

SB0278S01 compared with SB0278S02

modifies the percentage of property tax augmentation that shall be distributed to the authority for certain transferred parcels;

20 ▶ reduces the percentage of state sales and tax revenue the State Tax Commission is directed to distribute to the authority;

22 ▶ authorizes a borrower to request and the Division of Finance to consider an amendment to a loan agreement to extend or forgive a loan made from certain infrastructure revolving loan funds;

20 ▶ repeals a sunset date and creates a sunset date; and

21 ▶ makes technical and conforming changes.

27 Money Appropriated in this Bill:

28 None

29 Other Special Clauses:

30 This bill provides a special effective date.

31 Utah Code Sections Affected:

32 AMENDS:

33 **10-20-305 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 15

35 **11-59-103 (Effective 05/06/26) (Repealed 01/01/29)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

37 **11-59-207 (Effective 05/06/26) (Repealed 01/01/29)**, as last amended by Laws of Utah 2025, Chapter 31

39 **11-59-208 (Effective 05/06/26) (Repealed 01/01/29)**, as enacted by Laws of Utah 2022, Chapter 237

41 **59-12-103 (Effective 07/01/26), as last amended by Laws of Utah 2025, Chapter 285**

42 **63A-3-404 (Effective 05/06/26), as last amended by Laws of Utah 2022, Chapters 237, 463**

44 **63I-1-210 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Third Special Session, Chapter 5

46 **63I-1-211 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Third Special Session, Chapters 4, 5

48

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

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50 Section 1. Section **10-20-305** is amended to read:

51 **10-20-305. State and federal property.**

44 (1) Unless otherwise provided by law, nothing contained in this chapter or Chapter 21, Municipalities
and Housing Supply, may be construed as giving a municipality jurisdiction over property owned by
the state or the United States.

47 (2)

(a) As used in this Subsection (2), "exempted government landowner" means a state agency,
independent entity, or regional economic development authority that has exclusive control over the
management, development, and disposition of a parcel of state-owned land.

51 (b) Notwithstanding Subsection (1), when an exempted government landowner intends to dispose
of a parcel of state-owned land, a municipality may coordinate with the exempted government
landowner to develop a prospective land use regulation or general plan amendment for the parcel
in order to ensure alignment between the exempted government landowner's activity and objectives
and the municipality's role as the land use authority in the event that the parcel is conveyed to a
private owner.

57 (c) A municipal legislative body that adopts a prospective land use regulation or amends a general plan
under Subsection (2)(b) is not required to comply with the notice provisions of Part 2, Notice, the
procedure specified in Section 10-20-502, or Subsections 10-20-503(2) and (3), if:

61 (i) the prospective land use regulation will govern, or the general plan amendment describes, state-
owned land in the event that the state-owned land is transferred to private ownership; and

64 (ii) the exempted government landowner requested the prospective land use regulation or general plan
amendment.

74 Section 2. Section **11-59-103** is amended to read:

75 **11-59-103. Scope of chapter -- Limit on selling or leasing point of the mountain state
land -- Authority control over point of the mountain state land -- Role of Division of Facilities
Construction and Management -- Local government authority not applicable.**

71 (1) This chapter governs the management of the point of the mountain state land, and the process of
planning, managing, and implementing the development of the point of the mountain state land.

74 (2)

(a) No part of the point of the mountain state land may be sold or otherwise disposed of or leased
without the approval of the board.

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- 76 (b) The authority has complete and exclusive control over the management, development, and
disposition of the point of the mountain state land.
- 78 (3)
- (a) The facilities division serves the role of compliance agency under Title 15A, State Construction and
Fire Codes Act, with respect to the point of the mountain state land.
- 80 (b) The facilities division is the permitting agency responsible for the issuance of a building permit
or certificate of occupancy related to construction on the point of the mountain state land, in
accordance with applicable building codes and standards.
- 83 (4) The authority of a local government under Title 10, Chapter 20, Municipal Land Use, Development,
and Management Act, or Title 17, Chapter 79, County Land Use, Development, and Management
Act, does not apply to the use of the point of the mountain state land or to any improvements
constructed on the point of the mountain state land, including improvements constructed by an
entity other than the authority.
- 88 (5) If the authority intends to dispose of a parcel of point of the mountain state land to a private party,
the authority {may} shall:
- 90 (a) coordinate with Draper in accordance with Section 10-20-305 to ensure:
- 91 (i) the authority's objectives described in Section 11-59-203 are achieved in regard to the parcel;
- 93 (ii) the highest and best use of the parcel; and
- 94 (iii) that the planning for and development of the parcel, if any, may continue after disposal in the same
manner as before disposal; {and} and
- 96 (b) provide Draper with a draft land use regulation to govern the parcel of point of the mountain state
land.
- 106 Section 3. Section **11-59-207** is amended to read:
- 107 **11-59-207. Privilege tax on leased property on state-owned land.**
- 101 (1) As used in this section:
- 102 (a) "Exempt property" means real property that is exempt from ad valorem property tax because the real
property is owned by the state.
- 104 (b) "Lease agreement" means an agreement by which a private person leases from the state real property
that is part of the point of the mountain state land.
- 106 (c)
- (i) "Leased property" means real property that:

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- 107 (A) is part of the point of the mountain state land;
- 108 (B) is leased by a private person; and
- 109 (C) would be subject to ad valorem property tax if the real property were owned by the private person.
- 111 (ii) "Leased property" includes attachments and other improvements to the real property that would be included in an assessment of the value of the real property if the real property were not exempt property.
- 114 (d) "Lessee" means a private person that leases property that is part of the point of the mountain state land under a lease agreement.
- 116 (e) "Phase one land" means a portion of the leased property that:
- 117 (i) is identified by a plat or legal description;
- 118 (ii) consists, or will consist, of one or more parcels;
- 119 (iii) is identified by the authority in a written agreement, executed before January 1, 2026, as either intended for development as:
- 121 (A) the first phase of development of the point of the mountain state land; or
- 122 (B) an event center and related facilities, including parking and public infrastructure; and
- 124 (iv) does not exceed 105 total acres.
- 125 [(e)] (f) "Privilege tax" means a tax imposed under Section 59-4-101.
- 126 (2) Beginning January 1 of the year immediately following the execution of a lease agreement, the possession or other beneficial use enjoyed by any person of property on point of the mountain state land, if that property is used in connection with a business conducted for profit, is subject to Title 59, Chapter 4, Privilege Tax.
- 130 (3) The treasurer of the county in which the point of the mountain state land is located shall, in the manner and at the time provided in Section 59-2-1365:
- 132 (a) collect privilege tax from a lessee; and
- 133 (b) distribute privilege tax revenue to the authority in the following percentages:
- 134 (i) for phase one land:
- 135 [(i)] (A) beginning January 1, 2025, 100% of the privilege tax revenue~~[generated by the privilege tax on point of the mountain state land]~~;
- 137 [(ii)] (B) beginning January 1, 2038, 96.3% of the privilege tax revenue~~[generated by the privilege tax on point of the mountain state land]~~;

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- 139 [(iii)] (C) beginning January 1, 2044, 92.5% of the privilege tax revenue~~[generated by the privilege tax~~
on point of the mountain state land];
- 141 [(iv)] (D) beginning January 1, 2049, 90% of the privilege tax revenue~~[generated by the privilege tax~~
on point of the mountain state land];
- 143 [(v)] (E) beginning January 1, 2054, 87.5% of the privilege tax revenue~~[generated by the privilege tax~~
on point of the mountain state land]; and
- 145 [(vi)] (F) beginning January 1, 2068, 25% of the privilege tax revenue~~[generated by the privilege tax on~~
point of the mountain state land.] ; and
- 147 (ii) for point of the mountain state land that is not phase one land, according to the same terms as
in Subsection (3)(b)(i), unless the authority provides notice to the county treasurer that a lower
percentage of privilege tax shall be distributed to the authority.
- 151 (4) If applicable, the authority shall provide the notice described in Subsection (3)(b)(ii):
- 152 (a) in writing; and
- 153 (b) by no later than October 1 of the year before the reduced distribution percentage for the privilege
tax revenue generated on point of the mountain state land that is not phase one land is intended to
commence.
- 164 Section 4. Section **11-59-208** is amended to read:
- 165 **11-59-208. Portion of property tax augmentation to be paid to authority.**
- 159 (1) As used in this section:
- 160 (a) "Base taxable value" means the taxable value in the year before the transfer date.
- 161 (b) "Property tax augmentation":
- 162 (i) means the amount of property tax that is the difference between:
- 163 (A) the amount of property tax revenues generated each tax year by all taxing entities from a transferred
parcel, using the current assessed value of the property; and
- 166 (B) the amount of property tax revenues that would be generated from that same transferred parcel
using the base taxable value of the property; and
- 168 (ii) does not include property tax revenue from:
- 169 (A) a county additional property tax or multicounty assessing and collecting levy imposed in
accordance with Section 59-2-1602;
- 171 (B) a judgment levy imposed by a taxing entity under Section 59-2-1328 or 59-2-1330; or
- 173 (C) a levy imposed by a taxing entity under Section 11-14-310 to pay for a general obligation bond.

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- 175 (c) "Transfer date" means the date that fee title to land that is part of the point of the mountain state land
is transferred to a private person.
- 177 (d) "Transferred parcel" means a parcel of land:
- 178 (i) that is part of the point of the mountain state land; and
- 179 (ii) the fee title to which has been transferred to a private person.
- 180 (2) Beginning January 1, [~~2023~~] 2026, the authority shall be paid [~~75%~~] 25% of property tax
augmentation from a transferred parcel:
- 182 (a) for a period of 25 years beginning January 1 of the year immediately following the transfer date for
the transferred parcel; and
- 184 (b) for a period of an additional 15 years beyond the period stated in Subsection (2)(a) if:
- 185 (i) the board determines by resolution that the additional years will produce a significant benefit to the
authority; and
- 187 (ii) the resolution is adopted before the end of the 25-year period under Subsection (2)(a).
- 189 (3) A county that collects property tax on property within the county in which the point of the
mountain state land is located shall pay and distribute to the authority the amount of property tax
augmentation that the authority is entitled to collect under Subsection (2), in the manner and at the
time provided in Section 59-2-1365.

201 Section 5. Section 59-12-103 is amended to read:

202 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax
revenue.**

- 204 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for
amounts paid or charged for the following transactions:
- 206 (a) retail sales of tangible personal property made within the state;
- 207 (b) amounts paid for:
- 208 (i) telecommunications service, other than mobile telecommunications service, that originates and
terminates within the boundaries of this state;
- 210 (ii) mobile telecommunications service that originates and terminates within the boundaries of one state
only to the extent permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et
seq.; or
- 213 (iii) an ancillary service associated with a:
- 214 (A) telecommunications service described in Subsection (1)(b)(i); or

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- 215 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 216 (c) sales of the following for commercial use:
- 217 (i) gas;
- 218 (ii) electricity;
- 219 (iii) heat;
- 220 (iv) coal;
- 221 (v) fuel oil; or
- 222 (vi) other fuels;
- 223 (d) sales of the following for residential use:
- 224 (i) gas;
- 225 (ii) electricity;
- 226 (iii) heat;
- 227 (iv) coal;
- 228 (v) fuel oil; or
- 229 (vi) other fuels;
- 230 (e) sales of prepared food;
- 231 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or any other amusement, entertainment, recreation, exhibition, cultural, or athletic activity;
- 241 (g) amounts paid or charged for services for repairs or renovations of tangible personal property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 244 (i) the tangible personal property; and
- 245 (ii) parts used in the repairs or renovations of the tangible personal property described in Subsection (1)(g)(i), regardless of whether:
- 247 (A) any parts are actually used in the repairs or renovations of that tangible personal property; or
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- (B) the particular parts used in the repairs or renovations of that tangible personal property are exempt from a tax under this chapter;
- 251 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted cleaning or washing of tangible personal property;
- 253 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer court accommodations and services;
- 255 (j) amounts paid or charged for laundry or dry cleaning services;
- 256 (k) amounts paid or charged for leases or rentals of tangible personal property if within this state the tangible personal property is:
- 258 (i) stored;
- 259 (ii) used; or
- 260 (iii) otherwise consumed;
- 261 (l) amounts paid or charged for tangible personal property if within this state the tangible personal property is:
- 263 (i) stored;
- 264 (ii) used; or
- 265 (iii) consumed;
- 266 (m) amounts paid or charged for a sale:
- 267 (i)
- (A) of a product transferred electronically; or
- 268 (B) of a repair or renovation of a product transferred electronically; and
- 269 (ii) regardless of whether the sale provides:
- 270 (A) a right of permanent use of the product; or
- 271 (B) a right to use the product that is less than a permanent use, including a right:
- 272 (I) for a definite or specified length of time; and
- 273 (II) that terminates upon the occurrence of a condition; and
- 274 (n) sales of leased tangible personal property from the lessor to the lessee made in the state.
- 276 (2)
- (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are imposed on a transaction described in Subsection (1) equal to the sum of:
- 278 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

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- 279 (A) 4.70%;
- 280 (B) the rate specified in Subsection (6)(a); and
- 281 (C) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax
Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is
in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part
20, Supplemental State Sales and Use Tax Act; and
- 286 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction
under this chapter other than this part.
- 288 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state tax and a local
tax are imposed on a transaction described in Subsection (1)(d) equal to the sum of:
- 291 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 292 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under
this chapter other than this part.
- 294 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed on amounts
paid or charged for food and food ingredients equal to the sum of:
- 296 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of
1.75%; and
- 298 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or
charged for food and food ingredients under this chapter other than this part.
- 301 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid or charged for
fuel to a common carrier that is a railroad for use in a locomotive engine at a rate equal to the sum of
the rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B).
- 305 (e)
- (i)
- (A) The rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B) do not apply to car sharing,
a car sharing program, a shared vehicle driver, or a shared vehicle owner, for a car sharing or
shared vehicle transaction if a shared vehicle owner certifies to the commission, on a form
prescribed by the commission, that the shared vehicle is an individual-owned shared vehicle.
- 310 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is required once
during the time that the shared vehicle owner owns the shared vehicle.

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- (C) The commission shall verify that a shared vehicle is an individual-owned shared vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the purchase of the shared vehicle.
- 316 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified individual-owned shared vehicle shared through a car-sharing program even if non-certified shared vehicles are also available to be shared through the same car-sharing program.
- 320 (ii) A tax imposed under Subsection (2)(a)(i)(C) or (2)(a)(ii) applies to car sharing.
- 321 (iii)
- (A) A car-sharing program may rely in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i).
- 324 (B) If a car-sharing program relies in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any tax, penalty, fee, or other sanction imposed on the shared vehicle owner.
- 329 (iv) If all shared vehicles shared through a car-sharing program are certified as described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation to collect and remit the tax under Subsections (2)(a)(i)(A) and (2)(a)(i)(B) for that tax period.
- 333 (v) A car-sharing program is not required to list or otherwise identify an individual-owned shared vehicle on a return or an attachment to a return.
- 335 (vi) A car-sharing program shall:
- 336 (A) retain tax information for each car-sharing program transaction; and
- 337 (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at the commission's request.
- 339 (f)
- (i) For a bundled transaction that is attributable to food and food ingredients and tangible personal property other than food and food ingredients, a state tax and a local tax is imposed on the entire bundled transaction equal to the sum of:
- 342 (A) the tax rates described in Subsection (2)(a)(i); and
- 343 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates described in Subsection (2)(a)(ii).

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- 345 (ii) If an optional computer software maintenance contract is a bundled transaction that consists of taxable and nontaxable products that are not separately itemized on an invoice or similar billing document, the purchase of the optional computer software maintenance contract is 40% taxable under this chapter and 60% nontaxable under this chapter.
- 350 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled transaction described in Subsection (2)(f)(i) or (ii):
- 352 (A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:
- 357 (I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or
- 361 (II) state or federal law provides otherwise; or
- 362 (B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:
- 366 (I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or
- 370 (II) state or federal law provides otherwise.
- 371 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.
- 374 (g)
- (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal property, other property, a product, or a service that is not subject to taxation under this chapter, the entire transaction is subject to taxation under this chapter unless the seller, at the time of the transaction:

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- 381 (A) separately states the portion of the transaction that is not subject to taxation under this chapter
on an invoice, bill of sale, or similar document provided to the purchaser; or
- 384 (B) is able to identify by reasonable and verifiable standards, from the books and records the seller
keeps in the seller's regular course of business, the portion of the transaction that is not subject
to taxation under this chapter.
- 387 (ii) A purchaser and a seller may correct the taxability of a transaction if:
- 388 (A) after the transaction occurs, the purchaser and the seller discover that the portion of the transaction
that is not subject to taxation under this chapter was not separately stated on an invoice, bill of sale,
or similar document provided to the purchaser because of an error or ignorance of the law; and
- 392 (B) the seller is able to identify by reasonable and verifiable standards, from the books and records the
seller keeps in the seller's regular course of business, the portion of the transaction that is not subject
to taxation under this chapter.
- 395 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps in the seller's
regular course of business includes books and records the seller keeps in the regular course of
business for nontax purposes.
- 398 (h)
- (i) If the sales price of a transaction is attributable to two or more items of tangible personal property,
products, or services that are subject to taxation under this chapter at different rates, the entire
purchase is subject to taxation under this chapter at the higher tax rate unless the seller, at the time
of the transaction:
- 402 (A) separately states the items subject to taxation under this chapter at each of the different rates on
an invoice, bill of sale, or similar document provided to the purchaser; or
- 405 (B) is able to identify by reasonable and verifiable standards the tangible personal property,
product, or service that is subject to taxation under this chapter at the lower tax rate from the
books and records the seller keeps in the seller's regular course of business.
- 409 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the seller's regular
course of business includes books and records the seller keeps in the regular course of business for
nontax purposes.
- 412 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate imposed under
the following shall take effect on the first day of a calendar quarter:
- 414 (i) Subsection (2)(a)(i)(A);

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- 415 (ii) Subsection (2)(a)(i)(B);
- 416 (iii) Subsection (2)(b)(i);
- 417 (iv) Subsection (2)(c)(i); or
- 418 (v) Subsection (2)(f)(i)(A).
- 419 (j)
- (i) A tax rate increase takes effect on the first day of the first billing period that begins on or after the effective date of the tax rate increase if the billing period for the transaction begins before the effective date of a tax rate increase imposed under:
- 423 (A) Subsection (2)(a)(i)(A);
- 424 (B) Subsection (2)(a)(i)(B);
- 425 (C) Subsection (2)(b)(i);
- 426 (D) Subsection (2)(c)(i); or
- 427 (E) Subsection (2)(f)(i)(A).
- 428 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is rendered on or after the effective date of the repeal of the tax or the tax rate decrease imposed under:
- 431 (A) Subsection (2)(a)(i)(A);
- 432 (B) Subsection (2)(a)(i)(B);
- 433 (C) Subsection (2)(b)(i);
- 434 (D) Subsection (2)(c)(i); or
- 435 (E) Subsection (2)(f)(i)(A).
- 436 (k)
- (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax rate takes effect:
- 439 (A) on the first day of a calendar quarter; and
- 440 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 442 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 443 (A) Subsection (2)(a)(i)(A);
- 444 (B) Subsection (2)(a)(i)(B);
- 445 (C) Subsection (2)(b)(i);

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- 446 (D) Subsection (2)(c)(i); or
447 (E) Subsection (2)(f)(i)(A).
448 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission
may by rule define the term "catalogue sale."
450 (l)
(i) For a location described in Subsection (2)(l)(ii), the commission shall determine the taxable status of
a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the predominant use of the gas,
electricity, heat, coal, fuel oil, or other fuel at the location.
454 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil, or other fuel is
furnished through a single meter for two or more of the following uses:
457 (A) a commercial use;
458 (B) an industrial use; or
459 (C) a residential use.
460 (3)
(a) The commission shall deposit the following state taxes into the General Fund:
461 (i) the tax imposed by Subsection (2)(a)(i)(A);
462 (ii) the tax imposed by Subsection (2)(b)(i);
463 (iii) the tax imposed by Subsection (2)(c)(i);
464 (iv) the tax imposed by Subsection (2)(d); and
465 (v) the tax imposed by Subsection (2)(f)(i)(A).
466 (b) The commission shall distribute the following local taxes to a county, city, or town as provided in
this chapter:
468 (i) the tax imposed by Subsection (2)(a)(ii);
469 (ii) the tax imposed by Subsection (2)(b)(ii);
470 (iii) the tax imposed by Subsection (2)(c)(ii); and
471 (iv) the tax imposed by Subsection (2)(f)(i)(B).
472 (4)
(a) Notwithstanding Subsection (3)(a), for each fiscal year the commission shall make the deposits
described in Subsections (4)(b) through (4)(h) from the revenue from the taxes imposed by:
475 (i) Subsection (2)(a)(i)(A);
476 (ii) Subsection (2)(b)(i);

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- 477 (iii) Subsection (2)(c)(i); and
478 (iv) Subsection (2)(f)(i)(A).
- 479 (b) The commission shall deposit 15% of the difference between 1.4543% of the revenue described in
Subsection (4)(a) and the deposits made under Subsection (5)(b), into the Water Rights Restricted
Account created in Section 73-2-1.6.
- 482 (c) The commission shall deposit 85% of the difference between 1.4543% of the revenue described
in Subsection (4)(a) and the deposits made under Subsection (5)(b), into the Water Resources
Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water
Resources for:
- 486 (i) preconstruction costs:
487 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River
Development Act; and
489 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73,
Chapter 28, Lake Powell Pipeline Development Act;
- 491 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26,
Bear River Development Act;
- 493 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by
Title 73, Chapter 28, Lake Powell Pipeline Development Act; and
- 496 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and Subsection (5)(b)(iv)
(B) after funding the uses specified in Subsections (4)(c)(i) through (iii).
- 499 (d) The commission shall deposit 1.4543% of the revenue described in Subsection (4)(a) into the Water
Infrastructure Restricted Account created in Section 73-10g-103.
- 501 (e)
(i) Subject to Subsection (4)(e)(ii), the commission shall deposit 26.24% of the revenue described in
Subsection (4)(a) into the Transportation Investment Fund of 2005 created in Section 72-2-124.
- 504 (ii) The commission shall annually reduce the deposit described in Subsection (4)(e)(i) by the sum of:
506 (A) \$1,813,400;
507 (B) the earmark described in Subsection (5)(c); and
508 (C) an amount equal to 35% of the revenue generated in the current fiscal year by the portion of the tax
imposed on motor and special fuel that is sold, used, or received in the state that exceeds 29.4 cents
per gallon.

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- 511 (iii) The amount described in Subsection (4)(e)(ii)(C) shall be annually deposited into the Transit
Transportation Investment Fund created in Section 72-2-124.
- 513 (f) The commission shall deposit .44% of the revenue described in Subsection (4)(a) into the
Cottonwood Canyons Transportation Investment Fund created in Section 72-2-124.
- 516 (g) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into the Commuter
Rail Subaccount created in Section 72-2-124.
- 518 (h) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into the Outdoor
Adventure Infrastructure Restricted Account created in Section 51-9-902 as follows:
- 521 (i) into the Outdoor Adventure Infrastructure Restricted Account created in Section 51-9-902, an
amount equal to the amount that was deposited into the Outdoor Adventure Infrastructure Restricted
Account in fiscal year 2025; and
- 524 (ii) for any amount exceeding the amount described in Subsection (4)(h)(i), 50% into the Outdoor
Adventure Infrastructure Restricted Account and 50% to the Utah Fairpark Area Investment and
Restoration District created in Section 11-70-201.
- 527 (5)
- (a) Notwithstanding Subsection (3)(a), each fiscal year the commission shall make the deposits
described in this Subsection (5).
- 529 (b)
- (i)
- (A) The commission shall deposit \$500,000 to the Department of Natural Resources to be used for
watershed rehabilitation or restoration.
- 531 (B) At the end of each fiscal year, 100% of any unexpended amount described in Subsection (5)
(b)(i)(A) shall lapse into the Water Resources Conservation and Development Fund created in
Section 73-10-24.
- 534 (ii) The commission shall deposit \$150,000 to the Division of Water Resources for cloud-seeding
projects authorized by Title 73, Chapter 15, Modification of Weather.
- 537 (iii) The commission shall deposit \$525,000 into the Division of Conservation created in Section
4-46-401 to implement water related programs.
- 539 (iv) The commission shall deposit \$7,175,000 into the Water Resources Conservation and Development
Fund created in Section 73-10-24 for use by the Division of Water Resources:
- 542

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- (A) for the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24;
- 544 (B) to conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;
- 550 (C) to fund state required dam safety improvements; and
- 551 (D) to protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.
- 553 (v) The commission shall deposit \$3,587,500 into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.
- 556 (vi) The commission shall deposit \$3,587,500 into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:
- 559 (A) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;
- 562 (B) develop underground sources of water, including springs and wells; and
- 563 (C) develop surface water sources.
- 564 (vii) The commission shall deposit \$2,450,000 to the Division of Wildlife Resources to:
- 566 (A) implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species; or
- 568 (B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species.
- 572 (viii) Funds transferred to the Division of Wildlife Resources under Subsection (5)(b)(vii)(A) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531, et seq.
- 577 (ix) At the end of each fiscal year, any unexpended amounts described in Subsections (5)(b)(vii)(A) and (B) shall lapse:
- 579 (A) 50% into the Water Resources Conservation and Development Fund created in Section 73-10-24;

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- 581 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
583 (C) 25% into the Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 585 (x) The commission shall allocate \$175,000 to the Division of Water Rights to cover the costs incurred
in hiring legal and technical staff for the adjudication of water rights.
- 588 (xi) At the end of each fiscal year, any unexpended amounts described in Subsection (5)(b)(x) shall
lapse:
- 590 (A) 50% into the Water Resources Conservation and Development Fund created in Section 73-10-24;
592 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
594 (C) 25% into the Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 596 (c) The commission shall deposit \$45,000,000 into the Active Transportation Investment Fund created
in Section 72-2-124.
- 598 (d) The commission shall deposit \$533,750 into the Qualified Emergency Food Agencies Fund created
by and expended in accordance with Section 35A-8-1009.
- 600 (e) The commission shall deposit \$200,000 into the General Fund as a dedicated credit for the sole
use of the Search and Rescue Financial Assistance Program created by and to be expended in
accordance with Title 53, Chapter 2a, Part 11, Search and Rescue Act.
- 604 (6)
- (a) The rate specified in this Subsection (6) is 0.15%.
- 605 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July
1, 2019, annually transfer the amount of revenue collected from the rate described in Subsection (6)
(a) on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(B) into the
Medicaid ACA Fund created in Section 26B-1-315.
- 610 (7)
- (a) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12), and (13), and as
described in Section 63N-3-610, beginning the first day of a calendar quarter one year after the sales
and use tax boundary for a housing and transit reinvestment zone is established under Title 63N,
Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the commission, at least annually,
shall transfer an amount equal to 15% of the sales and use tax increment from the sales and use tax
imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within an established
sales and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation
Investment Fund created in Section 72-2-124.

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- 619 (b) Beginning no sooner than January 1, 2026, notwithstanding Subsection (3)(a), and except as
provided in Subsections (11), (12), and (13), and as described in Section 63N-3-610.1, beginning
the first day of a calendar quarter after the year set in the proposal and after the sales and use tax
boundary for a convention center reinvestment zone is established in a capital city under Title
63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the commission, at least
annually, shall transfer an amount equal to 50% of the sales and use tax increment as defined in
Section 63N-3-602 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate,
on transactions occurring within an established sales and use tax boundary, as defined in Section
63N-3-602, to a convention center public infrastructure district created in accordance with Section
17D-4-202.1 and specified in the convention center reinvestment zone proposal submitted pursuant
to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- 632 (8) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12), and (13),
beginning October 1, 2024 the commission shall transfer to the Utah Fairpark Area Investment and
Restoration District, created in Section 11-70-201, the revenue from the sales and use tax imposed
by Subsection (2)(a)(i)(A), on transactions occurring within the district sales tax area, as defined in
Section 11-70-101.
- 637 (9)
- (a) As used in this Subsection (9):
- 638 (i) "Additional land" means point of the mountain state land described in Subsection 11-59-102(6)
(b) that the point of the mountain authority acquires after the point of the mountain authority
provides the commission a map under Subsection (9)(c).
- 641 (ii) "Point of the mountain authority" means the Point of the Mountain State Land Authority,
created in Section 11-59-201.
- 643 (iii) "Point of the mountain state land" means the same as that term is defined in Section 11-59-102.
- 645 (b) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12), and (13), the
commission shall distribute to the point of the mountain authority [50] 25% of the revenue from the
sales and use tax imposed by Subsection (2)(a)(i)(A), on transactions occurring on the point of the
mountain state land.
- 649 (c) The distribution under Subsection (9)(b) shall begin the next calendar quarter that begins at least 90
days after the point of the mountain authority provides the commission a map that:
- 652 (i) accurately describes the point of the mountain state land; and

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- 653 (ii) the point of the mountain authority certifies as accurate.
- 654 (d) A distribution under Subsection (9)(b) with respect to additional land shall begin the next
calendar quarter that begins at least 90 days after the point of the mountain authority provides the
commission a map of point of the mountain state land that:
- 657 (i) accurately describes the point of the mountain state land, including the additional land; and
- 659 (ii) the point of the mountain authority certifies as accurate.
- 660 (e)
- (i) Upon the payment in full of bonds secured by the sales and use tax revenue distributed to the
point of the mountain authority under Subsection (9)(b), the point of the mountain authority shall
immediately notify the commission in writing that the bonds are paid in full.
- 664 (ii) The commission shall discontinue distributions of sales and use tax revenue under Subsection
(9)(b) at the beginning of the calendar quarter that begins at least 90 days after the date that the
commission receives the written notice under Subsection (9)(e)(i).
- 668 (10) Notwithstanding Subsection (3)(a), the amount of state sales tax revenues described in Section
63N-2-503.5 is deposited into the Convention Incentive Fund created in Section 63N-2-503.5.
- 671 (11)
- (a) As used in this Subsection (11):
- 672 (i) "Applicable percentage" means:
- 673 (A) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing
and Transit Reinvestment Zone Act, 15% of the revenue from the sales and use tax imposed by
Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone
described in Subsection (11)(a)(ii)(A);
- 678 (B) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the
revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales
occurring within the qualified development zone described in Subsection (11)(a)(ii)(B); and
- 682 (C) for the Point of the Mountain State Land Authority created in Section 11-59-201, [50] 75% of the
revenue from sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring
within the qualified development zone described in Subsection (11)(a)(ii)(C).
- 686 (ii) "Qualified development zone" means:
- 687 (A) the sales and use tax boundary of a housing and transit reinvestment zone created under Title 63N,
Chapter 3, Part 6, Housing and Transit Reinvestment Act;

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- 690 (B) the district sales tax boundary as defined in Section 11-70-101 for the Utah Fairpark Area
Investment and Restoration District, created in Section 11-70-201; or
- 693 (C) the sales and use tax boundary of point of the mountain state land, as defined in Section 11-59-102,
under the Point of the Mountain State Land Authority created in Section 11-59-201.
- 696 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J
or a substantially similar form as designated by the commission.
- 699 (b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified
development zone shall be deposited into the General Fund.
- 701 (12)
- (a) As used in Subsections (12) and (13):
- 702 (i) "Applicable percentage" means, for a convention center reinvestment zone created in a capital
city under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount
equal to 50% of the sales and use tax increment, as that term is defined in Section 63N-3-602,
from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring
within the qualified development zone described in Subsection (12)(a)(ii).
- 708 (ii) "Qualified development zone" means the sales and use tax boundary of a convention center
reinvestment zone created in a capital city under Title 63N, Chapter 3, Part 6, Housing and
Transit Reinvestment Zone Act.
- 711 (iii) "Qualifying construction materials" means construction materials that are:
- 712 (A) delivered to a delivery outlet within a qualified development zone; and
- 713 (B) intended to be permanently attached to real property within the qualified development zone.
- 715 (b) For a sale of qualifying construction materials, the commission shall distribute the product
calculated in Subsection (12)(c) to a qualified development zone if the seller of the construction
materials:
- 718 (i) establishes a delivery outlet with the commission within the qualified development zone;
- 720 (ii) reports the sales of the construction materials to the delivery outlet described in Subsection (12)(b)
(i); and
- 722 (iii) does not report the sales of the construction materials on a simplified electronic return.
- 724 (c) For the purposes of Subsection (12)(b), the product is equal to:
- 725 (i) the sales price or purchase price of the qualifying construction materials; and
- 726 (ii) the applicable percentage.

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727 (13)

(a) As used in this Subsection (13), "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J, or a substantially similar form as designated by the commission.

730 (b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone shall be distributed into the General Fund.

732 Section 6. Section 63A-3-404 is amended to read:

733 **63A-3-404. Loan agreement.**

734 (1)

(a) A borrower that borrows money from an infrastructure fund shall enter into a loan agreement with the division for repayment of the money.

736 (b)

(i) A loan agreement under Subsection (1)(a) shall be secured by:

737 (A) bonds, notes, or another evidence of indebtedness validly issued under state law; or

739 (B) revenue generated from an infrastructure project.

740 (ii) The security provided under Subsection (1)(b)(i) may include the borrower's pledge of some or all of a revenue source that the borrower controls.

742 (c) The respective loan approval body may determine that property tax revenue or revenue from the infrastructure project for which the infrastructure loan is obtained is sufficient security for an infrastructure loan.

745 (2) An infrastructure loan shall bear interest at a rate not to exceed .5% above bond market interest rates available to the state.

747 (3)

(a) Subject to Subsection (3)(b), the respective loan approval body shall determine the length of term of an infrastructure loan.

749 (b) If the security for an infrastructure loan is property tax revenue, the repayment terms of the infrastructure loan agreement shall allow sufficient time for the property tax revenue to generate sufficient money to cover payments under the infrastructure loan.

752 (4) An infrastructure loan agreement may provide for a portion of the loan proceeds to be applied to a reserve fund to secure repayment of the infrastructure loan.

754 (5)

(a) If a borrower fails to comply with the terms of an infrastructure loan agreement, the division may:

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- 756 (i) seek any legal or equitable remedy to obtain:
- 757 (A) compliance with the agreement; or
- 758 (B) the payment of damages; and
- 759 (ii) request a state agency with money due to the borrower to withhold payment of the money to
the borrower and instead to pay the money to the division to pay any amount due under the
infrastructure loan agreement.
- 762 (b) A state agency that receives a request from the division under Subsection (5)(a)(ii) shall pay to the
division the money due to the borrower to the extent of the amount due under the infrastructure loan
agreement.
- 765 (6) Upon approval from the respective loan approval body the division shall loan money from an
infrastructure fund according to the terms established by the respective loan approval body.
- 768 (7)
- (a) The division shall administer and enforce an infrastructure loan according to the terms of the
infrastructure loan agreement.
- 770 (b)
- (i) Beginning May 5, 2021, the division shall assume responsibility from the State Infrastructure Bank
Fund for servicing the loan under Subsection 63B-27-101(3)(a)(i).
- 773 (ii) Payments due on or after October 1, 2021, under the loan under Subsection 63B-27-101(3)(a)(i)
shall be made to the division rather than to the State Infrastructure Bank Fund, to be deposited into
the military development fund.
- 776 (iii) Notwithstanding Subsection (7)(b)(ii) and upon receipt of each debt service payment, the division
shall deposit an amount equal to interest payments due on the bond described in Subsection
63B-27-101(3)(a)(i) into the Transportation Investment Fund of 2005 created in Section 72-2-124.
- 780 (8) A borrower may request, and the division may consider, an amendment to a loan agreement
described in this section that:
- 782 (a) extends the term of the borrower's repayment; or
- 783 (b) forgives the balance of the borrower's loan.
- 784 (9)
- (a) The division may agree to a request described in Subsection (8) and amend a loan agreement as
described in this Subsection (9).
- 786

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(b) Upon receiving a request described in Subsection (8), the division shall notify the Executive Appropriations Committee no later than 10 days after the day on which the division receives the request.

789 (c) Before amending a loan agreement, the division shall:

790 (i) consider factors necessitating the amendment and whether the amendment is in the best interests of the state, including if:

792 (A) the infrastructure project was properly managed and loan funds were wisely invested;

794 (B) external factors existed beyond the borrower's control that made the infrastructure projects impossible or impractical to complete; and

796 (C) changes to the infrastructure project would avoid the need for extension or forgiveness and additional investment of funds;

798 (ii) consider how and if the state shall be made financially whole, in whole or in part, under the proposed amendment; and

800 (iii) provide notice to, and receive advice from, the Executive Appropriations Committee as described in Subsection (9)(d).

802 (d)

(i) The division shall notify the Executive Appropriations Committee of a proposed amendment to a loan agreement at least 45 days before the division executes the amendment.

805 (ii) The Executive Appropriations Committee may provide, and the division shall consider, advice regarding a proposed amendment described in this Subsection (9).

807 Section 7. Section **63I-1-210** is amended to read:

808 **63I-1-210. Repeal dates: Title 10.**

195 (1) Subsection 10-1-104(5)(c), regarding a preliminary municipality, is repealed January 1, 2031.

197 (2) Subsection 10-2a-201.5(1)(b), regarding a preliminary municipality, is repealed January 1, 2031.

199 (3) Subsection 10-2a-202(5), regarding a feasibility request, is repealed January 1, 2031.

200 (4) Title 10, Chapter 2a, Part 5, Incorporation of a Preliminary Municipality, is repealed January 1, 2031.

202 (5) Subsection 10-20-305(2), authorizing a municipality to coordinate with the exempted government landowner to develop a prospective land use regulation or general plan amendment for a parcel of state-owned land, is repealed January 1, 2036.

819 Section 8. Section **63I-1-211** is amended to read:

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820 **63I-1-211. Repeal dates: Title 11.**

[Title 11, Chapter 59, Point of the Mountain State Land Authority Act, is repealed
January 1, 2029.]

Subsection 11-59-103(5), authorizing the Point of the Mountain State Land Authority to
coordinate with the city of Draper before disposing of certain parcels of state-owned land, is
repealed January 1, 2036.

826 Section 9. **Effective date.**

Effective Date.

~~{ This }~~ Except as provided in Subsection (2), this bill takes effect ~~{ on }~~ May 6, 2026.

828 (2) The actions affecting Section 59-12-103 (Effective 07/01/26) take effect on July 1, 2026.

3-3-26 9:29 AM