sporting event venue
468 zone revenue, the creating entity and fiscal agent shall first enter into an interlocal
469 agreement:

- 470 (a) governing the administration, distribution, use, and management of major sporting
471 event zone revenue; and
- 472 (b) with terms that are consistent with this chapter and Title 63N, Chapter 3, Part 17,
473 Major Sporting Event Venue Zone Act.

474 Section 8. Section **11-71-204** is enacted to read:

475 **11-71-204 . Allowable uses of major sporting event venue zone revenue.**

- 476 (1) A creating entity or fiscal agent shall use major sporting event venue zone revenue
477 within, or for the direct benefit of:
- 478 (a) the major sporting event venue zone;
479 (b) a secondary project area, if any; and
480 (c) an impacted primary area, if the creating entity finds that the use of the major
481 sporting event venue zone revenue will directly benefit the major sporting event
482 venue.
- 483 (2) A creating entity that receives major sporting event venue zone revenue, as described in
484 Section 11-22-203, shall allocate the revenue to:
- 485 (a) development in the major sporting event venue zone, including:
- 486 (i) constructing, furnishing, maintaining, or operating a major sporting event venue;
487 (ii) demolishing or remodeling an existing major sporting event venue, or portions of
488 a major sporting event venue;
489 (iii) public infrastructure and improvements supporting the major sporting event
490 venue; and
491 (iv) realigning public infrastructure to better support the major sporting event venue;
- 492 (b) public infrastructure and improvements in a secondary project area, if any;
493 (c) public infrastructure and improvements in an impacted primary area; and
494 (d) making the annual payment of principal, interest, premiums, and necessary reserves
495 for any of the aggregate of bonds authorized under Subsection (3).
- 496 (3) A creating entity of a major sporting event venue zone may issue bonds, or cause bonds
497 to be issued, as permitted by law, to pay all or part of the costs incurred for the purposes
498 described in Subsections (2)(a) through (c), including the cost to issue and repay the
499 bonds including interest.
- 500 (4)(a) A creating entity or fiscal agent designated by a creating entity may create one or
501 more public infrastructure districts within the major sporting event venue zone under
502 Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the
503 major sporting event venue zone funds to guarantee the payment of public

- 504 infrastructure bonds issued by a public infrastructure district.
- 505 (b) A public infrastructure district created by a creating entity may be designated a fiscal
- 506 agent by the creating entity.
- 507 (5) In addition to the purposes described in Subsection (2), a creating entity or fiscal agent
- 508 may also allocate major sporting event venue zone funding:
- 509 (a) to promote the major sporting event venue;
- 510 (b) to mitigate the impacts of the major sporting event venue on local services, including
- 511 solid waste disposal operations, law enforcement, and road repair and road upgrades;
- 512 and
- 513 (c) as described in Subsection (7).
- 514 (6)(a) The creating entity may use major sporting event venue zone revenue to cover the
- 515 costs of the creating entity to administer the major sporting event venue zone, not to
- 516 exceed:
- 517 (i) 2% of the total annual major sporting event venue zone revenue collected by the
- 518 creating entity for the benefit of the major sporting event venue zone; or
- 519 (ii) if the creating entity provides some major sporting event venue zone revenue to a
- 520 fiscal agent, 2% of the total annual major sporting event zone revenue retained by
- 521 the creating entity for the benefit of the major sporting event venue zone.
- 522 (b) If the creating entity provides some or all of the major sporting event venue zone
- 523 revenue to a fiscal agent, the interlocal agreement described in Subsection
- 524 11-71-203(3) shall provide that the fiscal agent expends no more than 2% of the
- 525 major sporting event venue zone revenue allocated by the creating entity to the fiscal
- 526 agent on the fiscal agent's administrative costs.
- 527 (7) A creating entity may provide major sporting event venue zone revenue to a person
- 528 pursuant to a participation agreement or an agreement described in Section 11-71-301 or
- 529 11-71-302.

530 Section 9. Section **11-71-301** is enacted to read:

531 **11-71-301 . Private-public partnerships for a major sporting event venue.**

- 532 (1) A person that seeks to enter into a private-public partnership with a creating entity shall
- 533 provide the creating entity with an application that:
- 534 (a) demonstrates the applicant is qualified to operate, in whole or in part, a major
- 535 sporting event venue; and
- 536 (b) provides any additional information required by the creating entity.
- 537 (2) A creating entity may enter into a private-public partnership:

- 538 (a) if, after reviewing the application described in Subsection (1), the creating entity
 539 determines a private-public partnership will promote the objectives of the major
 540 sporting event venue zone; and
- 541 (b) through an agreement described in this section.
- 542 (3) An agreement to create a private-public partnership between a person and a creating
 543 entity:
- 544 (a) may establish or recognize an ownership interest in the major sporting event venue
 545 for the person, in consideration of the person's financial investment in the major
 546 sporting event venue;
- 547 (b) may establish an ownership interest in the major sporting event venue for the
 548 creating entity, in consideration of the creating entity's financial investment in the
 549 major sporting event venue zone; and
- 550 (c) may create a lease interest for the person in the major sporting event venue.

551 Section 10. Section **59-2-924** is amended to read:

552 **59-2-924 . Definitions -- Report of valuation of property to county auditor and**
 553 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
 554 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**
 555 **commission.**

556 (1) As used in this section:

- 557 (a)(i) "Ad valorem property tax revenue" means revenue collected in accordance with
 558 this chapter.
- 559 (ii) "Ad valorem property tax revenue" does not include:
- 560 (A) interest;
- 561 (B) penalties;
- 562 (C) collections from redemptions; or
- 563 (D) revenue received by a taxing entity from personal property that is
 564 semiconductor manufacturing equipment assessed by a county assessor in
 565 accordance with Part 3, County Assessment.
- 566 (b) "Adjusted tax increment" means the same as that term is defined in Section
 567 17C-1-102.
- 568 (c)(i) "Aggregate taxable value of all property taxed" means:
- 569 (A) the aggregate taxable value of all real property a county assessor assesses in
 570 accordance with Part 3, County Assessment, for the current year;
- 571 (B) the aggregate taxable value of all real and personal property the commission

- 572 assesses in accordance with Part 2, Assessment of Property, for the current
573 year; and
- 574 (C) the aggregate year end taxable value of all personal property a county assessor
575 assesses in accordance with Part 3, County Assessment, contained on the prior
576 year's tax rolls of the taxing entity.
- 577 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate
578 year end taxable value of personal property that is:
- 579 (A) semiconductor manufacturing equipment assessed by a county assessor in
580 accordance with Part 3, County Assessment; and
- 581 (B) contained on the prior year's tax rolls of the taxing entity.
- 582 (d) "Base taxable value" means:
- 583 (i) for an authority created under Section 11-58-201, the same as that term is defined
584 in Section 11-58-102;
- 585 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
586 the same as that term is defined in Section 11-59-207;
- 587 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
588 11-70-201, the same as that term is defined in Section 11-70-101;
- 589 (iv) for an agency created under Section 17C-1-201.5, the same as that term is
590 defined in Section 17C-1-102;
- 591 (v) for an authority created under Section 63H-1-201, the same as that term is defined
592 in Section 63H-1-102;
- 593 (vi) for a host local government, the same as that term is defined in Section
594 63N-2-502;
- 595 (vii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
596 Part 6, Housing and Transit Reinvestment Zone Act, a property's taxable value as
597 shown upon the assessment roll last equalized during the base year, as that term is
598 defined in Section 63N-3-602;
- 599 (viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
600 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
601 27a, Part 12, Home Ownership Promotion Zone for Counties, a property's taxable
602 value as shown upon the assessment roll last equalized during the base year, as
603 that term is defined in Section 10-9a-1001 or Section 17-27a-1201; [or]
- 604 (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
605 First Home Investment Zone Act, a property's taxable value as shown upon the

- 606 assessment roll last equalized during the base year, as that term is defined in
 607 Section 63N-3-1601[:] ; or
- 608 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
 609 17, Major Sporting Event Venue Zone Act, a property's taxable value as shown
 610 upon the assessment roll last equalized during the property tax base year, as that
 611 term is defined in Section 63N-3-1701.
- 612 (e) "Centrally assessed benchmark value" means an amount equal to the average year
 613 end taxable value of real and personal property the commission assesses in
 614 accordance with Part 2, Assessment of Property, for the previous three calendar
 615 years, adjusted for taxable value attributable to:
- 616 (i) an annexation to a taxing entity;
- 617 (ii) an incorrect allocation of taxable value of real or personal property the
 618 commission assesses in accordance with Part 2, Assessment of Property; or
- 619 (iii) a change in value as a result of a change in the method of apportioning the value
 620 prescribed by the Legislature, a court, or the commission in an administrative rule
 621 or administrative order.
- 622 (f)(i) "Centrally assessed new growth" means the greater of:
- 623 (A) zero; or
- 624 (B) the amount calculated by subtracting the centrally assessed benchmark value
 625 adjusted for prior year end incremental value from the taxable value of real and
 626 personal property the commission assesses in accordance with Part 2,
 627 Assessment of Property, for the current year, adjusted for current year
 628 incremental value.
- 629 (ii) "Centrally assessed new growth" does not include a change in value as a result of
 630 a change in the method of apportioning the value prescribed by the Legislature, a
 631 court, or the commission in an administrative rule or administrative order.
- 632 (g) "Certified tax rate" means a tax rate that will provide the same ad valorem property
 633 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
- 634 (h) "Community reinvestment agency" means the same as that term is defined in Section
 635 17C-1-102.
- 636 (i) "Eligible new growth" means the greater of:
- 637 (i) zero; or
- 638 (ii) the sum of:
- 639 (A) locally assessed new growth;

- 640 (B) centrally assessed new growth; and
- 641 (C) project area new growth or hotel property new growth.
- 642 (j) "Host local government" means the same as that term is defined in Section 63N-2-502.
- 643 (k) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- 644 (l) "Hotel property new growth" means an amount equal to the incremental value that is
- 645 no longer provided to a host local government as incremental property tax revenue.
- 646 (m) "Incremental property tax revenue" means the same as that term is defined in
- 647 Section 63N-2-502.
- 648 (n) "Incremental value" means:
- 649 (i) for an authority created under Section 11-58-201, the amount calculated by
- 650 multiplying:
- 651 (A) the difference between the taxable value and the base taxable value of the
- 652 property that is located within a project area and on which property tax
- 653 differential is collected; and
- 654 (B) the number that represents the percentage of the property tax differential that
- 655 is paid to the authority;
- 656 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
- 657 an amount calculated by multiplying:
- 658 (A) the difference between the current assessed value of the property and the base
- 659 taxable value; and
- 660 (B) the number that represents the percentage of the property tax augmentation, as
- 661 defined in Section 11-59-207, that is paid to the Point of the Mountain State
- 662 Land Authority;
- 663 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 664 11-70-201, the amount calculated by multiplying:
- 665 (A) the difference between the taxable value for the current year and the base
- 666 taxable value of the property that is located within a project area; and
- 667 (B) the number that represents the percentage of enhanced property tax revenue,
- 668 as defined in Section 11-70-101;
- 669 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by
- 670 multiplying:
- 671 (A) the difference between the taxable value and the base taxable value of the
- 672 property located within a project area and on which tax increment is collected;
- 673 and

- 674 (B) the number that represents the adjusted tax increment from that project area
675 that is paid to the agency;
- 676 (v) for an authority created under Section 63H-1-201, the amount calculated by
677 multiplying:
- 678 (A) the difference between the taxable value and the base taxable value of the
679 property located within a project area and on which property tax allocation is
680 collected; and
- 681 (B) the number that represents the percentage of the property tax allocation from
682 that project area that is paid to the authority;
- 683 (vi) for a housing and transit reinvestment zone created pursuant to Title 63N,
684 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount
685 calculated by multiplying:
- 686 (A) the difference between the taxable value and the base taxable value of the
687 property that is located within a housing and transit reinvestment zone and on
688 which tax increment is collected; and
- 689 (B) the number that represents the percentage of the tax increment that is paid to
690 the housing and transit reinvestment zone;
- 691 (vii) for a host local government, an amount calculated by multiplying:
- 692 (A) the difference between the taxable value and the base taxable value of the
693 hotel property on which incremental property tax revenue is collected; and
- 694 (B) the number that represents the percentage of the incremental property tax
695 revenue from that hotel property that is paid to the host local government;
- 696 (viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
697 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
698 27a, Part 12, Home Ownership Promotion Zone for Counties, an amount
699 calculated by multiplying:
- 700 (A) the difference between the taxable value and the base taxable value of the
701 property that is located within a home ownership promotion zone and on which
702 tax increment is collected; and
- 703 (B) the number that represents the percentage of the tax increment that is paid to
704 the home ownership promotion zone; [ø]
- 705 (ix) for a first home investment zone created pursuant to Title 63N, Chapter 3, Part
706 16, First Home Investment Zone Act, an amount calculated by multiplying:
- 707 (A) the difference between the taxable value and the base taxable value of the

708 property that is located within a first home investment zone and on which tax
709 increment is collected; and

710 (B) the number that represents the percentage of the tax increment that is paid to
711 the first home investment zone[-] ; or

712 (x) for a major sporting event venue zone created pursuant to Title 63N, Chapter 3,
713 Part 17, Major Sporting Event Venue Zone Act, an amount calculated by
714 multiplying:

715 (A) the difference between the taxable value and the base taxable value of the
716 property located within a qualified development zone for a major sporting
717 event venue zone and upon which property tax increment is collected; and

718 (B) the number that represents the percentage of tax increment that is paid to the
719 major sporting event venue zone.

720 (o)(i) "Locally assessed new growth" means the greater of:

721 (A) zero; or

722 (B) the amount calculated by subtracting the year end taxable value of real
723 property the county assessor assesses in accordance with Part 3, County
724 Assessment, for the previous year, adjusted for prior year end incremental
725 value from the taxable value of real property the county assessor assesses in
726 accordance with Part 3, County Assessment, for the current year, adjusted for
727 current year incremental value.

728 (ii) "Locally assessed new growth" does not include a change in:

729 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,
730 or another adjustment;

731 (B) assessed value based on whether a property is allowed a residential exemption
732 for a primary residence under Section 59-2-103;

733 (C) assessed value based on whether a property is assessed under Part 5, Farmland
734 Assessment Act; or

735 (D) assessed value based on whether a property is assessed under Part 17, Urban
736 Farming Assessment Act.

737 (p) "Project area" means:

738 (i) for an authority created under Section 11-58-201, the same as that term is defined
739 in Section 11-58-102;

740 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section
741 11-70-201, the same as that term is defined in Section 11-70-101;

- 742 (iii) for an agency created under Section 17C-1-201.5, the same as that term is
 743 defined in Section 17C-1-102; [øø]
- 744 (iv) for an authority created under Section 63H-1-201, the same as that term is
 745 defined in Section 63H-1-102[-] ; or
- 746 (v) for a major sporting event venue zone established under Title 63N, Chapter 3,
 747 Part 17, Major Sporting Event Venue Zone Act, the qualified development zone,
 748 as defined in Section 63N-3-1701.
- 749 (q) "Project area new growth" means:
- 750 (i) for an authority created under Section 11-58-201, an amount equal to the
 751 incremental value that is no longer provided to an authority as property tax
 752 differential;
- 753 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
 754 an amount equal to the incremental value that is no longer provided to the Point of
 755 the Mountain State Land Authority as property tax augmentation, as defined in
 756 Section 11-59-207;
- 757 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
 758 11-70-201, an amount equal to the incremental value that is no longer provided to
 759 the Utah Fairpark Area Investment and Restoration District;
- 760 (iv) for an agency created under Section 17C-1-201.5, an amount equal to the
 761 incremental value that is no longer provided to an agency as tax increment;
- 762 (v) for an authority created under Section 63H-1-201, an amount equal to the
 763 incremental value that is no longer provided to an authority as property tax
 764 allocation;
- 765 (vi) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
 766 Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the
 767 incremental value that is no longer provided to a housing and transit reinvestment
 768 zone as tax increment;
- 769 (vii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
 770 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
 771 27a, Part 12, Home Ownership Promotion Zone for Counties, an amount equal to
 772 the incremental value that is no longer provided to a home ownership promotion
 773 zone as tax increment; [øø]
- 774 (viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
 775 First Home Investment Zone Act, an amount equal to the incremental value that is

- 776 no longer provided to a first home investment zone as tax increment[-] ; or
777 (ix) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
778 17, Major Sporting Event Venue Zone Act, an amount equal to the incremental
779 value that is no longer provided to the creating entity of a major sporting event
780 venue zone as property tax increment.
- 781 (r) "Project area incremental revenue" means the same as that term is defined in Section
782 17C-1-1001.
- 783 (s) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
- 784 (t) "Property tax differential" means the same as that term is defined in Section
785 11-58-102.
- 786 (u) "Qualifying exempt revenue" means revenue received:
787 (i) for the previous calendar year;
788 (ii) by a taxing entity;
789 (iii) from tangible personal property contained on the prior year's tax rolls that is
790 exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year
791 beginning on January 1, 2022; and
792 (iv) on the aggregate 2021 year end taxable value of the tangible personal property
793 that exceeds \$15,300.
- 794 (v) "Tax increment" means:
795 (i) for a project created under Section 17C-1-201.5, the same as that term is defined
796 in Section 17C-1-102;
797 (ii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
798 Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is
799 defined in Section 63N-3-602;
800 (iii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
801 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
802 27a, Part 12, Home Ownership Promotion Zone for Counties, the same as that
803 term is defined in Section 10-9a-1001 or Section 17-27a-1201; [øø]
804 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
805 First Home Investment Zone Act, the same as that term is defined in Section
806 63N-3-1601[-] ; or
807 (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
808 17, Major Sporting Event Venue Zone Act, property tax increment, as that term is
809 defined in Section 63N-3-1701.

- 810 (2) Before June 1 of each year, the county assessor of each county shall deliver to the
811 county auditor and the commission the following statements:
- 812 (a) a statement containing the aggregate valuation of all taxable real property a county
813 assessor assesses in accordance with Part 3, County Assessment, for each taxing
814 entity; and
- 815 (b) a statement containing the taxable value of all personal property a county assessor
816 assesses in accordance with Part 3, County Assessment, from the prior year end
817 values.
- 818 (3) The county auditor shall, on or before June 8, transmit to the governing body of each
819 taxing entity:
- 820 (a) the statements described in Subsections (2)(a) and (b);
821 (b) an estimate of the revenue from personal property;
822 (c) the certified tax rate; and
823 (d) all forms necessary to submit a tax levy request.
- 824 (4)(a) Except as otherwise provided in this section, the certified tax rate shall be
825 calculated by dividing the ad valorem property tax revenue that a taxing entity
826 budgeted for the prior year minus the qualifying exempt revenue by the amount
827 calculated under Subsection (4)(b).
- 828 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
829 calculate an amount as follows:
- 830 (i) calculate for the taxing entity the difference between:
831 (A) the aggregate taxable value of all property taxed; and
832 (B) any adjustments for current year incremental value;
- 833 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
834 determined by increasing or decreasing the amount calculated under Subsection
835 (4)(b)(i) by the average of the percentage net change in the value of taxable
836 property for the equalization period for the three calendar years immediately
837 preceding the current calendar year;
- 838 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the
839 product of:
840 (A) the amount calculated under Subsection (4)(b)(ii); and
841 (B) the percentage of property taxes collected for the five calendar years
842 immediately preceding the current calendar year; and
- 843 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an

- 844 amount determined by:
- 845 (A) multiplying the percentage of property taxes collected for the five calendar
846 years immediately preceding the current calendar year by eligible new growth;
847 and
- 848 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the
849 amount calculated under Subsection (4)(b)(iii).
- 850 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated
851 as follows:
- 852 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified
853 tax rate is zero;
- 854 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
- 855 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
856 services under Sections 17-34-1 and 17-36-9; and
- 857 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
858 purposes and such other levies imposed solely for the municipal-type services
859 identified in Section 17-34-1 and Subsection 17-36-3(23);
- 860 (c) for a community reinvestment agency that received all or a portion of a taxing
861 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,
862 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in
863 Subsection (4) except that the commission shall treat the total revenue transferred to
864 the community reinvestment agency as ad valorem property tax revenue that the
865 taxing entity budgeted for the prior year; and
- 866 (d) for debt service voted on by the public, the certified tax rate is the actual levy
867 imposed by that section, except that a certified tax rate for the following levies shall
868 be calculated in accordance with Section 59-2-913 and this section:
- 869 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
870 (ii) a levy to pay for the costs of state legislative mandates or judicial or
871 administrative orders under Section 59-2-1602.
- 872 (6)(a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be imposed
873 at a rate that is sufficient to generate only the revenue required to satisfy one or more
874 eligible judgments.
- 875 (b) The ad valorem property tax revenue generated by a judgment levy described in
876 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate
877 certified tax rate.

- 878 (7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:
879 (i) the taxable value of real property:
880 (A) the county assessor assesses in accordance with Part 3, County Assessment;
881 and
882 (B) contained on the assessment roll;
883 (ii) the year end taxable value of personal property:
884 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
885 (B) contained on the prior year's assessment roll; and
886 (iii) the taxable value of real and personal property the commission assesses in
887 accordance with Part 2, Assessment of Property.
888 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
889 growth.
- 890 (8)(a) On or before June 30, a taxing entity shall annually adopt a tentative budget.
891 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
892 the county auditor of:
893 (i) the taxing entity's intent to exceed the certified tax rate; and
894 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
895 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
896 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
- 897 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through
898 electronic means on or before July 31, to a taxing entity and the Revenue and
899 Taxation Interim Committee if:
900 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
901 taxable value of the real and personal property the commission assesses in
902 accordance with Part 2, Assessment of Property, for the previous year, adjusted
903 for prior year end incremental value; and
904 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
905 end taxable value of the real and personal property of a taxpayer the commission
906 assesses in accordance with Part 2, Assessment of Property, for the previous year.
907 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
908 subtracting the taxable value of real and personal property the commission assesses
909 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
910 current year incremental value, from the year end taxable value of the real and
911 personal property the commission assesses in accordance with Part 2, Assessment of

- 912 Property, for the previous year, adjusted for prior year end incremental value.
- 913 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
- 914 subtracting the total taxable value of real and personal property of a taxpayer the
- 915 commission assesses in accordance with Part 2, Assessment of Property, for the
- 916 current year, from the total year end taxable value of the real and personal property of
- 917 a taxpayer the commission assesses in accordance with Part 2, Assessment of
- 918 Property, for the previous year.
- 919 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the
- 920 requirement under Subsection (9)(a)(ii).

921 Section 11. Section **59-12-104** is amended to read:

922 **59-12-104 . Exemptions.**

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

- 924 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
- 925 under Chapter 13, Motor and Special Fuel Tax Act;
- 926 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political
- 927 subdivisions; however, this exemption does not apply to sales of:
- 928 (a) construction materials except:
- 929 (i) construction materials purchased by or on behalf of institutions of the public
- 930 education system as defined in Utah Constitution, Article X, Section 2, provided
- 931 the construction materials are clearly identified and segregated and installed or
- 932 converted to real property which is owned by institutions of the public education
- 933 system; and
- 934 (ii) construction materials purchased by the state, its institutions, or its political
- 935 subdivisions which are installed or converted to real property by employees of the
- 936 state, its institutions, or its political subdivisions; or
- 937 (b) tangible personal property in connection with the construction, operation,
- 938 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or
- 939 facilities providing additional project capacity, as defined in Section 11-13-103;
- 940 (3)(a) sales of an item described in Subsection (3)(b) from a vending machine if:
- 941 (i) the proceeds of each sale do not exceed \$1; and
- 942 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
- 943 the cost of the item described in Subsection (3)(b) as goods consumed; and
- 944 (b) Subsection (3)(a) applies to:
- 945 (i) food and food ingredients; or

- 946 (ii) prepared food;
- 947 (4)(a) sales of the following to a commercial airline carrier for in-flight consumption:
- 948 (i) alcoholic beverages;
- 949 (ii) food and food ingredients; or
- 950 (iii) prepared food;
- 951 (b) sales of tangible personal property or a product transferred electronically:
- 952 (i) to a passenger;
- 953 (ii) by a commercial airline carrier; and
- 954 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 955 (c) services related to Subsection (4)(a) or (b);
- 956 (5) sales of parts and equipment for installation in an aircraft operated by a common carrier
- 957 in interstate or foreign commerce;
- 958 (6) sales of commercials, motion picture films, prerecorded audio program tapes or records,
- 959 and prerecorded video tapes by a producer, distributor, or studio to a motion picture
- 960 exhibitor, distributor, or commercial television or radio broadcaster;
- 961 (7)(a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of
- 962 cleaning or washing of tangible personal property if the cleaning or washing of the
- 963 tangible personal property is not assisted cleaning or washing of tangible personal
- 964 property;
- 965 (b) if a seller that sells at the same business location assisted cleaning or washing of
- 966 tangible personal property and cleaning or washing of tangible personal property that
- 967 is not assisted cleaning or washing of tangible personal property, the exemption
- 968 described in Subsection (7)(a) applies if the seller separately accounts for the sales of
- 969 the assisted cleaning or washing of the tangible personal property; and
- 970 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah
- 971 Administrative Rulemaking Act, the commission may make rules:
- 972 (i) governing the circumstances under which sales are at the same business location;
- 973 and
- 974 (ii) establishing the procedures and requirements for a seller to separately account for
- 975 sales of assisted cleaning or washing of tangible personal property;
- 976 (8) sales made to or by religious or charitable institutions in the conduct of their regular
- 977 religious or charitable functions and activities, if the requirements of Section 59-12-104.1
- 978 are fulfilled;
- 979 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this

- 980 state if:
- 981 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;
- 982 (b) the vehicle is not registered in this state; and
- 983 (c)(i) the vehicle is not used in this state; or
- 984 (ii) the vehicle is used in this state:
- 985 (A) if the vehicle is not used to conduct business, for a time period that does not
- 986 exceed the longer of:
- 987 (I) 30 days in any calendar year; or
- 988 (II) the time period necessary to transport the vehicle to the borders of this
- 989 state; or
- 990 (B) if the vehicle is used to conduct business, for the time period necessary to
- 991 transport the vehicle to the borders of this state;
- 992 (10)(a) amounts paid for an item described in Subsection (10)(b) if:
- 993 (i) the item is intended for human use; and
- 994 (ii)(A) a prescription was issued for the item; or
- 995 (B) the item was purchased by a hospital or other medical facility; and
- 996 (b)(i) Subsection (10)(a) applies to:
- 997 (A) a drug;
- 998 (B) a syringe; or
- 999 (C) a stoma supply; and
- 1000 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 1001 the commission may by rule define the terms:
- 1002 (A) "syringe"; or
- 1003 (B) "stoma supply";
- 1004 (11) purchases or leases exempt under Section 19-12-201;
- 1005 (12)(a) sales of an item described in Subsection (12)(c) served by:
- 1006 (i) the following if the item described in Subsection (12)(c) is not available to the
- 1007 general public:
- 1008 (A) a church; or
- 1009 (B) a charitable institution; or
- 1010 (ii) an institution of higher education if:
- 1011 (A) the item described in Subsection (12)(c) is not available to the general public;
- 1012 or
- 1013 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal

- 1014 plan offered by the institution of higher education; [øŕ]
- 1015 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 1016 (i) a medical facility; or
- 1017 (ii) a nursing facility; and
- 1018 (c) Subsections (12)(a) and (b) apply to:
- 1019 (i) food and food ingredients;
- 1020 (ii) prepared food; or
- 1021 (iii) alcoholic beverages;
- 1022 (13)(a) except as provided in Subsection (13)(b), the sale of tangible personal property
- 1023 or a product transferred electronically by a person:
- 1024 (i) regardless of the number of transactions involving the sale of that tangible
- 1025 personal property or product transferred electronically by that person; and
- 1026 (ii) not regularly engaged in the business of selling that type of tangible personal
- 1027 property or product transferred electronically;
- 1028 (b) this Subsection (13) does not apply if:
- 1029 (i) the sale is one of a series of sales of a character to indicate that the person is
- 1030 regularly engaged in the business of selling that type of tangible personal property
- 1031 or product transferred electronically;
- 1032 (ii) the person holds that person out as regularly engaged in the business of selling
- 1033 that type of tangible personal property or product transferred electronically;
- 1034 (iii) the person sells an item of tangible personal property or product transferred
- 1035 electronically that the person purchased as a sale that is exempt under Subsection
- 1036 (25); or
- 1037 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws
- 1038 of this state in which case the tax is based upon:
- 1039 (A) the bill of sale, lease agreement, or other written evidence of value of the
- 1040 vehicle or vessel being sold; or
- 1041 (B) in the absence of a bill of sale, lease agreement, or other written evidence of
- 1042 value, the fair market value of the vehicle or vessel being sold at the time of the
- 1043 sale as determined by the commission; and
- 1044 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1045 commission shall make rules establishing the circumstances under which:
- 1046 (i) a person is regularly engaged in the business of selling a type of tangible personal
- 1047 property or product transferred electronically;

- 1048 (ii) a sale of tangible personal property or a product transferred electronically is one
1049 of a series of sales of a character to indicate that a person is regularly engaged in
1050 the business of selling that type of tangible personal property or product
1051 transferred electronically; or
- 1052 (iii) a person holds that person out as regularly engaged in the business of selling a
1053 type of tangible personal property or product transferred electronically;
- 1054 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal
1055 operating repair or replacement parts, or materials, except for office equipment or office
1056 supplies, by:
- 1057 (a) a manufacturing facility that:
- 1058 (i) is located in the state; and
- 1059 (ii) uses or consumes the machinery, equipment, normal operating repair or
1060 replacement parts, or materials:
- 1061 (A) in the manufacturing process to manufacture an item sold as tangible personal
1062 property, as the commission may define that phrase in accordance with Title
1063 63G, Chapter 3, Utah Administrative Rulemaking Act; or
- 1064 (B) for a scrap recycler, to process an item sold as tangible personal property, as
1065 the commission may define that phrase in accordance with Title 63G, Chapter
1066 3, Utah Administrative Rulemaking Act;
- 1067 (b) an establishment, as the commission defines that term in accordance with Title 63G,
1068 Chapter 3, Utah Administrative Rulemaking Act, that:
- 1069 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
1070 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for
1071 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except
1072 Fuels) Mining, of the 2002 North American Industry Classification System of the
1073 federal Executive Office of the President, Office of Management and Budget;
- 1074 (ii) is located in the state; and
- 1075 (iii) uses or consumes the machinery, equipment, normal operating repair or
1076 replacement parts, or materials in:
- 1077 (A) the production process to produce an item sold as tangible personal property,
1078 as the commission may define that phrase in accordance with Title 63G,
1079 Chapter 3, Utah Administrative Rulemaking Act;
- 1080 (B) research and development, as the commission may define that phrase in
1081 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

- 1082 (C) transporting, storing, or managing tailings, overburden, or similar waste
 1083 materials produced from mining;
- 1084 (D) developing or maintaining a road, tunnel, excavation, or similar feature used
 1085 in mining; or
- 1086 (E) preventing, controlling, or reducing dust or other pollutants from mining; or
- 1087 (c) an establishment, as the commission defines that term in accordance with Title 63G,
 1088 Chapter 3, Utah Administrative Rulemaking Act, that:
- 1089 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
 1090 American Industry Classification System of the federal Executive Office of the
 1091 President, Office of Management and Budget;
- 1092 (ii) is located in the state; and
- 1093 (iii) uses or consumes the machinery, equipment, normal operating repair or
 1094 replacement parts, or materials in the operation of the web search portal;
- 1095 (15)(a) sales of the following if the requirements of Subsection (15)(b) are met:
- 1096 (i) tooling;
- 1097 (ii) special tooling;
- 1098 (iii) support equipment;
- 1099 (iv) special test equipment; or
- 1100 (v) parts used in the repairs or renovations of tooling or equipment described in
 1101 Subsections (15)(a)(i) through (iv); and
- 1102 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
- 1103 (i) the tooling, equipment, or parts are used or consumed exclusively in the
 1104 performance of any aerospace or electronics industry contract with the United
 1105 States government or any subcontract under that contract; and
- 1106 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
 1107 title to the tooling, equipment, or parts is vested in the United States government
 1108 as evidenced by:
- 1109 (A) a government identification tag placed on the tooling, equipment, or parts; or
- 1110 (B) listing on a government-approved property record if placing a government
 1111 identification tag on the tooling, equipment, or parts is impractical;
- 1112 (16) sales of newspapers or newspaper subscriptions;
- 1113 (17)(a) except as provided in Subsection (17)(b), tangible personal property or a product
 1114 transferred electronically traded in as full or part payment of the purchase price,
 1115 except that for purposes of calculating sales or use tax upon vehicles not sold by a

- 1116 vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:
- 1117 (i) the bill of sale or other written evidence of value of the vehicle being sold and the
1118 vehicle being traded in; or
- 1119 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
1120 fair market value of the vehicle being sold and the vehicle being traded in, as
1121 determined by the commission; and
- 1122 (b) Subsection (17)(a) does not apply to the following items of tangible personal
1123 property or products transferred electronically traded in as full or part payment of the
1124 purchase price:
- 1125 (i) money;
- 1126 (ii) electricity;
- 1127 (iii) water;
- 1128 (iv) gas; or
- 1129 (v) steam;
- 1130 (18)(a)(i) except as provided in Subsection (18)(b), sales of tangible personal
1131 property or a product transferred electronically used or consumed primarily and
1132 directly in farming operations, regardless of whether the tangible personal
1133 property or product transferred electronically:
- 1134 (A) becomes part of real estate; or
- 1135 (B) is installed by a farmer, contractor, or subcontractor; or
- 1136 (ii) sales of parts used in the repairs or renovations of tangible personal property or a
1137 product transferred electronically if the tangible personal property or product
1138 transferred electronically is exempt under Subsection (18)(a)(i); and
- 1139 (b) amounts paid or charged for the following are subject to the taxes imposed by this
1140 chapter:
- 1141 (i)(A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or
1142 supplies if used in a manner that is incidental to farming; and
- 1143 (B) tangible personal property that is considered to be used in a manner that is
1144 incidental to farming includes:
- 1145 (I) hand tools; or
- 1146 (II) maintenance and janitorial equipment and supplies;
- 1147 (ii)(A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product
1148 transferred electronically if the tangible personal property or product
1149 transferred electronically is used in an activity other than farming; and

- 1150 (B) tangible personal property or a product transferred electronically that is
1151 considered to be used in an activity other than farming includes:
- 1152 (I) office equipment and supplies; or
1153 (II) equipment and supplies used in:
1154 (Aa) the sale or distribution of farm products;
1155 (Bb) research; or
1156 (Cc) transportation; or
1157 (iii) a vehicle required to be registered by the laws of this state during the period
1158 ending two years after the date of the vehicle's purchase;
- 1159 (19) sales of hay;
- 1160 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden,
1161 farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
1162 garden, farm, or other agricultural produce is sold by:
1163 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
1164 agricultural produce;
1165 (b) an employee of the producer described in Subsection (20)(a); or
1166 (c) a member of the immediate family of the producer described in Subsection (20)(a);
- 1167 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under
1168 the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
- 1169 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
1170 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
1171 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
1172 manufacturer, processor, wholesaler, or retailer;
- 1173 (23) a product stored in the state for resale;
- 1174 (24)(a) purchases of a product if:
1175 (i) the product is:
1176 (A) purchased outside of this state;
1177 (B) brought into this state:
1178 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
1179 (II) by a nonresident person who is not living or working in this state at the
1180 time of the purchase;
1181 (C) used for the personal use or enjoyment of the nonresident person described in
1182 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state;
1183 and

- 1184 (D) not used in conducting business in this state; and
1185 (ii) for:
1186 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use
1187 of the product for a purpose for which the product is designed occurs outside of
1188 this state;
1189 (B) a boat, the boat is registered outside of this state; or
1190 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
1191 registered outside of this state;
- 1192 (b) the exemption provided for in Subsection (24)(a) does not apply to:
1193 (i) a lease or rental of a product; or
1194 (ii) a sale of a vehicle exempt under Subsection (33); and
1195 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
1196 purposes of Subsection (24)(a), the commission may by rule define what constitutes
1197 the following:
1198 (i) conducting business in this state if that phrase has the same meaning in this
1199 Subsection (24) as in Subsection (63);
1200 (ii) the first use of a product if that phrase has the same meaning in this Subsection
1201 (24) as in Subsection (63); or
1202 (iii) a purpose for which a product is designed if that phrase has the same meaning in
1203 this Subsection (24) as in Subsection (63);
- 1204 (25) a product purchased for resale in the regular course of business, either in its original
1205 form or as an ingredient or component part of a manufactured or compounded product;
1206 (26) a product upon which a sales or use tax was paid to some other state, or one of its
1207 subdivisions, except that the state shall be paid any difference between the tax paid and
1208 the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment
1209 is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local
1210 Sales and Use Tax Act;
- 1211 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person
1212 for use in compounding a service taxable under the subsections;
- 1213 (28) purchases made in accordance with the special supplemental nutrition program for
1214 women, infants, and children established in 42 U.S.C. Sec. 1786;
- 1215 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement
1216 parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of
1217 the 1987 Standard Industrial Classification Manual of the federal Executive Office of the

- 1218 President, Office of Management and Budget;
- 1219 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
- 1220 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard
- 1221 motor is:
- 1222 (a) not registered in this state; and
- 1223 (b)(i) not used in this state; or
- 1224 (ii) used in this state:
- 1225 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for
- 1226 a time period that does not exceed the longer of:
- 1227 (I) 30 days in any calendar year; or
- 1228 (II) the time period necessary to transport the boat, boat trailer, or outboard
- 1229 motor to the borders of this state; or
- 1230 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the
- 1231 time period necessary to transport the boat, boat trailer, or outboard motor to
- 1232 the borders of this state;
- 1233 (31) sales of aircraft manufactured in Utah;
- 1234 (32) amounts paid for the purchase of telecommunications service for purposes of
- 1235 providing telecommunications service;
- 1236 (33) sales, leases, or uses of the following:
- 1237 (a) a vehicle by an authorized carrier; or
- 1238 (b) tangible personal property that is installed on a vehicle:
- 1239 (i) sold or leased to or used by an authorized carrier; and
- 1240 (ii) before the vehicle is placed in service for the first time;
- 1241 (34)(a) 45% of the sales price of any new manufactured home; and
- 1242 (b) 100% of the sales price of any used manufactured home;
- 1243 (35) sales relating to schools and fundraising sales;
- 1244 (36) sales or rentals of durable medical equipment if:
- 1245 (a) a person presents a prescription for the durable medical equipment; and
- 1246 (b) the durable medical equipment is used for home use only;
- 1247 (37)(a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
- 1248 Section 72-11-102; and
- 1249 (b) the commission shall by rule determine the method for calculating sales exempt
- 1250 under Subsection (37)(a) that are not separately metered and accounted for in utility
- 1251 billings;

- 1252 (38) sales to a ski resort of:
- 1253 (a) snowmaking equipment;
- 1254 (b) ski slope grooming equipment;
- 1255 (c) passenger ropeways as defined in Section 72-11-102; or
- 1256 (d) parts used in the repairs or renovations of equipment or passenger ropeways
- 1257 described in Subsections (38)(a) through (c);
- 1258 (39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel
- 1259 oil, or other fuels for industrial use;
- 1260 (40)(a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
- 1261 amusement, entertainment, or recreation an unassisted amusement device as defined
- 1262 in Section 59-12-102;
- 1263 (b) if a seller that sells or rents at the same business location the right to use or operate
- 1264 for amusement, entertainment, or recreation one or more unassisted amusement
- 1265 devices and one or more assisted amusement devices, the exemption described in
- 1266 Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of
- 1267 the right to use or operate for amusement, entertainment, or recreation for the assisted
- 1268 amusement devices; and
- 1269 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah
- 1270 Administrative Rulemaking Act, the commission may make rules:
- 1271 (i) governing the circumstances under which sales are at the same business location;
- 1272 and
- 1273 (ii) establishing the procedures and requirements for a seller to separately account for
- 1274 the sales or rentals of the right to use or operate for amusement, entertainment, or
- 1275 recreation for assisted amusement devices;
- 1276 (41)(a) sales of photocopies by:
- 1277 (i) a governmental entity; or
- 1278 (ii) an entity within the state system of public education, including:
- 1279 (A) a school; or
- 1280 (B) the State Board of Education; or
- 1281 (b) sales of publications by a governmental entity;
- 1282 (42) amounts paid for admission to an athletic event at an institution of higher education
- 1283 that is subject to the provisions of Title IX of the Education Amendments of 1972, 20
- 1284 U.S.C. Sec. 1681 et seq.;
- 1285 (43)(a) sales made to or by:

- 1286 (i) an area agency on aging; or
1287 (ii) a senior citizen center owned by a county, city, or town; or
1288 (b) sales made by a senior citizen center that contracts with an area agency on aging;
1289 (44) sales or leases of semiconductor fabricating, processing, research, or development
1290 materials regardless of whether the semiconductor fabricating, processing, research, or
1291 development materials:
1292 (a) actually come into contact with a semiconductor; or
1293 (b) ultimately become incorporated into real property;
1294 (45) an amount paid by or charged to a purchaser for accommodations and services
1295 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under
1296 Section 59-12-104.2;
1297 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in
1298 accordance with Section 41-3-306 for the event period specified on the temporary sports
1299 event registration certificate;
1300 (47)(a) sales or uses of electricity, if the sales or uses are made under a retail tariff
1301 adopted by the Public Service Commission only for purchase of electricity produced
1302 from a new alternative energy source built after January 1, 2016, as designated in the
1303 tariff by the Public Service Commission; and
1304 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
1305 only to the portion of the tariff rate a customer pays under the tariff described in
1306 Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection
1307 (47)(a) that the customer would have paid absent the tariff;
1308 (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for
1309 the mobility enhancing equipment;
1310 (49) sales of water in a:
1311 (a) pipe;
1312 (b) conduit;
1313 (c) ditch; or
1314 (d) reservoir;
1315 (50) sales of currency or coins that constitute legal tender of a state, the United States, or a
1316 foreign nation;
1317 (51)(a) sales of an item described in Subsection (51)(b) if the item:
1318 (i) does not constitute legal tender of a state, the United States, or a foreign nation;
1319 and

- 1320 (ii) has a gold, silver, or platinum content of 50% or more; and
- 1321 (b) Subsection (51)(a) applies to a gold, silver, or platinum:
- 1322 (i) ingot;
- 1323 (ii) bar;
- 1324 (iii) medallion; or
- 1325 (iv) decorative coin;
- 1326 (52) amounts paid on a sale-leaseback transaction;
- 1327 (53) sales of a prosthetic device:
- 1328 (a) for use on or in a human; and
- 1329 (b)(i) for which a prescription is required; or
- 1330 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
- 1331 (54)(a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
- 1332 machinery or equipment by an establishment described in Subsection (54)(c) if the
- 1333 machinery or equipment is primarily used in the production or postproduction of the
- 1334 following media for commercial distribution:
- 1335 (i) a motion picture;
- 1336 (ii) a television program;
- 1337 (iii) a movie made for television;
- 1338 (iv) a music video;
- 1339 (v) a commercial;
- 1340 (vi) a documentary; or
- 1341 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
- 1342 commission by administrative rule made in accordance with Subsection (54)(d); [
- 1343 or]
- 1344 (b) purchases, leases, or rentals of machinery or equipment by an establishment
- 1345 described in Subsection (54)(c) that is used for the production or postproduction of
- 1346 the following are subject to the taxes imposed by this chapter:
- 1347 (i) a live musical performance;
- 1348 (ii) a live news program; or
- 1349 (iii) a live sporting event;
- 1350 (c) the following establishments listed in the 1997 North American Industry
- 1351 Classification System of the federal Executive Office of the President, Office of
- 1352 Management and Budget, apply to Subsections (54)(a) and (b):
- 1353 (i) NAICS Code 512110; or

- 1354 (ii) NAICS Code 51219; and
- 1355 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1356 commission may by rule:
- 1357 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);
- 1358 or
- 1359 (ii) define:
- 1360 (A) "commercial distribution";
- 1361 (B) "live musical performance";
- 1362 (C) "live news program"; or
- 1363 (D) "live sporting event";
- 1364 (55)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on
- 1365 or before June 30, 2027, of tangible personal property that:
- 1366 (i) is leased or purchased for or by a facility that:
- 1367 (A) is an alternative energy electricity production facility;
- 1368 (B) is located in the state; and
- 1369 (C)(I) becomes operational on or after July 1, 2004; or
- 1370 (II) has its generation capacity increased by one or more megawatts on or after
- 1371 July 1, 2004, as a result of the use of the tangible personal property;
- 1372 (ii) has an economic life of five or more years; and
- 1373 (iii) is used to make the facility or the increase in capacity of the facility described in
- 1374 Subsection (55)(a)(i) operational up to the point of interconnection with an
- 1375 existing transmission grid including:
- 1376 (A) a wind turbine;
- 1377 (B) generating equipment;
- 1378 (C) a control and monitoring system;
- 1379 (D) a power line;
- 1380 (E) substation equipment;
- 1381 (F) lighting;
- 1382 (G) fencing;
- 1383 (H) pipes; or
- 1384 (I) other equipment used for locating a power line or pole; and
- 1385 (b) this Subsection (55) does not apply to:
- 1386 (i) tangible personal property used in construction of:
- 1387 (A) a new alternative energy electricity production facility; or

- 1388 (B) the increase in the capacity of an alternative energy electricity production
1389 facility;
- 1390 (ii) contracted services required for construction and routine maintenance activities;
1391 and
- 1392 (iii) unless the tangible personal property is used or acquired for an increase in
1393 capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal
1394 property used or acquired after:
- 1395 (A) the alternative energy electricity production facility described in Subsection
1396 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
- 1397 (B) the increased capacity described in Subsection (55)(a)(i) is operational as
1398 described in Subsection (55)(a)(iii);
- 1399 (56)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on
1400 or before June 30, 2027, of tangible personal property that:
- 1401 (i) is leased or purchased for or by a facility that:
- 1402 (A) is a waste energy production facility;
- 1403 (B) is located in the state; and
- 1404 (C)(I) becomes operational on or after July 1, 2004; or
- 1405 (II) has its generation capacity increased by one or more megawatts on or after
1406 July 1, 2004, as a result of the use of the tangible personal property;
- 1407 (ii) has an economic life of five or more years; and
- 1408 (iii) is used to make the facility or the increase in capacity of the facility described in
1409 Subsection (56)(a)(i) operational up to the point of interconnection with an
1410 existing transmission grid including:
- 1411 (A) generating equipment;
- 1412 (B) a control and monitoring system;
- 1413 (C) a power line;
- 1414 (D) substation equipment;
- 1415 (E) lighting;
- 1416 (F) fencing;
- 1417 (G) pipes; or
- 1418 (H) other equipment used for locating a power line or pole; and
- 1419 (b) this Subsection (56) does not apply to:
- 1420 (i) tangible personal property used in construction of:
- 1421 (A) a new waste energy facility; or

- 1422 (B) the increase in the capacity of a waste energy facility;
- 1423 (ii) contracted services required for construction and routine maintenance activities;
- 1424 and
- 1425 (iii) unless the tangible personal property is used or acquired for an increase in
- 1426 capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used
- 1427 or acquired after:
- 1428 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as
- 1429 described in Subsection (56)(a)(iii); or
- 1430 (B) the increased capacity described in Subsection (56)(a)(i) is operational as
- 1431 described in Subsection (56)(a)(iii);
- 1432 (57)(a) leases of five or more years or purchases made on or after July 1, 2004, but on or
- 1433 before June 30, 2027, of tangible personal property that:
- 1434 (i) is leased or purchased for or by a facility that:
- 1435 (A) is located in the state;
- 1436 (B) produces fuel from alternative energy, including:
- 1437 (I) methanol; or
- 1438 (II) ethanol; and
- 1439 (C)(I) becomes operational on or after July 1, 2004; or
- 1440 (II) has its capacity to produce fuel increase by 25% or more on or after July 1,
- 1441 2004, as a result of the installation of the tangible personal property;
- 1442 (ii) has an economic life of five or more years; and
- 1443 (iii) is installed on the facility described in Subsection (57)(a)(i);
- 1444 (b) this Subsection (57) does not apply to:
- 1445 (i) tangible personal property used in construction of:
- 1446 (A) a new facility described in Subsection (57)(a)(i); or
- 1447 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); [ø]
- 1448 (ii) contracted services required for construction and routine maintenance activities;
- 1449 and
- 1450 (iii) unless the tangible personal property is used or acquired for an increase in
- 1451 capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used
- 1452 or acquired after:
- 1453 (A) the facility described in Subsection (57)(a)(i) is operational; or
- 1454 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
- 1455 (58)(a) subject to Subsection (58)(b), sales of tangible personal property or a product

- 1456 transferred electronically to a person within this state if that tangible personal
1457 property or product transferred electronically is subsequently shipped outside the
1458 state and incorporated pursuant to contract into and becomes a part of real property
1459 located outside of this state; and
- 1460 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
1461 state or political entity to which the tangible personal property is shipped imposes a
1462 sales, use, gross receipts, or other similar transaction excise tax on the transaction
1463 against which the other state or political entity allows a credit for sales and use taxes
1464 imposed by this chapter;
- 1465 (59) purchases:
- 1466 (a) of one or more of the following items in printed or electronic format:
- 1467 (i) a list containing information that includes one or more:
- 1468 (A) names; or
- 1469 (B) addresses; or
- 1470 (ii) a database containing information that includes one or more:
- 1471 (A) names; or
- 1472 (B) addresses; and
- 1473 (b) used to send direct mail;
- 1474 (60) redemptions or repurchases of a product by a person if that product was:
- 1475 (a) delivered to a pawnbroker as part of a pawn transaction; and
- 1476 (b) redeemed or repurchased within the time period established in a written agreement
1477 between the person and the pawnbroker for redeeming or repurchasing the product;
- 1478 (61)(a) purchases or leases of an item described in Subsection (61)(b) if the item:
- 1479 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
1480 and
- 1481 (ii) has a useful economic life of one or more years; and
- 1482 (b) the following apply to Subsection (61)(a):
- 1483 (i) telecommunications enabling or facilitating equipment, machinery, or software;
- 1484 (ii) telecommunications equipment, machinery, or software required for 911 service;
- 1485 (iii) telecommunications maintenance or repair equipment, machinery, or software;
- 1486 (iv) telecommunications switching or routing equipment, machinery, or software; or
- 1487 (v) telecommunications transmission equipment, machinery, or software;
- 1488 (62)(a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
1489 personal property or a product transferred electronically that are used in the research

- 1490 and development of alternative energy technology; and
- 1491 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1492 commission may, for purposes of Subsection (62)(a), make rules defining what
- 1493 constitutes purchases of tangible personal property or a product transferred
- 1494 electronically that are used in the research and development of alternative energy
- 1495 technology;
- 1496 (63)(a) purchases of tangible personal property or a product transferred electronically if:
- 1497 (i) the tangible personal property or product transferred electronically is:
- 1498 (A) purchased outside of this state;
- 1499 (B) brought into this state at any time after the purchase described in Subsection
- 1500 (63)(a)(i)(A); and
- 1501 (C) used in conducting business in this state; and
- 1502 (ii) for:
- 1503 (A) tangible personal property or a product transferred electronically other than
- 1504 the tangible personal property described in Subsection (63)(a)(ii)(B), the first
- 1505 use of the property for a purpose for which the property is designed occurs
- 1506 outside of this state; or
- 1507 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
- 1508 registered outside of this state and not required to be registered in this state
- 1509 under Section 41-1a-202 or 73-18-9 based on residency;
- 1510 (b) the exemption provided for in Subsection (63)(a) does not apply to:
- 1511 (i) a lease or rental of tangible personal property or a product transferred
- 1512 electronically; or
- 1513 (ii) a sale of a vehicle exempt under Subsection (33); and
- 1514 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
- 1515 purposes of Subsection (63)(a), the commission may by rule define what constitutes
- 1516 the following:
- 1517 (i) conducting business in this state if that phrase has the same meaning in this
- 1518 Subsection (63) as in Subsection (24);
- 1519 (ii) the first use of tangible personal property or a product transferred electronically if
- 1520 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or
- 1521 (iii) a purpose for which tangible personal property or a product transferred
- 1522 electronically is designed if that phrase has the same meaning in this Subsection
- 1523 (63) as in Subsection (24);

- 1524 (64) sales of disposable home medical equipment or supplies if:
- 1525 (a) a person presents a prescription for the disposable home medical equipment or
- 1526 supplies;
- 1527 (b) the disposable home medical equipment or supplies are used exclusively by the
- 1528 person to whom the prescription described in Subsection (64)(a) is issued; and
- 1529 (c) the disposable home medical equipment and supplies are listed as eligible for
- 1530 payment under:
- 1531 (i) Title XVIII, federal Social Security Act; or
- 1532 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;
- 1533 (65) sales:
- 1534 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District
- 1535 Act; or
- 1536 (b) of tangible personal property to a subcontractor of a public transit district, if the
- 1537 tangible personal property is:
- 1538 (i) clearly identified; and
- 1539 (ii) installed or converted to real property owned by the public transit district;
- 1540 (66) sales of construction materials:
- 1541 (a) purchased on or after July 1, 2010;
- 1542 (b) purchased by, on behalf of, or for the benefit of an international airport:
- 1543 (i) located within a county of the first class; and
- 1544 (ii) that has a United States customs office on its premises; and
- 1545 (c) if the construction materials are:
- 1546 (i) clearly identified;
- 1547 (ii) segregated; and
- 1548 (iii) installed or converted to real property:
- 1549 (A) owned or operated by the international airport described in Subsection
- 1550 (66)(b); and
- 1551 (B) located at the international airport described in Subsection (66)(b);
- 1552 (67) sales of construction materials:
- 1553 (a) purchased on or after July 1, 2008;
- 1554 (b) purchased by, on behalf of, or for the benefit of a new airport:
- 1555 (i) located within a county of the second class; and
- 1556 (ii) that is owned or operated by a city in which an airline as defined in Section
- 1557 59-2-102 is headquartered; and

- 1558 (c) if the construction materials are:
- 1559 (i) clearly identified;
- 1560 (ii) segregated; and
- 1561 (iii) installed or converted to real property:
- 1562 (A) owned or operated by the new airport described in Subsection (67)(b);
- 1563 (B) located at the new airport described in Subsection (67)(b); and
- 1564 (C) as part of the construction of the new airport described in Subsection (67)(b);
- 1565 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common
- 1566 carrier that is a railroad for use in a locomotive engine;
- 1567 (69) purchases and sales described in Section 63H-4-111;
- 1568 (70)(a) sales of tangible personal property to an aircraft maintenance, repair, and
- 1569 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in
- 1570 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
- 1571 aircraft's registration lists a state or country other than this state as the location of
- 1572 registry of the fixed wing turbine powered aircraft; or
- 1573 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
- 1574 provider in connection with the maintenance, repair, overhaul, or refurbishment in
- 1575 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
- 1576 aircraft's registration lists a state or country other than this state as the location of
- 1577 registry of the fixed wing turbine powered aircraft;
- 1578 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
- 1579 (a) to a person admitted to an institution of higher education; and
- 1580 (b) by a seller, other than a bookstore owned by an institution of higher education, if
- 1581 51% or more of that seller's sales revenue for the previous calendar quarter are sales
- 1582 of a textbook for a higher education course;
- 1583 (72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5)
- 1584 on a purchaser from a business for which the municipality provides an enhanced level of
- 1585 municipal services;
- 1586 (73) amounts paid or charged for construction materials used in the construction of a new or
- 1587 expanding life science research and development facility in the state, if the construction
- 1588 materials are:
- 1589 (a) clearly identified;
- 1590 (b) segregated; and
- 1591 (c) installed or converted to real property;

- 1592 (74) amounts paid or charged for:
- 1593 (a) a purchase or lease of machinery and equipment that:
- 1594 (i) are used in performing qualified research:
- 1595 (A) as defined in Section 41(d), Internal Revenue Code; and
- 1596 (B) in the state; and
- 1597 (ii) have an economic life of three or more years; and
- 1598 (b) normal operating repair or replacement parts:
- 1599 (i) for the machinery and equipment described in Subsection (74)(a); and
- 1600 (ii) that have an economic life of three or more years;
- 1601 (75) a sale or lease of tangible personal property used in the preparation of prepared food if:
- 1602 (a) for a sale:
- 1603 (i) the ownership of the seller and the ownership of the purchaser are identical; and
- 1604 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
- 1605 tangible personal property prior to making the sale; or
- 1606 (b) for a lease:
- 1607 (i) the ownership of the lessor and the ownership of the lessee are identical; and
- 1608 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that
- 1609 tangible personal property prior to making the lease;
- 1610 (76)(a) purchases of machinery or equipment if:
- 1611 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
- 1612 Gambling, and Recreation Industries, of the 2012 North American Industry
- 1613 Classification System of the federal Executive Office of the President, Office of
- 1614 Management and Budget;
- 1615 (ii) the machinery or equipment:
- 1616 (A) has an economic life of three or more years; and
- 1617 (B) is used by one or more persons who pay admission or user fees described in
- 1618 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment;
- 1619 and
- 1620 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
- 1621 (A) amounts paid or charged as admission or user fees described in Subsection
- 1622 59-12-103(1)(f); and
- 1623 (B) subject to taxation under this chapter; and
- 1624 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1625 commission may make rules for verifying that 51% of a purchaser's sales revenue for

- 1626 the previous calendar quarter is:
- 1627 (i) amounts paid or charged as admission or user fees described in Subsection
- 1628 59-12-103(1)(f); and
- 1629 (ii) subject to taxation under this chapter;
- 1630 (77) purchases of a short-term lodging consumable by a business that provides
- 1631 accommodations and services described in Subsection 59-12-103(1)(i);
- 1632 (78) amounts paid or charged to access a database:
- 1633 (a) if the primary purpose for accessing the database is to view or retrieve information
- 1634 from the database; and
- 1635 (b) not including amounts paid or charged for a:
- 1636 (i) digital audio work;
- 1637 (ii) digital audio-visual work; or
- 1638 (iii) digital book;
- 1639 (79) amounts paid or charged for a purchase or lease made by an electronic financial
- 1640 payment service, of:
- 1641 (a) machinery and equipment that:
- 1642 (i) are used in the operation of the electronic financial payment service; and
- 1643 (ii) have an economic life of three or more years; and
- 1644 (b) normal operating repair or replacement parts that:
- 1645 (i) are used in the operation of the electronic financial payment service; and
- 1646 (ii) have an economic life of three or more years;
- 1647 (80) sales of a fuel cell as defined in Section 54-15-102;
- 1648 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
- 1649 product transferred electronically if the tangible personal property or product transferred
- 1650 electronically:
- 1651 (a) is stored, used, or consumed in the state; and
- 1652 (b) is temporarily brought into the state from another state:
- 1653 (i) during a disaster period as defined in Section 53-2a-1202;
- 1654 (ii) by an out-of-state business as defined in Section 53-2a-1202;
- 1655 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
- 1656 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
- 1657 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined in
- 1658 Section 39A-7-102, made pursuant to Title 39A, Chapter 7, Morale, Welfare, and
- 1659 Recreation Program;

- 1660 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 1661 (84) amounts paid or charged for a purchase or lease made by a qualifying data center or an
1662 occupant of a qualifying data center of machinery, equipment, or normal operating
1663 repair or replacement parts, if the machinery, equipment, or normal operating repair or
1664 replacement parts:
- 1665 (a) are used in:
- 1666 (i) the operation of the qualifying data center; or
1667 (ii) the occupant's operations in the qualifying data center; and
- 1668 (b) have an economic life of one or more years;
- 1669 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle
1670 that includes cleaning or washing of the interior of the vehicle;
- 1671 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
1672 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or
1673 supplies used or consumed:
- 1674 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
1675 in Section 79-6-701 located in the state;
- 1676 (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts,
1677 chemicals, reagents, solutions, or supplies are used or consumed in:
- 1678 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
1679 added to gasoline or diesel fuel;
- 1680 (ii) research and development;
- 1681 (iii) transporting, storing, or managing raw materials, work in process, finished
1682 products, and waste materials produced from refining gasoline or diesel fuel, or
1683 adding blendstock to gasoline or diesel fuel;
- 1684 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
1685 refining; or
- 1686 (v) preventing, controlling, or reducing pollutants from refining; and
- 1687 (c) if the person holds a valid refiner tax exemption certification as defined in Section
1688 79-6-701;
- 1689 (87) amounts paid to or charged by a proprietor for accommodations and services, as
1690 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations
1691 tax imposed under Section 63H-1-205;
- 1692 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal
1693 operating repair or replacement parts, or materials, except for office equipment or office

- 1694 supplies, by an establishment, as the commission defines that term in accordance with
1695 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 1696 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North
1697 American Industry Classification System of the federal Executive Office of the
1698 President, Office of Management and Budget;
- 1699 (b) is located in this state; and
- 1700 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
1701 materials in the operation of the establishment;
- 1702 (89) amounts paid or charged for an item exempt under Section 59-12-104.10;
- 1703 (90) sales of a note, leaf, foil, or film, if the item:
- 1704 (a) is used as currency;
- 1705 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 1706 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any
1707 transparent polymer holder, coating, or encasement;
- 1708 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or
1709 surfing facility, if a trained instructor:
- 1710 (a) is present with the participant, in person or by video, for the duration of the activity;
1711 and
- 1712 (b) actively instructs the participant, including providing observation or feedback;
- 1713 (92) amounts paid or charged in connection with the construction, operation, maintenance,
1714 repair, or replacement of facilities owned by or constructed for:
- 1715 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or
1716 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;
- 1717 (93) amounts paid by the service provider for tangible personal property, other than
1718 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels,
1719 that:
- 1720 (a) is consumed in the performance of a service that is subject to tax under Subsection
1721 59-12-103(1)(b), (f), (g), (h), (i), or (j);
- 1722 (b) has to be consumed for the service provider to provide the service described in
1723 Subsection (93)(a); and
- 1724 (c) will be consumed in the performance of the service described in Subsection (93)(a),
1725 to one or more customers, to the point that the tangible personal property disappears
1726 or cannot be used for any other purpose;
- 1727 (94) sales of rail rolling stock manufactured in Utah;

- 1728 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or
 1729 construction materials between establishments, as the commission defines that term in
 1730 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:
 1731 (a) the establishments are related directly or indirectly through 100% common
 1732 ownership or control; and
 1733 (b) each establishment is described in one of the following subsectors of the 2022 North
 1734 American Industry Classification System of the federal Executive Office of the
 1735 President, Office of Management and Budget:
 1736 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or
 1737 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing;
- 1738 (96) sales of construction materials used for the construction of a qualified stadium, as
 1739 defined in Section 11-70-101; [~~and~~]
- 1740 (97) amounts paid or charged for sales of a cannabinoid product as that term is defined in
 1741 Section 4-41-102[-] ; and
- 1742 (98) sales of construction materials used for the construction, remodeling, or refurbishing of
 1743 a major sporting event venue, as defined in Section 63N-3-1701, within an approved
 1744 major sporting event venue zone.
- 1745 Section 12. Section **59-12-205** is amended to read:
- 1746 **59-12-205 . Ordinances to conform with statutory amendments -- Distribution of**
 1747 **tax revenue -- Determination of population.**
- 1748 (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section
 1749 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or
 1750 town's sales and use tax ordinances:
- 1751 (a) within 30 days of the day on which the state makes an amendment to an applicable
 1752 provision of Part 1, Tax Collection; and
 1753 (b) as required to conform to the amendments to Part 1, Tax Collection.
- 1754 (2)(a) Except as provided in Subsections (3) and (4) and subject to Subsection (5):
- 1755 (i) 50% of each dollar collected from the sales and use tax authorized by this part
 1756 shall be distributed to each county, city, and town on the basis of the percentage
 1757 that the population of the county, city, or town bears to the total population of all
 1758 counties, cities, and towns in the state; and
- 1759 (ii)(A) except as provided in Subsections (2)(a)(ii)(B), (C), [~~and~~](D), and (E),
 1760 50% of each dollar collected from the sales and use tax authorized by this part
 1761 shall be distributed to each county, city, and town on the basis of the location

- 1762 of the transaction as determined under Sections 59-12-211 through 59-12-215;
- 1763 (B) 50% of each dollar collected from the sales and use tax authorized by this part
- 1764 within a project area described in a project area plan adopted by the military
- 1765 installation development authority under Title 63H, Chapter 1, Military
- 1766 Installation Development Authority Act, shall be distributed to the military
- 1767 installation development authority created in Section 63H-1-201;
- 1768 (C) beginning July 1, 2024, 20% of each dollar collected from the sales and use
- 1769 tax authorized by this part within a project area under Title 11, Chapter 58,
- 1770 Utah Inland Port Authority Act, shall be distributed to the Utah Inland Port
- 1771 Authority, created in Section 11-58-201; [~~and~~]
- 1772 (D) 50% of each dollar collected from the sales and use tax authorized by this part
- 1773 within the lake authority boundary, as defined in Section 11-65-101, shall be
- 1774 distributed to the Utah Lake Authority, created in Section 11-65-201,
- 1775 beginning the next full calendar quarter following the creation of the Utah
- 1776 Lake Authority[-] ; and
- 1777 (E) except as provided in Subsections (7) and (8), up to 100% of each dollar
- 1778 collected from the sales and use tax authorized by this part within a sales and
- 1779 use tax boundary, as approved by a committee established under Section
- 1780 63N-3-1710, shall be distributed to the creating entity of the major sporting
- 1781 event venue zone beginning the next full calendar quarter following the
- 1782 creation of the major sporting event venue zone.
- 1783 (b) Subsection (2)(a)(ii)(C) does not apply to sales and use tax revenue collected before
- 1784 July 1, 2022.
- 1785 (3)(a) As used in this Subsection (3):
- 1786 (i) "Eligible county, city, or town" means a county, city, or town that:
- 1787 (A) for fiscal year 2012-13, received a tax revenue distribution under Subsection
- 1788 (3)(b) equal to the amount described in Subsection (3)(b)(ii); and
- 1789 (B) does not impose a sales and use tax under Section 59-12-2103 on or before
- 1790 July 1, 2016.
- 1791 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue
- 1792 distributions an eligible county, city, or town received from a tax imposed in
- 1793 accordance with this part for fiscal year 2004-05.
- 1794 (b) An eligible county, city, or town shall receive a tax revenue distribution for a tax
- 1795 imposed in accordance with this part equal to the greater of:

- 1796 (i) the payment required by Subsection (2); or
1797 (ii) the minimum tax revenue distribution.
- 1798 (4)(a) For purposes of this Subsection (4):
- 1799 (i) "Annual local contribution" means the lesser of \$275,000 or an amount equal to
1800 2.55% of the participating local government's tax revenue distribution amount
1801 under Subsection (2)(a)(i) for the previous fiscal year.
- 1802 (ii) "Participating local government" means a county or municipality, as defined in
1803 Section 10-1-104, that is not an eligible municipality certified in accordance with
1804 Section 35A-16-404.
- 1805 (b) For revenue collected from the tax authorized by this part that is distributed on or
1806 after January 1, 2019, the commission, before making a tax revenue distribution
1807 under Subsection (2)(a)(i) to a participating local government, shall:
- 1808 (i) adjust a participating local government's tax revenue distribution under Subsection
1809 (2)(a)(i) by:
- 1810 (A) subtracting an amount equal to one-twelfth of the annual local contribution for
1811 each participating local government from the participating local government's
1812 tax revenue distribution; and
- 1813 (B) if applicable, reducing the amount described in Subsection (4)(b)(i)(A) by an
1814 amount equal to one-twelfth of \$250 for each bed that is available at all
1815 homeless shelters located within the boundaries of the participating local
1816 government, as reported to the commission by the Office of Homeless Services
1817 in accordance with Section 35A-16-405; and
- 1818 (ii) deposit the resulting amount described in Subsection (4)(b)(i) into the Homeless
1819 Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.
- 1820 (c) For a participating local government that qualifies to receive a distribution described
1821 in Subsection (3), the commission shall apply the provisions of this Subsection (4)
1822 after the commission applies the provisions of Subsection (3).
- 1823 (5)(a) As used in this Subsection (5):
- 1824 (i) "Annual dedicated sand and gravel sales tax revenue" means an amount equal to
1825 the total revenue an establishment described in NAICS Code 327320, Ready-Mix
1826 Concrete Manufacturing, of the 2022 North American Industry Classification
1827 System of the federal Executive Office of the President, Office of Management
1828 and Budget, collects and remits under this part for a calendar year.
- 1829 (ii) "Sand and gravel" means sand, gravel, or a combination of sand and gravel.

- 1830 (iii) "Sand and gravel extraction site" means a pit, quarry, or deposit that:
1831 (A) contains sand and gravel; and
1832 (B) is assessed by the commission in accordance with Section 59-2-201.
- 1833 (iv) "Ton" means a short ton of 2,000 pounds.
1834 (v) "Tonnage ratio" means the ratio of:
1835 (A) the total amount of sand and gravel, measured in tons, sold during a calendar
1836 year from all sand and gravel extraction sites located within a county, city, or
1837 town; to
1838 (B) the total amount of sand and gravel, measured in tons, sold during the same
1839 calendar year from sand and gravel extraction sites statewide.
- 1840 (b) For purposes of calculating the ratio described in Subsection (5)(a)(v), the
1841 commission shall:
1842 (i) use the gross sales data provided to the commission as part of the commission's
1843 property tax valuation process; and
1844 (ii) if a sand and gravel extraction site operates as a unit across municipal or county
1845 lines, apportion the reported tonnage among the counties, cities, or towns based on
1846 the percentage of the sand and gravel extraction site located in each county, city,
1847 or town, as approximated by the commission.
- 1848 (c)(i) Beginning July 2023, and each July thereafter, the commission shall distribute
1849 from total collections under this part an amount equal to the annual dedicated sand
1850 and gravel sales tax revenue for the preceding calendar year to each county, city,
1851 or town in the same proportion as the county's, city's, or town's tonnage ratio for
1852 the preceding calendar year.
1853 (ii) The commission shall ensure that the revenue distributed under this Subsection
1854 (5)(c) is drawn from each jurisdiction's collections in proportion to the
1855 jurisdiction's share of total collections for the preceding 12-month period.
- 1856 (d) A county, city, or town shall use revenue described in Subsection (5)(c) for class B
1857 or class C roads.
- 1858 (6)(a) Population figures for purposes of this section shall be based on the most recent
1859 official census or census estimate of the United States Bureau of the Census.
1860 (b) If a needed population estimate is not available from the United States Bureau of the
1861 Census, population figures shall be derived from the estimate from the Utah
1862 Population Committee.
1863 (c) The population of a county for purposes of this section shall be determined only from

1864 the unincorporated area of the county.

1865 (7)(a) As used in this Subsection (7):

1866 (i) "Applicable percentage" means, for a qualified development zone, the percentage
1867 of the exemption for the sale of construction materials used for the construction,
1868 remodeling, or refurbishing of a major sporting event venue attributable to local
1869 sales and use tax imposed under this part.

1870 (ii) "Qualified development zone" means the sales and use tax boundary, as described
1871 in Section 63N-3-1710, of a major sporting event venue zone created under Title
1872 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.

1873 (iii) "Qualifying construction materials" means construction materials that are:

1874 (A) delivered to a delivery outlet within a qualified development zone; and

1875 (B) intended to be permanently attached to real property within the qualified
1876 development zone.

1877 (b) For a sale of qualifying construction materials, the commission shall distribute the
1878 product calculated in Subsection (7)(c) to a qualified development zone if the seller
1879 of the construction materials:

1880 (i) establishes a delivery outlet with the commission within the qualified development
1881 zone;

1882 (ii) reports the sales of the construction materials to the delivery outlet described in
1883 Subsection (7)(b)(i); and

1884 (iii) does not report the sales of the construction materials on a simplified electronic
1885 return.

1886 (c) For the purposes of Subsection (7)(b), the product is equal to:

1887 (i) the sales price or purchase price of the qualifying construction materials; and

1888 (ii) the applicable percentage.

1889 (8)(a) As used in this Subsection (8):

1890 (i) "Qualified development zone" means the sales and use tax boundary, as described
1891 in Section 63N-3-1710, of a major sporting event venue zone created under Title
1892 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.

1893 (ii) "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M,
1894 Schedule J or a substantially similar form as designated by the commission.

1895 (b) Revenue generated by a Schedule J sale within a qualified development zone shall be
1896 distributed to the jurisdiction that would have received the revenue in the absence of
1897 the qualified development zone.

- 1898 Section 13. Section **59-12-352** is amended to read:
- 1899 **59-12-352 . Transient room tax authority for municipalities and certain**
- 1900 **authorities -- Purposes for which revenues may be used.**
- 1901 (1)(a) Except as provided in Subsection (5), the governing body of a municipality may
- 1902 impose a tax of not to exceed 1% on charges for the accommodations and services
- 1903 described in Subsection 59-12-103(1)(i).
- 1904 (b) Subject to Section 63H-1-203, the military installation development authority created
- 1905 in Section 63H-1-201 may impose a tax under this section for accommodations and
- 1906 services described in Subsection 59-12-103(1)(i) within a project area described in a
- 1907 project area plan adopted by the authority under Title 63H, Chapter 1, Military
- 1908 Installation Development Authority Act, as though the authority were a municipality.
- 1909 (c) Beginning October 1, 2024, the Utah Fairpark Area Investment and Restoration
- 1910 District, created in Section 11-70-201, may impose a tax under this section for
- 1911 accommodations and services described in Subsection 59-12-103(1)(i) within the
- 1912 district sales tax area, as defined in Section 11-70-101, to the same extent and in the
- 1913 same manner as a municipality may impose a tax under this section.
- 1914 (d) Beginning October 1, 2025, the creating entity of a major sporting event venue zone
- 1915 approved pursuant to Title 63N, Chapter 3, Part 17, Major Sporting Event Venue
- 1916 Zone Act, may impose a tax under this section for accommodations and services
- 1917 described in Subsection 59-12-103(1)(i) within the qualified development zone area,
- 1918 as defined in Section 63N-3-1701:
- 1919 (i) to the same extent and in the same manner as a municipality may impose a tax
- 1920 under this section; and
- 1921 (ii) as described in Subsection (7).
- 1922 (2) Subject to the limitations of Subsection (1), a governing body of a municipality may, by
- 1923 ordinance, increase or decrease the tax under this part.
- 1924 (3) A governing body of a municipality shall regulate the tax under this part by ordinance.
- 1925 (4) A municipality may use revenues generated by the tax under this part for general fund
- 1926 purposes.
- 1927 (5)(a) A municipality may not impose a tax under this section for accommodations and
- 1928 services described in Subsection 59-12-103(1)(i) within a project area described in a
- 1929 project area plan adopted by[-]:
- 1930 (i) the military installation development authority under Title 63H, Chapter 1,
- 1931 Military Installation Development Authority Act; or

- 1932 (ii) the Utah Fairpark Area Investment and Restoration District under Title 11,
 1933 Chapter 70, Utah Fairpark Area Investment and Restoration District.
- 1934 (b) Subsection (5)(a) does not apply to the military installation development authority's
 1935 imposition of a tax under this section.
- 1936 (c) A municipality may not impose a tax under this section for accommodations and
 1937 services described in Subsection 59-12-103(1)(i) within a qualified development zone
 1938 of a major sporting event venue zone if the creating entity of the major sporting event
 1939 venue zone imposes a tax as described in Subsection (7).
- 1940 (6)(a) As used in this Subsection (6):
- 1941 (i) "Authority" means the Point of the Mountain State Land Authority, created in
 1942 Section 11-59-201.
- 1943 (ii) "Authority board" means the board referred to in Section 11-59-301.
- 1944 (b) The authority may, by a resolution adopted by the authority board, impose a tax of
 1945 not to exceed 5% on charges for the accommodations and services described in
 1946 Subsection 59-12-103(1)(i) for transactions that occur on point of the mountain state
 1947 land, as defined in Section 11-59-102.
- 1948 (c) The authority board, by resolution, shall regulate the tax under this Subsection (6).
- 1949 (d) The authority shall use all revenue from a tax imposed under this Subsection (6) to
 1950 provide affordable housing, consistent with the manner that a community
 1951 reinvestment agency uses funds for income targeted housing under Section 17C-1-412.
- 1952 (e) A tax under this Subsection (6) is in addition to any other tax that may be imposed
 1953 under this part.
- 1954 (7)(a) As used in this Subsection (7), "creating entity" means the same as that term is
 1955 defined in Section 11-71-101.
- 1956 (b) Subject to Subsection 11-71-202(4), a creating entity may, by ordinance, impose a
 1957 tax not to exceed 5% on charges for the accommodations and services described in
 1958 Subsection 59-12-103(1)(i) for transactions that occur within the qualified
 1959 development zone, as defined in Section 63N-3-1701, of a major sporting event
 1960 venue zone.
- 1961 (c) A creating entity shall use all revenue from a tax imposed under this Subsection (7)
 1962 as described in Section 11-71-204.
- 1963 (d) A tax under this Subsection (7) is in addition to any other tax that may be imposed
 1964 under this part.
- 1965 Section 14. Section **59-12-354** is amended to read:

1966 **59-12-354 . Collection of tax -- Administrative charge.**

1967 (1) Except as provided in Subsections (2) and (3), the tax authorized under this part shall be
1968 administered, collected, and enforced in accordance with:

1969 (a) the same procedures used to administer, collect, and enforce the tax under:

1970 (i) Part 1, Tax Collection; or

1971 (ii) Part 2, Local Sales and Use Tax Act; and

1972 (b) Chapter 1, General Taxation Policies.

1973 (2)(a) The location of a transaction shall be determined in accordance with Sections
1974 59-12-211 through 59-12-215.

1975 (b) Except as provided in Subsection (2)(c), the commission shall distribute the revenue
1976 collected from the tax to:

1977 (i)(A) the municipality within which the revenue was collected, for a tax imposed
1978 under this part by a municipality; or

1979 (B) the Utah Fairpark Area Investment and Restoration District, for a tax imposed
1980 under this part by the Utah Fairpark Area Investment and Restoration District; [
1981 and]

1982 (ii) the Point of the Mountain State Land Authority, for a tax imposed under
1983 Subsection 59-12-352(6)[-] ; and

1984 (iii) the creating entity of a major sporting event venue zone, for a tax imposed under
1985 Subsection 59-12-352(7).

1986 (c) The commission shall retain and deposit an administrative charge in accordance with
1987 Section 59-1-306 from the revenue the commission collects from a tax under this part.

1988 (3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections
1989 59-12-205(2) through (5).

1990 Section 15. Section **59-12-401** is amended to read:

1991 **59-12-401 . Resort communities tax authority for cities, towns, and certain**
1992 **authorities and certain counties -- Base -- Rate -- Collection fees.**

1993 (1)(a) In addition to other sales and use taxes, a city or town in which the transient room
1994 capacity as defined in Section 59-12-405 is greater than or equal to 66% of the
1995 municipality's permanent census population may impose a sales and use tax of up to
1996 1.1% on the transactions described in Subsection 59-12-103(1) located within the city
1997 or town.

1998 (b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this
1999 section on:

- 2000 (i)(A) the sale of a motor vehicle, an aircraft, a watercraft, a modular home, a
2001 manufactured home, or a mobile home;
- 2002 (B) the sales and uses described in Section 59-12-104 to the extent the sales and
2003 uses are exempt from taxation under Section 59-12-104; and
- 2004 (C) except as provided in Subsection (1)(d), amounts paid or charged for food and
2005 food ingredients; [or]
- 2006 (ii) transactions that occur in the district sales tax area, as defined in Subsection (4), if
2007 the fairpark district, as defined in Subsection (4), has imposed a tax under
2008 Subsection (4)[-] ;
- 2009 (iii) transactions that occur within a project area described in a project area plan
2010 adopted by the military installation development authority under Title 63H,
2011 Chapter 1, Military Development Authority Act, if the military installation
2012 development authority has imposed a tax under Subsection (3); or
- 2013 (iv) transactions that occur within the qualified development zone of a major sporting
2014 event venue zone under Title 63N, Chapter 3, Part 17, Major Sporting Event
2015 Venue Zone Act, if the creating entity of the major sporting event venue zone has
2016 imposed a tax under Subsection (5).
- 2017 (c) For purposes of this Subsection (1), the location of a transaction shall be determined
2018 in accordance with Sections 59-12-211 through 59-12-215.
- 2019 (d) A city or town imposing a tax under this section shall impose the tax on the purchase
2020 price or the sales price for amounts paid or charged for food and food ingredients if
2021 the food and food ingredients are sold as part of a bundled transaction attributable to
2022 food and food ingredients and tangible personal property other than food and food
2023 ingredients.
- 2024 (2)(a) An amount equal to the total of any costs incurred by the state in connection with
2025 the implementation of Subsection (1) which exceed, in any year, the revenues
2026 received by the state from its collection fees received in connection with the
2027 implementation of Subsection (1) shall be paid over to the state General Fund by the
2028 cities and towns which impose the tax provided for in Subsection (1).
- 2029 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among those
2030 cities and towns according to the amount of revenue the respective cities and towns
2031 generate in that year through imposition of that tax.
- 2032 (3)(a) Subject to Section 63H-1-203, the military installation development authority
2033 created in Section 63H-1-201 may impose a tax under this section on the transactions

- 2034 described in Subsection 59-12-103(1) located within a project area described in a
 2035 project area plan adopted by the authority under Title 63H, Chapter 1, Military
 2036 Installation Development Authority Act, as though the authority were a city or a town.
- 2037 (b) For purposes of calculating the permanent census population within a project area,
 2038 the board, as defined in Section 63H-1-102, shall:
- 2039 (i) use the actual number of permanent residents within the project area as determined
 2040 by the board;
- 2041 (ii) include in the calculation of transient room capacity the number, as determined
 2042 by the board, of approved high-occupancy lodging units, recreational lodging
 2043 units, special lodging units, and standard lodging units, even if the units are not
 2044 constructed;
- 2045 (iii) adopt a resolution verifying the population number; and
- 2046 (iv) provide the commission any information required in Section 59-12-405.
- 2047 (c) Notwithstanding Subsection (1)(a), a board as defined in Section 63H-1-102 may
 2048 impose the sales and use tax under this section if there are no permanent residents.
- 2049 (4)(a) As used in this Subsection (4):
- 2050 (i) "District sales tax area" means the same as that term is defined in Section
 2051 11-70-101.
- 2052 (ii) "Fairpark district" means the Utah Fairpark Area Investment and Restoration
 2053 District, created in Section 11-70-201.
- 2054 (iii) "Fairpark district board" means the board of the fairpark district.
- 2055 (b) ~~[The-]~~ On or after October 1, 2024, the fairpark district, by resolution of the fairpark
 2056 district board, may impose a tax under this section, as though the fairpark district
 2057 were a city or town, on transactions described in Subsection 59-12-103(1)[:]
 2058 ~~[(+)]~~ located within the district sales tax area~~[-and]~~ .
 2059 ~~[(ii) that occur on or after October 1, 2024.]~~
- 2060 (c) For purposes of calculating the permanent census population within the district sales
 2061 tax area, the fairpark district board shall:
- 2062 (i) use the actual number of permanent residents within the district sales tax area as
 2063 determined by the fairpark district board;
- 2064 (ii) include in the calculation of transient room capacity the number, as determined
 2065 by the fairpark district board, of approved high-occupancy lodging units,
 2066 recreational lodging units, special lodging units, and standard lodging units, even
 2067 if the units are not constructed;

- 2068 (iii) adopt a resolution verifying the population number; and
- 2069 (iv) provide the commission any information required in Section 59-12-405.
- 2070 (d) Notwithstanding Subsection (1)(a), the fairpark district may impose the sales and use
- 2071 tax under this section if there are no permanent residents within the district sales tax
- 2072 area.
- 2073 (5)(a) As used in this Subsection (5):
- 2074 (i) "Creating entity" means the same as that term is defined in Section 11-71-101.
- 2075 (ii) "Major sporting event venue zone" means an area approved to be a major sporting
- 2076 event venue zone under Title 63N, Chapter 3, Part 17, Major Sporting Event
- 2077 Venue Zone Act.
- 2078 (iii) "Qualified development zone" means the same as that term is defined in Section
- 2079 63N-3-1701.
- 2080 (b) Subject to Subsection 11-71-202(4), on or after October 1, 2025, a creating entity of
- 2081 a major sporting event venue zone may, by ordinance, impose a tax under this section
- 2082 as though the creating entity were a city or town eligible to impose a tax under this
- 2083 section on the transactions described in Subsection 59-12-103(1) located within the
- 2084 qualified development zone.
- 2085 (6)(a) As used in this Subsection (6), "major sporting event venue" means a venue that
- 2086 has been or is proposed to be used for the Olympic Games, as confirmed by the Salt
- 2087 Lake City-Utah Committee for the Games, a site, arena, or facility along with
- 2088 supporting or adjacent structures.
- 2089 (b) On or after October 1, 2025, a county of the third class with at least three major
- 2090 sporting event venues within the jurisdiction of the county may, by ordinance,
- 2091 impose a tax under this section as though the county were a city or town eligible to
- 2092 impose a tax under this section on the transactions described in Subsection
- 2093 59-12-103(1) that occur within the county.
- 2094 (c) A county that imposes a tax under this Subsection (6) shall submit sufficient proof to
- 2095 the commission, on a form provided by the commission, that the county meets the
- 2096 requirements of Subsection (6)(b) at least one fiscal quarter before the tax imposed
- 2097 by the county under this Subsection (6) goes into effect.
- 2098 (d) Revenue generated by a tax imposed under this Subsection (6) may only be used by
- 2099 the county of the third class on public infrastructure and infrastructure improvements,
- 2100 including transportation infrastructure and improvements, related to a major sporting
- 2101 event venue in the county of the third class.

2102 Section 16. Section **59-12-402** is amended to read:

2103 **59-12-402 . Additional resort communities sales and use tax -- Base -- Rate --**
 2104 **Collection fees -- Resolution and voter approval requirements -- Election requirements --**
 2105 **Notice requirements -- Ordinance requirements -- Certain authorities and zones**
 2106 **implementing additional resort communities sales and use tax.**

2107 (1)(a) Subject to Subsections (2) through (6), the governing body of a municipality in
 2108 which the transient room capacity as defined in Section 59-12-405 is greater than or
 2109 equal to 66% of the municipality's permanent census population may, in addition to
 2110 the sales tax authorized under Section 59-12-401, impose an additional resort
 2111 communities sales tax in an amount that is less than or equal to .5% on the
 2112 transactions described in Subsection 59-12-103(1) located within the municipality.

2113 (b) Notwithstanding Subsection (1)(a), the governing body of a municipality may not
 2114 impose a tax under this section on:

2115 (i)(A) the sale of a motor vehicle, an aircraft, a watercraft, a modular home, a
 2116 manufactured home, or a mobile home;
 2117 (B) the sales and uses described in Section 59-12-104 to the extent the sales and
 2118 uses are exempt from taxation under Section 59-12-104; and
 2119 (C) except as provided in Subsection (1)(d), amounts paid or charged for food and
 2120 food ingredients; [or]

2121 (ii) transactions that occur in the district sales tax area, as defined in Subsection
 2122 59-12-401(4), if the Utah Fairpark Area Investment and Restoration District,
 2123 created in Section 11-70-201, has imposed a tax under Subsection (8)[-];

2124 (iii) transactions that occur within a project area described in a project area plan
 2125 adopted by the military installation development authority under Title 63H,
 2126 Chapter 1, Military Development Authority Act, if the military installation
 2127 development authority has imposed a tax under Subsection (7); or

2128 (iv) transactions that occur within the qualified development zone of a major sporting
 2129 event venue zone under Title 63N, Chapter 3, Part 17, Major Sporting Event
 2130 Venue Zone Act, if the creating entity of the major sporting event venue zone has
 2131 imposed a tax under Subsection (9).

2132 (c) For purposes of this Subsection (1), the location of a transaction shall be determined
 2133 in accordance with Sections 59-12-211 through 59-12-215.

2134 (d) A municipality imposing a tax under this section shall impose the tax on the
 2135 purchase price or sales price for amounts paid or charged for food and food

2136 ingredients if the food and food ingredients are sold as part of a bundled transaction
2137 attributable to food and food ingredients and tangible personal property other than
2138 food and food ingredients.

2139 (2)(a) An amount equal to the total of any costs incurred by the state in connection with
2140 the implementation of Subsection (1) which exceed, in any year, the revenues
2141 received by the state from its collection fees received in connection with the
2142 implementation of Subsection (1) shall be paid over to the state General Fund by the
2143 cities and towns which impose the tax provided for in Subsection (1).

2144 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among those
2145 cities and towns according to the amount of revenue the respective cities and towns
2146 generate in that year through imposition of that tax.

2147 (3) To impose an additional resort communities sales tax under this section, the governing
2148 body of the municipality shall:

2149 (a) pass a resolution approving the tax; and

2150 (b) except as provided in Subsection (6), obtain voter approval for the tax as provided in
2151 Subsection (4).

2152 (4) To obtain voter approval for an additional resort communities sales tax under
2153 Subsection (3)(b), a municipality shall:

2154 (a) hold the additional resort communities sales tax election during:

2155 (i) a regular general election; or

2156 (ii) a municipal general election; and

2157 (b) post notice of the election for the municipality, as a class A notice under Section
2158 63G-30-102, for at least 15 days before the day on which the election is held.

2159 (5) An ordinance approving an additional resort communities sales tax under this section
2160 shall provide an effective date for the tax as provided in Section 59-12-403.

2161 (6)(a) Except as provided in Subsection (6)(b), a municipality is not subject to the voter
2162 approval requirements of Subsection (3)(b) if, on or before January 1, 1996, the
2163 municipality imposed a license fee or tax on businesses based on gross receipts
2164 pursuant to Section 10-1-203.

2165 (b) The exception from the voter approval requirements in Subsection (6)(a) does not
2166 apply to a municipality that, on or before January 1, 1996, imposed a license fee or
2167 tax on only one class of businesses based on gross receipts pursuant to Section
2168 10-1-203.

2169 (7) Subject to Subsection 63H-1-203(1), a military installation development authority

2170 authorized to impose a resort communities tax under Section 59-12-401 may impose an
 2171 additional resort communities sales tax under this section as if the military installation
 2172 development authority were a municipality.

2173 (8) ~~[The]~~ On or after October 1, 2024, the Utah Fairpark Area Investment and Restoration
 2174 District, created in Section 11-70-201, may impose an additional resort communities tax
 2175 under this section on transactions that occur[;]

2176 ~~[(a)]~~ within the district sales tax area, as defined in Subsection 59-12-401(4)[; and] , as if
 2177 the district were a municipality.

2178 ~~[(b) that occur on or after October 1, 2024.]~~

2179 (9) On or after October 1, 2025, and subject to Subsection 11-71-202(4), the creating entity
 2180 of a major sporting event venue zone, established under Title 63N, Chapter 3, Part 17,
 2181 Major Sporting Event Venue Zone Act, may by ordinance impose an additional resort
 2182 communities tax under this section on transactions that occur within the major sporting
 2183 event venue zone qualified development zone, as defined in Section 63N-3-1701, as if
 2184 the creating entity were a municipality.

2185 Section 17. Section **59-12-405** is amended to read:

2186 **59-12-405 . Definitions -- Municipality filing requirements for lodging unit**
 2187 **capacity -- Failure to meet eligibility requirements -- Notice to municipality --**
 2188 **Municipality authority to impose tax.**

2189 (1) As used in this section:

2190 (a) "High-occupancy lodging unit" means each bedroom in a:

2191 (i) hostel; or

2192 (ii) a unit similar to a hostel as determined by the commission by rule.

2193 (b) "High-occupancy lodging unit capacity of a municipality" means the product of:

2194 (i) the total number of high-occupancy lodging units within the incorporated
 2195 boundaries of a municipality on the first day of the calendar quarter during which
 2196 the municipality files the form described in Subsection (3); and

2197 (ii) four.

2198 (c) "Recreational lodging unit" means each site in a:

2199 (i) campground that:

2200 (A) is issued a business license by the municipality in which the campground is
 2201 located; and

2202 (B) provides the following hookups:

2203 (I) water;

- 2204 (II) sewer; and
- 2205 (III) electricity; [øø]
- 2206 (ii) recreational vehicle park that provides the following hookups:
- 2207 (A) water;
- 2208 (B) sewer; and
- 2209 (C) electricity; or
- 2210 (iii) unit similar to Subsection (1)(c)(i) or (ii) as determined by the commission by
- 2211 rule.
- 2212 (d) "Recreational lodging unit capacity of a municipality" means the product of:
- 2213 (i) the total number of recreational lodging units within the incorporated boundaries
- 2214 of a municipality on the first day of the calendar quarter during which the
- 2215 municipality files the form described in Subsection (3); and
- 2216 (ii) four.
- 2217 (e) "Special lodging unit" means a lodging unit:
- 2218 (i) that is a:
- 2219 (A) high-occupancy lodging unit;
- 2220 (B) recreational lodging unit; or
- 2221 (C) standard lodging unit;
- 2222 (ii) for which the commission finds that in determining the capacity of the lodging
- 2223 unit the lodging unit should be multiplied by a number other than a number
- 2224 described in:
- 2225 (A) for a high-occupancy lodging unit, Subsection (1)(b)(ii);
- 2226 (B) for a recreational lodging unit, Subsection (1)(d)(ii); or
- 2227 (C) for a standard lodging unit, Subsection (1)(i)(ii); and
- 2228 (iii) for which the municipality in which the lodging unit is located files a written
- 2229 request with the commission for the finding described in Subsection (1)(e)(ii).
- 2230 (f) "Special lodging unit capacity of a municipality" means the sum of the special
- 2231 lodging unit numbers for all of the special lodging units within the incorporated
- 2232 boundaries of a municipality on the first day of the calendar quarter during which the
- 2233 municipality files the form described in Subsection (3).
- 2234 (g) "Special lodging unit number" means the number by which the commission finds
- 2235 that a special lodging unit should be multiplied in determining the capacity of the
- 2236 special lodging unit.
- 2237 (h) "Standard lodging unit" means each bedroom in:

- 2238 (i) a hotel;
- 2239 (ii) a motel;
- 2240 (iii) a bed and breakfast establishment;
- 2241 (iv) an inn;
- 2242 (v) a condominium that is:
- 2243 (A) part of a rental pool; or
- 2244 (B) regularly rented out for a time period of less than 30 consecutive days;
- 2245 (vi) a property used as a residence that is:
- 2246 (A) part of a rental pool; or
- 2247 (B) regularly rented out for a time period of less than 30 consecutive days; or
- 2248 (vii) a unit similar to Subsections (1)(h)(i) through (vi) as determined by the
- 2249 commission by rule.
- 2250 (i) "Standard lodging unit capacity of a municipality" means the product of:
- 2251 (i) the total number of standard lodging units within the incorporated boundaries of a
- 2252 municipality on the first day of the calendar quarter during which the municipality
- 2253 files the form described in Subsection (3); and
- 2254 (ii) three.
- 2255 (j) "Transient room capacity" means the sum of:
- 2256 (i) the high-occupancy lodging unit capacity of a municipality;
- 2257 (ii) the recreational lodging unit capacity of a municipality;
- 2258 (iii) the special lodging unit capacity of a municipality; and
- 2259 (iv) the standard lodging unit capacity of a municipality.
- 2260 (2) A municipality that imposes a tax under this part shall provide the commission the
- 2261 following information as provided in this section:
- 2262 (a) the high-occupancy lodging unit capacity of the municipality;
- 2263 (b) the recreational lodging unit capacity of the municipality;
- 2264 (c) the special lodging unit capacity of the municipality; and
- 2265 (d) the standard lodging unit capacity of the municipality.
- 2266 (3) A municipality shall file with the commission the information required by Subsection (2):
- 2267 (a) on a form provided by the commission; and
- 2268 (b) on or before:
- 2269 (i) for a municipality that is required by Section 59-12-403 to provide notice to the
- 2270 commission, the day on which the municipality provides the notice required by
- 2271 Section 59-12-403 to the commission; or

2272 (ii) for a municipality that is not required by Section 59-12-403 to provide notice to
2273 the commission, July 1 of each year.

2274 (4) If the commission determines that a municipality that files the form described in
2275 Subsection (3) has a transient room capacity that is less than 66% of the municipality's
2276 permanent census population, the commission shall notify the municipality in writing:

2277 (a) that the municipality's transient room capacity is less than 66% of the municipality's
2278 permanent census population; and

2279 (b)(i) for a municipality that is required by Section 59-12-403 to provide notice to the
2280 commission, within 30 days after the day on which the municipality provides the
2281 notice to the commission; or

2282 (ii) for a municipality that is not required by Section 59-12-403 to provide notice to
2283 the commission, on or before September 1.

2284 (5)(a) For a municipality that does not impose a tax under Section 59-12-401 on the day
2285 on which the municipality files the form described in Subsection (3), if the
2286 commission provides written notice described in Subsection (4) to the municipality,
2287 the municipality may not impose a tax under this part until the municipality meets the
2288 requirements of this part to enact the tax.

2289 (b) For a municipality that is not required by Section 59-12-403 to provide notice to the
2290 commission, if the commission provides written notice described in Subsection (4) to
2291 the municipality for three consecutive calendar years, the municipality may not
2292 impose a tax under this part:

2293 (i) beginning on July 1 of the year after the year during which the commission
2294 provided written notice described in Subsection (4):

2295 (A) to the municipality; and

2296 (B) for the third consecutive calendar year; and

2297 (ii) until the municipality meets the requirements of this part to enact the tax.

2298 (6) The requirements of this section do not apply to a municipality that:

2299 (a) is a creating entity of a major sporting event venue zone; and

2300 (b) only imposes a tax authorized under this part on transactions that occur within the
2301 qualified development area of a major sporting event venue zone.

2302 Section 18. Section **63N-3-1701** is enacted to read:

2303 **Part 17. Major Sporting Event Venue Zone Act**

2304 **63N-3-1701 . Definitions.**

2305 As used in this part:

- 2306 (1) "Base taxable value" means the taxable value of land within a qualified development
2307 zone as shown upon the assessment roll last equalized during the property tax base year.
- 2308 (2) "Committee" means a major sporting event venue zone committee described in Section
2309 63N-1a-1706.
- 2310 (3) "Creating entity" means a municipality or a county.
- 2311 (4) "Impacted primary area" means the land outside a major sporting event venue zone but
2312 within one mile of the boundary of the major sporting event venue zone.
- 2313 (5)(a) "Major sporting event venue" means:
- 2314 (i) for a venue that has been or is proposed to be used for the Olympic Games, as
2315 confirmed by the Salt Lake City-Utah Committee for the Games, a site, arena, or
2316 facility along with supporting or adjacent structures so long as the expected
2317 expenditures to construct, demolish, reconstruct, modify, upgrade, or expand the
2318 site, arena, or facility exceeds \$100,000,000; or
- 2319 (ii) for a venue that has been or is proposed to host international or professional
2320 sports competitions, a site, arena, golf course, playing field, stadium, or facility
2321 along with supporting or adjacent structures so long as:
- 2322 (A) the expected expenditures to construct, demolish, reconstruct, modify,
2323 upgrade, or expand the site, arena, golf course, playing field, stadium, or
2324 facility exceeds \$100,000,000;
- 2325 (B) the total area for the venue is at least 500 acres in size; and
- 2326 (C) the site, arena, golf course, playing field, stadium, or facility is not used
2327 primarily as the home location for a professional sports league franchise.
- 2328 (b) "Major sporting event venue" includes structures where an international competition
2329 or professional athletic event is not taking place directly but where media, athletes,
2330 spectators, organizers, and officials associated with the international competition or
2331 professional athletic event are hosted in direct connection with the international
2332 competition or professional athletic event taking place at a location described in
2333 Subsection (5)(a).
- 2334 (6) "Major sporting event venue zone" means the land, as described in a proposal to create a
2335 major sporting event venue zone or a proposal to amend a major sporting event venue
2336 zone, or as approved by a committee for a major sporting event venue zone, upon which
2337 there are one or more major sporting event venues.
- 2338 (7) "Major sporting event venue zone revenue" means all the revenue captured by a creating
2339 entity for an area described in a major sporting event venue zone and if applicable the

- 2340 secondary project area, including:
- 2341 (a) property tax increment;
- 2342 (b) if applicable, local sales and use tax increment;
- 2343 (c) if applicable, municipal energy sales and use tax;
- 2344 (d) if applicable, municipal telecommunications license tax;
- 2345 (e) if applicable, accommodations tax;
- 2346 (f) if applicable, transient room tax; and
- 2347 (g) if applicable, resort communities sales and use tax and additional resort communities
- 2348 sales and use tax.
- 2349 (8) "Property tax base year" means, for each property tax increment collection period
- 2350 triggered within a qualified development zone or a proposed qualified development
- 2351 zone, the calendar year before the calendar year in which the property tax increment
- 2352 begins to be collected for the parcels triggered for that collection period.
- 2353 (9)(a) "Property tax increment" means the difference between:
- 2354 (i) the amount of property tax revenue generated each tax year by a taxing entity
- 2355 within a qualified development zone, or proposed qualified development zone,
- 2356 from which property tax increment is to be collected, using the current assessed
- 2357 value and each taxing entity's current certified tax rate as defined in Section
- 2358 59-2-924; and
- 2359 (ii) the amount of property tax revenue that would be generated from the area
- 2360 described in Subsection (9)(a)(i) using the base taxable value and each taxing
- 2361 entity's current certified tax rate as defined in Section 59-2-924.
- 2362 (b) "Property tax increment" does not include property tax revenue from:
- 2363 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
- 2364 or
- 2365 (ii) a county additional property tax described in Subsection 59-2-1602(4).
- 2366 (10) "Proposal" means a document, physical or electronic, developed by a creating entity:
- 2367 (a) outlining the need for a major sporting event venue zone;
- 2368 (b) describing the impacted primary area of a proposed major sporting event venue zone;
- 2369 (c) describing the proposed secondary project area of a proposed major sporting event
- 2370 venue zone, if any; and
- 2371 (d) submitted to a major sporting event venue zone committee.
- 2372 (11) "Qualified development zone" means the property within a major sporting event venue
- 2373 zone, and, if applicable, the secondary project area, as approved by the committee as

- 2374 described in this part.
- 2375 (12) "Sales and use tax base year" means a sales and use tax year determined by the first
2376 year pertaining to the tax imposed in Section 59-12-103 after the sales and use tax
2377 boundary for a major sporting event venue zone is established.
- 2378 (13)(a) "Sales and use tax boundary" means a boundary established as described in
2379 Sections 63N-3-1707 and 63N-3-1710, based on sales and use tax collection that
2380 corresponds as closely as reasonably practicable to the boundary of the major
2381 sporting event venue zone.
- 2382 (b) "Sales and use tax boundary" does not include land described in a secondary project
2383 area.
- 2384 (14) "Sales and use tax increment" means the difference between:
- 2385 (a) the amount of local sales and use tax revenue generated each year following the sales
2386 and use tax base year by the local sales and use tax from the area within a sales and
2387 use tax boundary from which local sales and use tax increment is to be collected; and
- 2388 (b) the amount of local sales and use tax revenue that was generated from within the
2389 sales and use tax boundary during the sales and use tax base year.
- 2390 (15)(a) "Secondary project area" means land, as described in a proposal to create a major
2391 sporting event venue zone or a proposal to amend a major sporting event venue zone,
2392 or as approved by a committee for a major sporting event venue zone:
- 2393 (i) located in the same jurisdiction as the creating entity for the major sporting event
2394 venue zone;
- 2395 (ii) located no more than two miles from the boundary of the major sporting event
2396 venue zone;
- 2397 (iii) connected to a major sporting event venue zone by a transportation system; and
2398 (iv) not exceeding 50 acres.
- 2399 (b) "Secondary project area" may include:
- 2400 (i) land that is not contiguous to the major sporting event venue zone, if the land
2401 designated in the secondary project area is the only or primary point of transit by
2402 which an individual may begin to access the major sporting event venue zone; and
- 2403 (ii) the land on which a connecting transportation system sits if the transportation
2404 system requires infrastructure that is permanently affixed to the land.
- 2405 (16) "Transportation system" means:
- 2406 (a) a street, alley, road, highway, pathway, or thoroughfares of any kind, including
2407 connected structures;

- 2408 (b) an airport or aerial transit infrastructure;
2409 (c) a public transit facility; or
2410 (d) any other modes or form of conveyance used by the public.

2411 Section 19. Section **63N-3-1702** is enacted to read:

2412 **63N-3-1702 . Applicability, requirements, and limitations on a major sporting**
2413 **event venue zone.**

- 2414 (1) A major sporting event venue zone created pursuant to this part shall promote the
2415 following objectives:
- 2416 (a) redevelopment of existing but aging major sporting event venues;
 - 2417 (b) development of new major sporting event venues;
 - 2418 (c) development of infrastructure supporting a major sporting event venue;
 - 2419 (d) increased utilization of public transportation when accessing a major sporting event
2420 venue;
 - 2421 (e) improved efficiencies in parking and transportation with the goal of increasing
2422 walkability between a major sporting event venue and a public transit station;
 - 2423 (f) improved commercial development, or mixed commercial-residential development,
2424 in areas near a major sporting event venue;
 - 2425 (g) improving air quality by reducing fuel consumption and motor vehicle trips; and
2426 (h) increasing tourism activity.
- 2427 (2) In order to accomplish the objectives described in this section, a creating entity that
2428 initiates the process to create a major sporting event venue zone shall ensure that a
2429 proposal for a major sporting event venue zone includes information demonstrating how
2430 the proposed major sporting event venue zone shall achieve the objectives described in
2431 Subsection (1).
- 2432 (3) Notice of commencement of collection of property tax increment shall be sent by mail
2433 or electronically to the following entities no later than January 1 of the year for which
2434 the property tax increment collection is proposed to commence:
- 2435 (a) the State Tax Commission;
 - 2436 (b) the State Board of Education;
 - 2437 (c) the state auditor;
 - 2438 (d) the auditor of the county in which the major sporting event venue zone is proposed to
2439 be created;
 - 2440 (e) each taxing entity to be affected by collection of property tax increment in the
2441 proposed major sporting event venue zone;

2442 (f) the assessor of the county in which the major sporting event venue zone is proposed
 2443 to be created; and

2444 (g) the Governor's Office of Economic Opportunity.

2445 (4) A major sporting event venue zone proposal may include:

2446 (a) a proposal to capture property tax increment;

2447 (b) a proposal to capture local sales and use tax increment; and

2448 (c) a proposal to implement a tax described in Section 11-71-202, either immediately
 2449 upon creation of the major sporting event venue zone or on a specified timeline
 2450 following the creation of the major sporting event venue zone.

2451 Section 20. Section **63N-3-1703** is enacted to read:

2452 **63N-3-1703 . Process for proposing a major sporting event venue zone.**

2453 (1)(a) A creating entity may propose a major sporting event venue zone as provided in
 2454 this section.

2455 (b) One or more creating entities may jointly propose a major sporting event venue zone
 2456 if:

2457 (i) the creating entities first enter an interlocal agreement governing how the creating
 2458 entities shall manage the major sporting event venue zone, if approved; or

2459 (ii) the creating entities include a proposed interlocal agreement the creating entities
 2460 will enter upon approval of the major sporting event venue zone.

2461 (c) A creating entity may not propose a major sporting event venue zone unless the
 2462 owner of a major sporting event venue consents to the creation of the major sporting
 2463 event venue zone through a participation agreement with the creating entity.

2464 (2) A proposal for a major sporting event venue zone shall:

2465 (a) identify if the proposal is to redevelop an existing but aging major sporting event
 2466 venue, develop a new major sporting event venue, or both redevelop an existing but
 2467 aging major sporting event venue and develop a new major sporting event venue;

2468 (b) demonstrate that the major sporting event venue zone will meet the objectives
 2469 described in Subsection 63N-3-1702(1);

2470 (c) explain how the creating entity will achieve the requirements of Subsection
 2471 63N-3-1702(2);

2472 (d) include the consent described in Subsection (1)(c);

2473 (e) define specific infrastructure needs, if any, and proposed improvements to:

2474 (i) the major sporting event venue zone; and

2475 (ii) if applicable, the secondary project area;

- 2476 (f) demonstrate how the major sporting event venue zone will:
- 2477 (i) ensure sufficient traffic control;
- 2478 (ii) provide multiple avenues for spectators or participants to access the major
- 2479 sporting event venue zone, including public transit; and
- 2480 (iii) promote increased visitation to and recreation in the major sporting event venue
- 2481 zone;
- 2482 (g) define the boundaries of the major sporting event venue zone;
- 2483 (h) define the boundaries of the secondary project area, if any;
- 2484 (i) identify any impediments to the development of a new major sporting event venue, or
- 2485 impediments to refurbishing an existing major sporting event venue, in the major
- 2486 sporting event venue zone and proposed strategies for addressing each one;
- 2487 (j) describe the proposed development or refurbishment to a sporting event venue in the
- 2488 major sporting event venue zone, including estimated costs;
- 2489 (k) subject to Subsection (3):
- 2490 (i) propose the collection period or periods for property tax increment;
- 2491 (ii) propose the collection period for local sales and use tax increment;
- 2492 (iii) propose the collection period or periods for property tax increment in the
- 2493 secondary project area, if any;
- 2494 (iv) propose the sales tax increment to be collected for the benefit of the major
- 2495 sporting event venue zone; and
- 2496 (v) propose the qualified development zone boundaries for purposes of the property
- 2497 tax increment boundary, as described in Section 63N-3-1709, and the sales and
- 2498 use tax boundary, as described in Section 63N-3-1710;
- 2499 (l) establish the timeline to levy additional taxes authorized under Title 11, Chapter 71,
- 2500 Major Sporting Event Venue Zones, if any, within the major sporting event venue
- 2501 zone;
- 2502 (m) describe projected maximum revenues generated within the major sporting event
- 2503 venue zone by each permitted source of revenue, as described in Section 11-71-202;
- 2504 (n) describe proposed expenditures of revenue generated within the major sporting event
- 2505 venue zone;
- 2506 (o) include an analysis of other applicable or eligible incentives, grants, or sources of
- 2507 revenue that can be used to reduce any finance gap between generated revenue and
- 2508 estimated costs;
- 2509 (p)(i) describe any known opportunities for private-public partnership in developing,

- 2510 refurbishing, operating, or managing a major sporting event venue, as described in
2511 Section 11-71-301; or
- 2512 (ii) describe a strategy to pursue private-public partnership in developing or
2513 refurbishing a major sporting event venue;
- 2514 (q) propose a finance schedule to align expected revenue with required financing costs
2515 and payments;
- 2516 (r) evaluate possible benefits to active transportation, public transportation availability
2517 and utilization, street connectivity, and air quality; and
- 2518 (s) provides a pro forma for the planned development that:
- 2519 (i) satisfies the requirements described in Section 63N-3-1702; and
2520 (ii) includes data showing the cost difference between what type of redevelopment or
2521 development could feasibly occur without major sporting event venue zone
2522 revenue, and the type of redevelopment or development that is proposed to occur
2523 with major sporting event venue zone revenue.
- 2524 (3)(a) Property tax increment may be collected from a qualified development zone for no
2525 less than 25 years and no more than 40 years.
- 2526 (b) A proposal for a major sporting event venue zone may not propose or include
2527 triggering more than three property tax increment collection periods for the qualified
2528 development zone.
- 2529 (c) Local sales and use tax increment may be collected for an area in a sales and use tax
2530 boundary for no more than 40 years.
- 2531 (d) The percentage of property tax increment collected for the benefit of a major
2532 sporting event venue zone is 75%.
- 2533 (e) The committee established under Section 63N-3-1706 shall determine the percentage
2534 of local sales and use tax increment to be collected for the benefit of a major sporting
2535 event venue zone.
- 2536 (4) A creating entity shall submit a proposal described in Subsection (2) to a relevant school
2537 district to discuss the requirements of the proposal.
- 2538 (5) No earlier than 30 days after the day on which the creating entity submits the proposal
2539 to a relevant school district under Subsection (4), the creating entity shall provide the
2540 proposal described in Subsection (2) and any response or feedback to the proposal from
2541 a relevant school district to the office for consideration.
- 2542 (6)(a) Within 14 days after the date on which the office receives the proposal described
2543 in Subsection (5), the office shall provide notice of the proposal to all affected taxing

2544 entities, including the State Tax Commission, cities, counties, school districts,
2545 metropolitan planning organizations, and the county assessor and county auditor of
2546 the county in which the major sporting event venue zone would be located.
2547 (b) The office, in consultation with the county assessor, county auditor, and the State
2548 Tax Commission, shall evaluate the feasibility of administering the tax implications
2549 of the proposal, and provide findings to the creating entity proposing the major
2550 sporting event venue zone.

2551 (7) After receiving the findings described in Subsection (6)(b), the creating entity proposing
2552 the major sporting event venue zone may:

2553 (a) amend the proposal and request that the office submit the amended proposal to the
2554 committee; or

2555 (b) request that the office submit the original major sporting event venue zone proposal
2556 to the committee.

2557 Section 21. Section **63N-3-1704** is enacted to read:

2558 **63N-3-1704 . Consideration of proposals by the major sporting event venue zone**
2559 **committee.**

2560 (1) A major sporting event venue zone proposed under this part is subject to approval by
2561 the major sporting event venue zone committee.

2562 (2)(a) The proposing creating entity shall present the proposal to the major sporting
2563 event venue zone committee described in Section 63N-3-1706 in a public meeting.

2564 (b) The committee shall evaluate and verify whether the objectives and elements of a
2565 major sporting event venue zone described in Section 63N-3-1702 have been met.

2566 (3) In considering a proposal under this part, a committee may request any information
2567 from a creating entity needed to make a determination about whether to approve or deny
2568 a proposal, or approve a proposal with modifications, including a description of the
2569 proposed uses of funds and how funds will be used to support public projects related to
2570 the major sporting event venue zone, including transit.

2571 (4)(a) Subject to Subsection (4)(b), the committee may:

2572 (i) request changes to the proposal based on the analysis, characteristics, and criteria
2573 described in Section 63N-3-1703; or

2574 (ii) vote to approve or deny the proposal.

2575 (b) Before the committee may approve the major sporting event venue zone proposal,
2576 the creating entity proposing the major sporting event venue zone shall:

2577 (i) for a creating entity that is made up of more than one municipality or county,

2578 ensure the requirement described in Subsection 63N-3-1703(1)(b) has been met;
2579 and
2580 (ii) ensure that the area of the proposed major sporting event venue zone is zoned in
2581 such a manner to accommodate the requirements of a major sporting event venue
2582 zone described in this section and the proposed development.

2583 Section 22. Section **63N-3-1705** is enacted to read:

2584 **63N-3-1705 . Notice requirements for the creating entity.**

- 2585 (1) In approving a proposal, the committee shall follow the hearing and notice requirements
2586 for proposing a major sporting event venue zone as described in this section.
- 2587 (2) Within 30 days after the committee approves a proposed major sporting event venue
2588 zone as described in Section 63N-3-1707, the creating entity shall:
- 2589 (a) record with the recorder of the county in which the major sporting event venue zone
2590 is located a document containing:
- 2591 (i) a description of the land within the major sporting event venue zone, primary
2592 project area, and if applicable, the secondary project area;
- 2593 (ii) a statement that the proposed major sporting event venue zone has been approved;
- 2594 (iii) the date of adoption; and
- 2595 (iv) the effective date of the major sporting event venue zone, as described in Section
2596 63N-3-1707;
- 2597 (b) transmit a copy of the description of the land within the major sporting event venue
2598 zone and an accurate map or plat indicating the boundaries of the major sporting
2599 event venue zone, and if applicable, secondary project area to the Utah Geospatial
2600 Resource Center created under Section 63A-16-505; and
- 2601 (c) transmit a copy of the approved major sporting event venue zone proposal, map, and
2602 legal description of the major sporting event venue zone, and if applicable, secondary
2603 project area, to:
- 2604 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any
2605 part of the major sporting event venue zone is located;
- 2606 (ii) the officer or officers performing the function of auditor or assessor for each
2607 taxing entity that does not use the county assessment roll or collect the taxing
2608 entity's taxes through the county;
- 2609 (iii) the legislative body or governing board of each taxing entity;
- 2610 (iv) the State Tax Commission; and
- 2611 (v) the State Board of Education.

2612 Section 23. Section **63N-3-1706** is enacted to read:

2613 **63N-3-1706 . Major sporting event venue zone committee -- Creation.**

- 2614 (1) For any major sporting event venue zone proposed under this part, there is created a
2615 major sporting event venue zone committee with membership described in Subsection
2616 (2).
- 2617 (2) Each major sporting event venue zone committee shall consist of the following
2618 members:
- 2619 (a) one representative from the office, designated by the executive director of the office;
2620 (b) one representative from the creating entity;
2621 (c)(i) if a proposal addresses a major sporting event venue that will be used during an
2622 Olympic Games, one member of the executive committee for the Salt Lake
2623 City-Utah Committee for the Games; or
2624 (ii) if a proposal does not address a major sporting event venue that will be used
2625 during an Olympic Games, one individual with expertise in a professional sports
2626 industry, appointed by the governor;
- 2627 (d) one individual from the Office of the State Treasurer, designated by the state
2628 treasurer;
- 2629 (e) two members designated by the president of the Senate;
2630 (f) two members designated by the speaker of the House of Representatives;
2631 (g) two representatives designated by the school superintendent from the school district
2632 affected by the major sporting event venue zone; and
2633 (h) one representative, representing the largest participating local taxing entity, after the
2634 creating entity and school district, in the proposed major sporting event venue zone.
- 2635 (3) After the office has received a request from the submitting creating entity to submit the
2636 proposal to the committee, as described in Subsection 63N-3-1703(7), the office shall
2637 notify each of the entities described in Subsection (2) of the formation of the major
2638 sporting event venue zone committee.
- 2639 (4) The individual designated by the office as described in Subsection (2)(a) shall serve as
2640 chair of the committee.
- 2641 (5)(a) A majority of the members of the committee constitutes a quorum.
2642 (b) An action by a majority of a quorum of the committee is an action of the committee.
- 2643 (6)(a) The chair of the committee shall convene a public meeting to consider the
2644 proposed major sporting event venue zone.
2645 (b) A meeting of the committee is subject to Title 52, Chapter 4, Open and Public

- 2646 Meetings Act.
- 2647 (7) The committee may:
- 2648 (a) request changes to the proposal based on the analysis, characteristics, and criteria
- 2649 described in Section 63N-3-1702 or 63N-3-1703; or
- 2650 (b) vote to approve or deny the proposal.
- 2651 (8) If a major sporting event venue zone is approved as described in Section 63N-3-1707:
- 2652 (a) the proposed major sporting event venue zone is established:
- 2653 (i) according to the terms of the proposal; or
- 2654 (ii) according to the modified terms of the proposal, as established by the committee
- 2655 in the committee's vote to approve the major sporting event venue zone;
- 2656 (b) affected local taxing entities are required to participate according to the terms
- 2657 approved by the committee; and
- 2658 (c) each affected taxing entity is required to participate at the same rate.
- 2659 (9)(a) Except as provided in Subsection (9)(b), any aspect of a major sporting event
- 2660 venue zone, including the approved use of major sporting event venue zone revenue
- 2661 or the boundary of the qualified development zone or sales and use tax boundary,
- 2662 may be amended by following the same procedure as approving a major sporting
- 2663 event venue zone proposal.
- 2664 (b) A boundary adjustment described in Section 63N-3-1711 does not require an
- 2665 amendment described in Subsection (9)(a).
- 2666 Section 24. Section **63N-3-1707** is enacted to read:
- 2667 **63N-3-1707 . Approval of a major sporting event venue zone -- Effective date of a**
- 2668 **major sporting event venue zone -- Establishment of qualified development zone**
- 2669 **boundary -- Base taxable value year.**
- 2670 (1) A major sporting event venue zone proposal may be approved, with or without
- 2671 modifications, by a majority vote of the committee.
- 2672 (2)(a) The effective date of a major sporting event venue zone is January 1 following the
- 2673 approval of a proposal by the committee, as described in Subsection (1).
- 2674 (b) The collection of property tax increment or local sales and use tax increment may not
- 2675 be triggered before the effective date.
- 2676 (3)(a) The base taxable value of land within an approved major sporting event venue
- 2677 zone is determined as of January 1 of the year in which the committee approves a
- 2678 major sporting event venue zone proposal.
- 2679 (b) In approving the major sporting event venue zone, the committee shall establish:

- 2680 (i) the qualified development zone area for the purpose of calculating property tax
2681 increment; and
2682 (ii) the sales and use tax boundary for the purpose of calculating local sales and use
2683 tax increment.

2684 Section 25. Section **63N-3-1708** is enacted to read:

2685 **63N-3-1708 . Major sporting venue event zone boundaries -- Reporting**
2686 **requirements.**

- 2687 (1) After a major sporting event venue zone is approved by the committee, as described in
2688 Section 63N-3-1706, the committee shall provide notice to the State Tax Commission,
2689 no later than 90 days after the day on which the committee approves the proposal:
2690 (a) of the creation of the major sporting event venue zone, including the information
2691 described in Subsection (2);
2692 (b) if the committee approves the creating entity to receive local sales and use tax
2693 increment, the information described in Subsection (3); and
2694 (c) any information to the State Tax Commission required by the State Tax
2695 Commission; and
2696 (2) The notice described in Subsection (1)(a) shall include:
2697 (a) a statement that the major sporting event venue zone will be established under this
2698 part;
2699 (b) the approval date and effective date of the major sporting event venue zone;
2700 (c) the boundary of the qualified development zone;
2701 (d) the sales and use tax base year, if applicable; and
2702 (e) the sales and use tax boundary, if applicable.
2703 (3) After the effective date of a major sporting event venue zone, as described in Section
2704 63N-3-1707, the creating entity shall provide a written report, no later than August 1, on
2705 the creating entity's activities to implement the objectives of the major sporting event
2706 venue zone to the executive director.
2707 (4)(a) The executive director shall annually provide a written report, no later than
2708 October 1, summarizing all reports received by the executive director under
2709 Subsection (3), to the:
2710 (i) Revenue and Taxation Interim Committee;
2711 (ii) Political Subdivisions Interim Committee; and
2712 (iii) Economic Development and Workforce Services Interim Committee.
2713 (b) The executive director shall include with the written report described in Subsection

2714 (4)(a) any recommendations to the Legislature for statutory changes to this chapter or
 2715 Title 11, Chapter 71, Major Sporting Event Venue Zones.

2716 Section 26. Section **63N-3-1709** is enacted to read:

2717 **63N-3-1709 . Allowable property tax increment within a major sporting event**
 2718 **venue zone.**

2719 (1) A creating entity may receive and use property tax increment in accordance with this
 2720 section and as described in Title 11, Chapter 71, Major Sporting Event Venue Zones.

2721 (2)(a) A county that collects property tax on property located within a qualified
 2722 development zone shall, in accordance with Section 59-2-1365, distribute to the
 2723 creating entity 75% of the property tax increment.

2724 (b) Property tax increment distributed to a creating entity in accordance with Subsection
 2725 (2)(a):

2726 (i) is not revenue of the taxing entity or the creating entity; and

2727 (ii) constitutes major sporting event venue zone funds and shall be administered as
 2728 described in Title 11, Chapter 71, Major Sporting Event Venue Zones.

2729 (3)(a) A creating entity may designate another local government entity to be the fiscal
 2730 agent for property tax increment paid to the creating entity.

2731 (b) Before a fiscal agent may receive major sporting event venue zone funds from the
 2732 creating entity, the creating entity and the fiscal agent shall enter into an agreement
 2733 governing the use of the funds, consistent with this part and Title 11, Chapter 71,
 2734 Major Sporting Event Venue Zones.

2735 (4) A creating entity and a creating entity's fiscal agent shall use major sporting event venue
 2736 zone funds:

2737 (a) to achieve the purposes described in Subsections 63N-3-1702(1) and (2)

2738 (b) within, or for the direct benefit of, the major sporting event venue zone; and

2739 (c) as described in Section 11-71-204.

2740 Section 27. Section **63N-3-1710** is enacted to read:

2741 **63N-3-1710 . Allowable local sales and use tax increment within a major sporting**
 2742 **event venue zone.**

2743 (1)(a) A major sporting event venue zone proposal may, in consultation with the State
 2744 Tax Commission:

2745 (i) propose a sales and use tax boundary as described in Subsection (2);

2746 (ii) propose a local sales and use tax base year and collection period to calculate and
 2747 transfer the local sales and use tax increment within the major sporting event

2748 venue zone, which sales and use tax base year is established prospectively, 90
2749 days after the date of the notice described in Subsection (5); and
2750 (iii) propose the percentage of local sales and use tax increment to be captured by the
2751 creating entity.

2752 (b) A creating entity may only propose one local sales and use tax increment period for a
2753 major sporting event venue zone established under this section.

2754 (2)(a) The creating entity, in consultation with the State Tax Commission, shall propose
2755 a sales and use tax boundary that:

2756 (i) is based on sales and use tax collection boundaries, which are determined using
2757 the ZIP Code as defined in Section 59-12-102, including the four digit delivery
2758 route extension;

2759 (ii) follows as closely as reasonably practicable the boundary of the major sporting
2760 event venue zone; and

2761 (iii) is one contiguous area that includes at least the entire boundary of the major
2762 sporting event venue zone.

2763 (b) If a sales and use tax boundary is bisected by the boundary of the major sporting
2764 event venue zone, the major sporting event venue zone may include the entire sales
2765 and use tax boundary.

2766 (3) The committee may modify a proposed sales and use tax boundary before approving a
2767 major sporting event venue zone proposal.

2768 (4) A major sporting event venue zone sales and use tax boundary, as approved by the
2769 committee, is the qualified development zone for purposes of the calculations in
2770 Sections 59-12-103 and 59-12-205.

2771 (5) The establishment of a sales and use tax base year and the requirement to transfer
2772 incremental sales tax revenue shall take effect:

2773 (a) on the first day of a calendar quarter; and

2774 (b) after a 90-day waiting period, beginning on the date the State Tax Commission
2775 receives notice.

2776 Section 28. Section **63N-3-1711** is enacted to read:

2777 **63N-3-1711 . Boundary adjustments.**

2778 If the relevant county assessor or county auditor adjusts parcel or lot boundaries relevant
2779 to a major sporting event venue zone, the creating entity administering the property tax
2780 increment or local sales and use tax increment collected in the major sporting event zone may:

2781 (1) make corresponding adjustments to the qualified development zone of the major

- 2782 sporting event venue zone; and
- 2783 (2) in consultation with the State Tax Commission, and with the approval of the State Tax
 2784 Commission, make corresponding adjustments to the local sales and use tax boundary.
- 2785 Section 29. Section **63N-3-1712** is enacted to read:
- 2786 **63N-3-1712 . Applicability to an existing project.**
- 2787 (1) If a major sporting event venue zone overlaps an area that is part of a project area, as
 2788 that term is defined in Section 17C-1-102, and created under Title 17C, Chapter 1,
 2789 Agency Operations, that parcel may not be triggered for collection unless the project
 2790 area funds collection period, as that term is defined in Section 17C-1-102, has expired.
- 2791 (2) If a major sporting event venue zone overlaps any portion of an existing inactive
 2792 industrial site community reinvestment project area plan created pursuant to Title 17C,
 2793 Limited Purpose Local Government Entities - Community Reinvestment Agency Act:
- 2794 (a) if the community reinvestment project area plan captures less than 80% of the
 2795 property tax increment from a taxing entity, or if a taxing entity is not participating in
 2796 the community reinvestment project area plan, the major sporting event venue zone
 2797 may capture the difference between:
- 2798 (i) 80%; and
- 2799 (ii) the percentage of property tax increment captured pursuant to the community
 2800 reinvestment project area plan; and
- 2801 (b) if a community reinvestment project area plan expires before the major sporting
 2802 event venue zone, the major sporting event venue zone may capture the property tax
 2803 increment allocated to the community reinvestment project area plan for any
 2804 remaining portion of the term of the major sporting event venue zone.
- 2805 (3)(a) Except as provided in Subsection (3)(b), a major sporting event venue zone may
 2806 not overlap a housing and transit reinvestment zone or a first home investment zone.
- 2807 (b) A major sporting event venue zone may overlap a housing and transit reinvestment
 2808 zone or a first home investment zone if:
- 2809 (i)(A) the major sporting event venue zone does not collect property tax increment
 2810 for the area overlapping with the housing and transit reinvestment zone or the
 2811 first home investment zone; or
- 2812 (B) the major sporting event venue zone does not collect property tax increment
 2813 for the area overlapping with the housing and transit reinvestment zone or the
 2814 first home investment zone until the collection period for the housing and
 2815 transit reinvestment zone's collection of property tax increment or the first

2816 home investment zone's collection of property tax increment has ended; and
2817 (ii)(A) the major sporting event venue zone does not collect sales and use tax
2818 increment for the area overlapping with the housing and transit reinvestment
2819 zone or first home investment zone, if the housing and transit reinvestment
2820 zone or the first home investment zone collects sales and use tax increment; or
2821 (B) the major sporting event venue zone does not collect local sales and use tax
2822 increment for the area overlapping with the housing and transit reinvestment
2823 zone or the first home investment zone until the collection period for the
2824 housing and transit reinvestment zone's collection of sales and use tax
2825 increment or the first home investment zone's collection of sales and use tax
2826 increment has ended.

2827 **Section 30. Effective Date.**

2828 This bill takes effect on January 1, 2026.