

Jordan D. Teuscher proposes the following substitute bill:

Point of the Mountain State Land Authority Modifications

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W Stevenson

House Sponsor: Jordan D. Teuscher

LONG TITLE

General Description:

This bill deals with the Point of the Mountain State Land Authority.

Highlighted Provisions:

This bill:

- defines terms;
- authorizes a municipality to coordinate with a state agency, independent entity, or regional economic development authority with exclusive control over the management, development, and disposition of a parcel of state-owned land in order to ensure future alignment with municipal general plans and land use regulations;
- requires a public infrastructure district created by a development authority to have a majority of the public infrastructure district's board members appointed by the governing body of the development authority, subject to exceptions;
- provides that a public infrastructure district created by a development authority that issues a bond may not issue additional or subsequent bonds but may refinance bonds one time;
- provides that the Point of the Mountain State Land Authority (authority) may coordinate with Draper when the authority intends to dispose of a parcel of point of the mountain state land to a private party;
- modifies the distribution percentages of privilege tax to the authority for certain parcels of point of the mountain state land;
- modifies the percentage of property tax augmentation that shall be distributed to the authority for certain transferred parcels;
- reduces the percentage of state sales and tax revenue the State Tax Commission is directed to distribute to the authority;
- 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

- 29 loan funds;
- 30 ▸ repeals a sunset date and creates a sunset date; and
- 31 ▸ makes technical and conforming changes.

32 **Money Appropriated in this Bill:**

33 None

34 **Other Special Clauses:**

35 This bill provides a special effective date.

36 **Utah Code Sections Affected:**

37 AMENDS:

38 **10-20-305 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025,
39 First Special Session, Chapter 15

40 **11-59-103 (Effective 05/06/26) (Repealed 01/01/29)**, as last amended by Laws of Utah
41 2025, First Special Session, Chapter 15

42 **11-59-207 (Effective 05/06/26) (Repealed 01/01/29)**, as last amended by Laws of Utah
43 2025, Chapter 31

44 **11-59-208 (Effective 05/06/26) (Repealed 01/01/29)**, as enacted by Laws of Utah 2022,
45 Chapter 237

46 **17D-4-202 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 347

47 **59-12-103 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 285

48 **63A-3-404 (Effective 05/06/26)**, as last amended by Laws of Utah 2022, Chapters 237,
49 463

50 **63I-1-210 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Third Special
51 Session, Chapter 5

52 **63I-1-211 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Third Special
53 Session, Chapters 4, 5

54 ENACTS:

55 **17D-4-202.2 (Effective 05/06/26)**, Utah Code Annotated 1953

56

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

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

59 **10-20-305 (Effective 05/06/26). State and federal property.**

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

- 63 (2)(a) As used in this Subsection (2), "exempted government landowner" means a state
 64 agency, independent entity, or regional economic development authority that has
 65 exclusive control over the management, development, and disposition of a parcel of
 66 state-owned land.
- 67 (b) Notwithstanding Subsection (1), when an exempted government landowner intends
 68 to dispose of a parcel of state-owned land, a municipality may coordinate with the
 69 exempted government landowner to develop a prospective land use regulation or
 70 general plan amendment for the parcel in order to ensure alignment between the
 71 exempted government landowner's activity and objectives and the municipality's role
 72 as the land use authority in the event that the parcel is conveyed to a private owner.
- 73 (c) A municipal legislative body that adopts a prospective land use regulation or amends
 74 a general plan under Subsection (2)(b) is not required to comply with the notice
 75 provisions of Part 2, Notice, the procedure specified in Section 10-20-502, or
 76 Subsections 10-20-503(2) and (3), if:
- 77 (i) the prospective land use regulation will govern, or the general plan amendment
 78 describes, state-owned land in the event that the state-owned land is transferred to
 79 private ownership; and
- 80 (ii) the exempted government landowner requested the prospective land use
 81 regulation or general plan amendment.

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

83 **11-59-103 (Effective 05/06/26) (Repealed 01/01/29). Scope of chapter -- Limit on**
 84 **selling or leasing point of the mountain state land -- Authority control over point of the**
 85 **mountain state land -- Role of Division of Facilities Construction and Management --**
 86 **Local government authority not applicable.**

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

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

92 (b) The authority has complete and exclusive control over the management,
 93 development, and disposition of the point of the mountain state land.

94 (3)(a) The facilities division serves the role of compliance agency under Title 15A, State
 95 Construction and Fire Codes Act, with respect to the point of the mountain state land.

96 (b) The facilities division is the permitting agency responsible for the issuance of a

97 building permit or certificate of occupancy related to construction on the point of the
98 mountain state land, in accordance with applicable building codes and standards.

99 (4) The authority of a local government under Title 10, Chapter 20, Municipal Land Use,
100 Development, and Management Act, or Title 17, Chapter 79, County Land Use,
101 Development, and Management Act, does not apply to the use of the point of the
102 mountain state land or to any improvements constructed on the point of the mountain
103 state land, including improvements constructed by an entity other than the authority.

104 (5) If the authority intends to dispose of a parcel of point of the mountain state land to a
105 private party, the authority shall:

106 (a) coordinate with Draper in accordance with Section 10-20-305 to ensure:

107 (i) the authority's objectives described in Section 11-59-203 are achieved in regard to
108 the parcel;

109 (ii) the highest and best use of the parcel; and

110 (iii) that the planning for and development of the parcel, if any, may continue after
111 disposal in the same manner as before disposal; and

112 (b) provide Draper with a draft land use regulation to govern the parcel of point of the
113 mountain state land.

114 Section 3. Section **11-59-207** is amended to read:

115 **11-59-207 (Effective 05/06/26) (Repealed 01/01/29). Privilege tax on leased**
116 **property on state-owned land.**

117 (1) As used in this section:

118 (a) "Exempt property" means real property that is exempt from ad valorem property tax
119 because the real property is owned by the state.

120 (b) "Lease agreement" means an agreement by which a private person leases from the
121 state real property that is part of the point of the mountain state land.

122 (c)(i) "Leased property" means real property that:

123 (A) is part of the point of the mountain state land;

124 (B) is leased by a private person; and

125 (C) would be subject to ad valorem property tax if the real property were owned
126 by the private person.

127 (ii) "Leased property" includes attachments and other improvements to the real
128 property that would be included in an assessment of the value of the real property
129 if the real property were not exempt property.

130 (d) "Lessee" means a private person that leases property that is part of the point of the

- 131 mountain state land under a lease agreement.
- 132 (e) "Phase one land" means a portion of the leased property that:
- 133 (i) is identified by a plat or legal description;
- 134 (ii) consists, or will consist, of one or more parcels;
- 135 (iii) is identified by the authority in a written agreement, executed before January 1,
- 136 2026, as either intended for development as:
- 137 (A) the first phase of development of the point of the mountain state land; or
- 138 (B) an event center and related facilities, including parking and public infrastrucur
- 139 e; and
- 140 (iv) does not exceed 105 total acres.
- 141 ~~(e)~~ (f) "Privilege tax" means a tax imposed under Section 59-4-101.
- 142 (2) Beginning January 1 of the year immediately following the execution of a lease
- 143 agreement, the possession or other beneficial use enjoyed by any person of property on
- 144 point of the mountain state land, if that property is used in connection with a business
- 145 conducted for profit, is subject to Title 59, Chapter 4, Privilege Tax.
- 146 (3) The treasurer of the county in which the point of the mountain state land is located shall,
- 147 in the manner and at the time provided in Section 59-2-1365:
- 148 (a) collect privilege tax from a lessee; and
- 149 (b) distribute privilege tax revenue to the authority in the following percentages:
- 150 (i) for phase one land:
- 151 ~~(i)~~ (A) beginning January 1, 2025, 100% of the privilege tax revenue~~[-generated~~
- 152 ~~by the privilege tax on point of the mountain state land];~~
- 153 ~~(ii)~~ (B) beginning January 1, 2038, 96.3% of the privilege tax revenue~~[-generated~~
- 154 ~~by the privilege tax on point of the mountain state land];~~
- 155 ~~(iii)~~ (C) beginning January 1, 2044, 92.5% of the privilege tax revenue~~[-~~
- 156 ~~generated by the privilege tax on point of the mountain state land];~~
- 157 ~~(iv)~~ (D) beginning January 1, 2049, 90% of the privilege tax revenue~~[-generated~~
- 158 ~~by the privilege tax on point of the mountain state land];~~
- 159 ~~(v)~~ (E) beginning January 1, 2054, 87.5% of the privilege tax revenue~~[-generated~~
- 160 ~~by the privilege tax on point of the mountain state land]; and~~
- 161 ~~(vi)~~ (F) beginning January 1, 2068, 25% of the privilege tax revenue~~[-generated~~
- 162 ~~by the privilege tax on point of the mountain state land.] ; and~~
- 163 (ii) for point of the mountain state land that is not phase one land, according to the
- 164 same terms as in Subsection (3)(b)(i), unless the authority provides notice to the

165 county treasurer that a lower percentage of privilege tax shall be distributed to the
 166 authority.

167 (4) If applicable, the authority shall provide the notice described in Subsection (3)(b)(ii):

168 (a) in writing; and

169 (b) by no later than October 1 of the year before the reduced distribution percentage for
 170 the privilege tax revenue generated on point of the mountain state land that is not
 171 phase one land is intended to commence.

172 Section 4. Section **11-59-208** is amended to read:

173 **11-59-208 (Effective 05/06/26) (Repealed 01/01/29). Portion of property tax**
 174 **augmentation to be paid to authority.**

175 (1) As used in this section:

176 (a) "Base taxable value" means the taxable value in the year before the transfer date.

177 (b) "Property tax augmentation":

178 (i) means the amount of property tax that is the difference between:

179 (A) the amount of property tax revenues generated each tax year by all taxing
 180 entities from a transferred parcel, using the current assessed value of the
 181 property; and

182 (B) the amount of property tax revenues that would be generated from that same
 183 transferred parcel using the base taxable value of the property; and

184 (ii) does not include property tax revenue from:

185 (A) a county additional property tax or multicounty assessing and collecting levy
 186 imposed in accordance with Section 59-2-1602;

187 (B) a judgment levy imposed by a taxing entity under Section 59-2-1328 or
 188 59-2-1330; or

189 (C) a levy imposed by a taxing entity under Section 11-14-310 to pay for a general
 190 obligation bond.

191 (c) "Transfer date" means the date that fee title to land that is part of the point of the
 192 mountain state land is transferred to a private person.

193 (d) "Transferred parcel" means a parcel of land:

194 (i) that is part of the point of the mountain state land; and

195 (ii) the fee title to which has been transferred to a private person.

196 (2) Beginning January 1, [~~2023~~] 2026, the authority shall be paid [~~75%~~] 25% of property tax
 197 augmentation from a transferred parcel:

198 (a) for a period of 25 years beginning January 1 of the year immediately following the

- 199 transfer date for the transferred parcel; and
- 200 (b) for a period of an additional 15 years beyond the period stated in Subsection (2)(a) if:
- 201 (i) the board determines by resolution that the additional years will produce a
- 202 significant benefit to the authority; and
- 203 (ii) the resolution is adopted before the end of the 25-year period under Subsection
- 204 (2)(a).

205 (3) A county that collects property tax on property within the county in which the point of

206 the mountain state land is located shall pay and distribute to the authority the amount of

207 property tax augmentation that the authority is entitled to collect under Subsection (2), in

208 the manner and at the time provided in Section 59-2-1365.

209 Section 5. Section **17D-4-202** is amended to read:

210 **17D-4-202 (Effective 05/06/26). Public infrastructure district board -- Governing**

211 **document.**

- 212 (1)(a) The legislative body or board of the creating entity shall appoint the initial
- 213 members of the board of a public infrastructure district, in accordance with:
- 214 (i) the governing document[-] ; and
- 215 (ii) this part.
- 216 (b) A governing document approved by the legislative body or board of the creating
- 217 entity may provide for the board of a public infrastructure district to, upon a vacancy
- 218 on the board, appoint an individual to the board so long as the individual meets the
- 219 requirements to serve on a public infrastructure district board described in this
- 220 section.
- 221 (c) For public infrastructure districts not described in Subsection (1)(b), and except as
- 222 provided in Subsection (1)(d):
- 223 (i) if there is a vacancy on the board of a public infrastructure district, or a board
- 224 member provides notice to the legislative body or board of the creating entity of
- 225 the board member's intention to resign from the board, the legislative body or
- 226 board of the creating entity shall appoint a replacement board member within 45
- 227 days from the day on which the vacancy first occurs or the board member
- 228 provides notice of the board member's intent to resign; and
- 229 (ii) if a legislative body or board of the creating entity fails to fill a vacancy on the
- 230 board within the time period described in Subsection (1)(c)(i), the board of the
- 231 public infrastructure district may appoint an individual who is eligible to serve on
- 232 the board according to the requirements of this section to fill the board vacancy.

- 233 (d) If a public infrastructure district board position has transitioned from appointment to
234 election, as described in Subsection (4), and an elected board position becomes
235 vacant, the provisions of Section 20A-1-512 apply to fill the vacancy.
- 236 (2)(a) Unless otherwise limited in the governing document and except as provided in
237 Subsection (2)(b), the initial term of each member of the board is four years.
- 238 (b) Notwithstanding Subsection (2)(a), approximately half of the members of the initial
239 board shall serve a six-year term so that, after the expiration of the initial term, the
240 term of approximately half the board members expires every two years.
- 241 (c) A board may elect that a majority of the board serve an initial term of six years.
- 242 (d) After the initial term, the term of each member of the board is four years.
- 243 (e) A member of the board who is appointed shall continue to serve on the board of the
244 public infrastructure district until a replacement board member is appointed.
- 245 (3)(a) Notwithstanding Subsection 17B-1-302(1)(b), a board member is not required to
246 be a resident within the boundaries of the public infrastructure district if:
- 247 (i) all of the surface property owners consent to the waiver of the residency
248 requirement;
- 249 (ii) there are no residents within the boundaries of the public infrastructure district;
- 250 (iii) no qualified candidate timely files to be considered for appointment to the board;
- 251 or
- 252 (iv) no qualified individual files a declaration of candidacy for a board position in
253 accordance with Subsection 17B-1-306(5).
- 254 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the
255 residency requirement in Subsection 17B-1-302(1)(b) is applicable to any board
256 member elected for a division or board position that has transitioned from an
257 appointed to an elected board member in accordance with this section.
- 258 (c) An individual who is not a resident within the boundaries of the public infrastructure
259 district may not serve as a board member unless the individual is:
- 260 (i) an owner of land or an agent or officer of the owner of land within the boundaries
261 of the public infrastructure district; and
- 262 (ii) a registered voter at the individual's primary residence.
- 263 (d) If the creating entity determines that a public infrastructure district is not anticipated
264 to have permanent residents within the public infrastructure district's boundaries, or is
265 anticipated to be primarily composed of non-residential property or non-primary
266 residential property, a governing document may allow the creating entity to continue

- 267 to appoint a property owner, or the agent of a property owner, to the public
268 infrastructure district board.
- 269 (e) A governing document may allow for a property owner to recommend a property
270 owner or a property owner's agent for appointment to the public infrastructure district
271 board in numbers proportional to the property owner's ownership of land, or value of
272 land, within a public infrastructure district.
- 273 (4)(a) A governing document may provide for a transition from legislative body
274 appointment under Subsection (1) to a method of election by registered voters based
275 upon milestones or events that the governing document identifies, including a
276 milestone for each division or individual board position providing that when the
277 milestone is reached:
- 278 (i) for a division, the registered voters of the division elect a member of the board in
279 place of an appointed member at the next municipal general election for the board
280 position; or
- 281 (ii) for an at large board position established in the governing document, the
282 registered voters of the public infrastructure district elect a member of the board in
283 place of an appointed member at the next municipal general election for the board
284 position.
- 285 (b) Regardless of whether a board member is elected under Subsection (4)(a), the
286 position of each remaining board member shall continue to be appointed under
287 Subsection (1) until the member's respective division or board position surpasses the
288 density milestone described in the governing document.
- 289 (5)(a) Subject to Subsection (5)(c), the board may, in the board's discretion but no more
290 frequently than every four years, reestablish the boundaries of each division so that
291 each division that has reached a milestone specified in the governing document, as
292 described in Subsection (4)(a), has, as nearly as possible, the same number of eligible
293 voters.
- 294 (b) In reestablishing division boundaries under Subsection (5)(a), the board shall
295 consider existing or potential developments within the divisions that, when
296 completed, would increase or decrease the number of eligible voters within the
297 division.
- 298 (c) The governing document may prohibit the board from reestablishing, without the
299 consent of the creating entity, the division boundaries as described in Subsection
300 (5)(a).

- 301 (6) A public infrastructure district may not compensate a board member for the member's
302 service on the board under Section 17B-1-307 unless the board member is a resident
303 within the boundaries of the public infrastructure district.
- 304 (7) A governing document shall:
- 305 (a) include a boundary description and a map of the public infrastructure district;
 - 306 (b) state the number of board members;
 - 307 (c) describe any divisions of the public infrastructure district;
 - 308 (d) establish any applicable property tax levy rate limit for the public infrastructure
309 district;
 - 310 (e) establish any applicable limitation on the principal amount of indebtedness for the
311 public infrastructure district; and
 - 312 (f) include other information that the public infrastructure district or the creating entity
313 determines to be necessary or advisable.
- 314 (8)(a) Except as provided in Subsection (8)(b), the board and the governing body of the
315 creating entity may amend a governing document by each adopting a resolution that
316 approves the amended governing document.
- 317 (b) Notwithstanding Subsection (8)(a), any amendment to increase a property tax levy
318 rate limitation requires the consent of 100% of surface property owners within the
319 boundaries of the public infrastructure district.
- 320 (9) A board member is not in violation of Section 67-16-9 if the board member:
- 321 (a) discloses a business relationship in accordance with Sections 67-16-7 and 67-16-8
322 and files the disclosure with the creating entity:
 - 323 (i) before any appointment or election; and
 - 324 (ii) upon any significant change in the business relationship; and
 - 325 (b) conducts the affairs of the public infrastructure district in accordance with this title
326 and any parameters described in the governing document.
- 327 (10) Notwithstanding any other provision of this section, the governing document [~~governs~~]
328 and Section 17D-4-202.2 govern the number, appointment, and terms of board members
329 of a public infrastructure district created by the development authority.
- 330 Section 6. Section **17D-4-202.2** is enacted to read:
- 331 **17D-4-202.2 (Effective 05/06/26). Public infrastructure district created by a**
332 **development authority -- Board -- Governing document.**
- 333 (1) As used in this section:
- 334 (a) "Governing body" means the governing body of the development authority that

- 335 created a public infrastructure district.
- 336 (b) "Grandfathered public infrastructure district" means a public infrastructure district:
- 337 (i) created by the Point of the Mountain State Land Authority created in Section
- 338 11-59-201; and
- 339 (ii) that is not a specified public infrastructure district.
- 340 (c) "Specified public infrastructure district" means a public infrastructure district created
- 341 by a development authority on or after May 6, 2026.
- 342 (2) Except as provided in Subsection (3), the governing document of a specified public
- 343 infrastructure district shall require that a majority of the board members of the specified
- 344 public infrastructure district be appointed by the governing body.
- 345 (3) Beginning May 6, 2026, a grandfathered public infrastructure district shall modify the
- 346 public infrastructure district's governing document by no later than July 1, 2026, to
- 347 ensure that at least 40% of the public infrastructure board's seats are appointed by the
- 348 governing body.
- 349 (4) The governing document of a specified public infrastructure district may provide for a
- 350 different board structure than described in Subsection (2) if:
- 351 (a) the governing body finds that a compelling reason exists to reduce the number of
- 352 appointments made by the governing body;
- 353 (b) the board and the governing body both make a 2/3 vote to modify the governing
- 354 document to reduce the number of appointments made by the governing body; and
- 355 (c) the governing body retains the ability to appoint a minimum of 40% of the board.
- 356 (5)(a) Except as provided in Subsections (5)(b) and (c), a public infrastructure district
- 357 created by a development authority that issues a bond may not issue additional bonds
- 358 or create new debt.
- 359 (b) A public infrastructure district created by a development authority may refinance the
- 360 public infrastructure district's bonds one time if authorized in the public infrastructure
- 361 district's governing document.
- 362 (c) If a development authority determines that an additional or subsequent bond is
- 363 required to fulfill the statutory duties of the development authority, the governing
- 364 body may authorize a new issuance or create a new public infrastructure district to
- 365 facilitate the need for an additional or subsequent bond.

366 Section 7. Section **59-12-103** is amended to read:

367 **59-12-103 (Effective 07/01/26). Sales and use tax base -- Rates -- Effective dates**

368 **-- Use of sales and use tax revenue.**

- 369 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales
370 price for amounts paid or charged for the following transactions:
- 371 (a) retail sales of tangible personal property made within the state;
- 372 (b) amounts paid for:
- 373 (i) telecommunications service, other than mobile telecommunications service, that
374 originates and terminates within the boundaries of this state;
- 375 (ii) mobile telecommunications service that originates and terminates within the
376 boundaries of one state only to the extent permitted by the Mobile
377 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
- 378 (iii) an ancillary service associated with a:
- 379 (A) telecommunications service described in Subsection (1)(b)(i); or
380 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 381 (c) sales of the following for commercial use:
- 382 (i) gas;
- 383 (ii) electricity;
- 384 (iii) heat;
- 385 (iv) coal;
- 386 (v) fuel oil; or
387 (vi) other fuels;
- 388 (d) sales of the following for residential use:
- 389 (i) gas;
- 390 (ii) electricity;
- 391 (iii) heat;
- 392 (iv) coal;
- 393 (v) fuel oil; or
394 (vi) other fuels;
- 395 (e) sales of prepared food;
- 396 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
397 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
398 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
399 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling
400 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
401 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
402 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,

- 403 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
404 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
405 activity;
- 406 (g) amounts paid or charged for services for repairs or renovations of tangible personal
407 property, unless Section 59-12-104 provides for an exemption from sales and use tax
408 for:
- 409 (i) the tangible personal property; and
410 (ii) parts used in the repairs or renovations of the tangible personal property described
411 in Subsection (1)(g)(i), regardless of whether:
- 412 (A) any parts are actually used in the repairs or renovations of that tangible
413 personal property; or
414 (B) the particular parts used in the repairs or renovations of that tangible personal
415 property are exempt from a tax under this chapter;
- 416 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted
417 cleaning or washing of tangible personal property;
- 418 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer
419 court accommodations and services;
- 420 (j) amounts paid or charged for laundry or dry cleaning services;
- 421 (k) amounts paid or charged for leases or rentals of tangible personal property if within
422 this state the tangible personal property is:
- 423 (i) stored;
424 (ii) used; or
425 (iii) otherwise consumed;
- 426 (l) amounts paid or charged for tangible personal property if within this state the tangible
427 personal property is:
- 428 (i) stored;
429 (ii) used; or
430 (iii) consumed;
- 431 (m) amounts paid or charged for a sale:
- 432 (i)(A) of a product transferred electronically; or
433 (B) of a repair or renovation of a product transferred electronically; and
434 (ii) regardless of whether the sale provides:
- 435 (A) a right of permanent use of the product; or
436 (B) a right to use the product that is less than a permanent use, including a right:

- 437 (I) for a definite or specified length of time; and
438 (II) that terminates upon the occurrence of a condition; and
439 (n) sales of leased tangible personal property from the lessor to the lessee made in the
440 state.
- 441 (2)(a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are
442 imposed on a transaction described in Subsection (1) equal to the sum of:
- 443 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
444 (A) 4.70%;
445 (B) the rate specified in Subsection (6)(a); and
446 (C) the tax rate the state imposes in accordance with Part 20, Supplemental State
447 Sales and Use Tax Act, if the location of the transaction as determined under
448 Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated
449 area of a county in which the state imposes the tax under Part 20, Supplemental
450 State Sales and Use Tax Act; and
451 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
452 transaction under this chapter other than this part.
- 453 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state
454 tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal
455 to the sum of:
456 (i) a state tax imposed on the transaction at a tax rate of 2%; and
457 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
458 transaction under this chapter other than this part.
- 459 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed
460 on amounts paid or charged for food and food ingredients equal to the sum of:
461 (i) a state tax imposed on the amounts paid or charged for food and food ingredients
462 at a tax rate of 1.75%; and
463 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
464 amounts paid or charged for food and food ingredients under this chapter other
465 than this part.
- 466 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid
467 or charged for fuel to a common carrier that is a railroad for use in a locomotive
468 engine at a rate equal to the sum of the rates described in Subsections (2)(a)(i)(A) and
469 (2)(a)(i)(B).
- 470 (e)(i)(A) The rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B) do not

471 apply to car sharing, a car sharing program, a shared vehicle driver, or a shared
472 vehicle owner, for a car sharing or shared vehicle transaction if a shared
473 vehicle owner certifies to the commission, on a form prescribed by the
474 commission, that the shared vehicle is an individual-owned shared vehicle.

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

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

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

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

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

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

494 (iv) If all shared vehicles shared through a car-sharing program are certified as
495 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has
496 no obligation to collect and remit the tax under Subsections (2)(a)(i)(A) and
497 (2)(a)(i)(B) for that tax period.

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

500 (vi) A car-sharing program shall:

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

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

504 (f)(i) For a bundled transaction that is attributable to food and food ingredients and

- 505 tangible personal property other than food and food ingredients, a state tax and a
506 local tax is imposed on the entire bundled transaction equal to the sum of:
- 507 (A) the tax rates described in Subsection (2)(a)(i); and
 - 508 (B) a local tax imposed on the entire bundled transaction at the sum of the tax
509 rates described in Subsection (2)(a)(ii).
- 510 (ii) If an optional computer software maintenance contract is a bundled transaction
511 that consists of taxable and nontaxable products that are not separately itemized
512 on an invoice or similar billing document, the purchase of the optional computer
513 software maintenance contract is 40% taxable under this chapter and 60%
514 nontaxable under this chapter.
- 515 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled
516 transaction described in Subsection (2)(f)(i) or (ii):
- 517 (A) if the sales price of the bundled transaction is attributable to tangible personal
518 property, a product, or a service that is subject to taxation under this chapter
519 and tangible personal property, a product, or service that is not subject to
520 taxation under this chapter, the entire bundled transaction is subject to taxation
521 under this chapter unless:
 - 522 (I) the seller is able to identify by reasonable and verifiable standards the
523 tangible personal property, product, or service that is not subject to taxation
524 under this chapter from the books and records the seller keeps in the seller's
525 regular course of business; or
 - 526 (II) state or federal law provides otherwise; or
 - 527 (B) if the sales price of a bundled transaction is attributable to two or more items
528 of tangible personal property, products, or services that are subject to taxation
529 under this chapter at different rates, the entire bundled transaction is subject to
530 taxation under this chapter at the higher tax rate unless:
 - 531 (I) the seller is able to identify by reasonable and verifiable standards the
532 tangible personal property, product, or service that is subject to taxation
533 under this chapter at the lower tax rate from the books and records the seller
534 keeps in the seller's regular course of business; or
 - 535 (II) state or federal law provides otherwise.
- 536 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
537 seller's regular course of business includes books and records the seller keeps in
538 the regular course of business for nontax purposes.

- 539 (g)(i) Except as otherwise provided in this chapter and subject to Subsections
540 (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible
541 personal property, a product, or a service that is subject to taxation under this
542 chapter, and the sale, lease, or rental of tangible personal property, other property,
543 a product, or a service that is not subject to taxation under this chapter, the entire
544 transaction is subject to taxation under this chapter unless the seller, at the time of
545 the transaction:
- 546 (A) separately states the portion of the transaction that is not subject to taxation
547 under this chapter on an invoice, bill of sale, or similar document provided to
548 the purchaser; or
 - 549 (B) is able to identify by reasonable and verifiable standards, from the books and
550 records the seller keeps in the seller's regular course of business, the portion of
551 the transaction that is not subject to taxation under this chapter.
- 552 (ii) A purchaser and a seller may correct the taxability of a transaction if:
- 553 (A) after the transaction occurs, the purchaser and the seller discover that the
554 portion of the transaction that is not subject to taxation under this chapter was
555 not separately stated on an invoice, bill of sale, or similar document provided
556 to the purchaser because of an error or ignorance of the law; and
 - 557 (B) the seller is able to identify by reasonable and verifiable standards, from the
558 books and records the seller keeps in the seller's regular course of business, the
559 portion of the transaction that is not subject to taxation under this chapter.
- 560 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller
561 keeps in the seller's regular course of business includes books and records the
562 seller keeps in the regular course of business for nontax purposes.
- 563 (h)(i) If the sales price of a transaction is attributable to two or more items of tangible
564 personal property, products, or services that are subject to taxation under this
565 chapter at different rates, the entire purchase is subject to taxation under this
566 chapter at the higher tax rate unless the seller, at the time of the transaction:
- 567 (A) separately states the items subject to taxation under this chapter at each of the
568 different rates on an invoice, bill of sale, or similar document provided to the
569 purchaser; or
 - 570 (B) is able to identify by reasonable and verifiable standards the tangible personal
571 property, product, or service that is subject to taxation under this chapter at the
572 lower tax rate from the books and records the seller keeps in the seller's regular

- 573 course of business.
- 574 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
575 seller's regular course of business includes books and records the seller keeps in
576 the regular course of business for nontax purposes.
- 577 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate
578 imposed under the following shall take effect on the first day of a calendar quarter:
- 579 (i) Subsection (2)(a)(i)(A);
580 (ii) Subsection (2)(a)(i)(B);
581 (iii) Subsection (2)(b)(i);
582 (iv) Subsection (2)(c)(i); or
583 (v) Subsection (2)(f)(i)(A).
- 584 (j)(i) A tax rate increase takes effect on the first day of the first billing period that
585 begins on or after the effective date of the tax rate increase if the billing period for
586 the transaction begins before the effective date of a tax rate increase imposed
587 under:
- 588 (A) Subsection (2)(a)(i)(A);
589 (B) Subsection (2)(a)(i)(B);
590 (C) Subsection (2)(b)(i);
591 (D) Subsection (2)(c)(i); or
592 (E) Subsection (2)(f)(i)(A).
- 593 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
594 statement for the billing period is rendered on or after the effective date of the
595 repeal of the tax or the tax rate decrease imposed under:
- 596 (A) Subsection (2)(a)(i)(A);
597 (B) Subsection (2)(a)(i)(B);
598 (C) Subsection (2)(b)(i);
599 (D) Subsection (2)(c)(i); or
600 (E) Subsection (2)(f)(i)(A).
- 601 (k)(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
602 is computed on the basis of sales and use tax rates published in the catalogue, a
603 tax rate repeal or change in a tax rate takes effect:
- 604 (A) on the first day of a calendar quarter; and
605 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate
606 change.

- 607 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 608 (A) Subsection (2)(a)(i)(A);
- 609 (B) Subsection (2)(a)(i)(B);
- 610 (C) Subsection (2)(b)(i);
- 611 (D) Subsection (2)(c)(i); or
- 612 (E) Subsection (2)(f)(i)(A).
- 613 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 614 the commission may by rule define the term "catalogue sale."
- 615 (l)(i) For a location described in Subsection (2)(l)(ii), the commission shall determine
- 616 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel
- 617 based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other
- 618 fuel at the location.
- 619 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
- 620 or other fuel is furnished through a single meter for two or more of the following
- 621 uses:
- 622 (A) a commercial use;
- 623 (B) an industrial use; or
- 624 (C) a residential use.
- 625 (3)(a) The commission shall deposit the following state taxes into the General Fund:
- 626 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 627 (ii) the tax imposed by Subsection (2)(b)(i);
- 628 (iii) the tax imposed by Subsection (2)(c)(i);
- 629 (iv) the tax imposed by Subsection (2)(d); and
- 630 (v) the tax imposed by Subsection (2)(f)(i)(A).
- 631 (b) The commission shall distribute the following local taxes to a county, city, or town
- 632 as provided in this chapter:
- 633 (i) the tax imposed by Subsection (2)(a)(ii);
- 634 (ii) the tax imposed by Subsection (2)(b)(ii);
- 635 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 636 (iv) the tax imposed by Subsection (2)(f)(i)(B).
- 637 (4)(a) Notwithstanding Subsection (3)(a), for each fiscal year the commission shall make
- 638 the deposits described in Subsections (4)(b) through (4)(h) from the revenue from the
- 639 taxes imposed by:
- 640 (i) Subsection (2)(a)(i)(A);

- 641 (ii) Subsection (2)(b)(i);
642 (iii) Subsection (2)(c)(i); and
643 (iv) Subsection (2)(f)(i)(A).
- 644 (b) The commission shall deposit 15% of the difference between 1.4543% of the
645 revenue described in Subsection (4)(a) and the deposits made under Subsection (5)(b),
646 into the Water Rights Restricted Account created in Section 73-2-1.6.
- 647 (c) The commission shall deposit 85% of the difference between 1.4543% of the revenue
648 described in Subsection (4)(a) and the deposits made under Subsection (5)(b), into
649 the Water Resources Conservation and Development Fund created in Section
650 73-10-24 for use by the Division of Water Resources for:
- 651 (i) preconstruction costs:
- 652 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,
653 Chapter 26, Bear River Development Act; and
- 654 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
655 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- 656 (ii) the cost of employing a civil engineer to oversee any project authorized by Title
657 73, Chapter 26, Bear River Development Act;
- 658 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline
659 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development
660 Act; and
- 661 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
662 Subsection (5)(b)(iv)(B) after funding the uses specified in Subsections (4)(c)(i)
663 through (iii).
- 664 (d) The commission shall deposit 1.4543% of the revenue described in Subsection (4)(a)
665 into the Water Infrastructure Restricted Account created in Section 73-10g-103.
- 666 (e)(i) Subject to Subsection (4)(e)(ii), the commission shall deposit 26.24% of the
667 revenue described in Subsection (4)(a) into the Transportation Investment Fund of
668 2005 created in Section 72-2-124.
- 669 (ii) The commission shall annually reduce the deposit described in Subsection
670 (4)(e)(i) by the sum of:
- 671 (A) \$1,813,400;
672 (B) the earmark described in Subsection (5)(c); and
673 (C) an amount equal to 35% of the revenue generated in the current fiscal year by
674 the portion of the tax imposed on motor and special fuel that is sold, used, or

- 675 received in the state that exceeds 29.4 cents per gallon.
- 676 (iii) The amount described in Subsection (4)(e)(ii)(C) shall be annually deposited into
677 the Transit Transportation Investment Fund created in Section 72-2-124.
- 678 (f) The commission shall deposit .44% of the revenue described in Subsection (4)(a) into
679 the Cottonwood Canyons Transportation Investment Fund created in Section
680 72-2-124.
- 681 (g) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into
682 the Commuter Rail Subaccount created in Section 72-2-124.
- 683 (h) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into
684 the Outdoor Adventure Infrastructure Restricted Account created in Section 51-9-902
685 as follows:
- 686 (i) into the Outdoor Adventure Infrastructure Restricted Account created in Section
687 51-9-902, an amount equal to the amount that was deposited into the Outdoor
688 Adventure Infrastructure Restricted Account in fiscal year 2025; and
- 689 (ii) for any amount exceeding the amount described in Subsection (4)(h)(i), 50% into
690 the Outdoor Adventure Infrastructure Restricted Account and 50% to the Utah
691 Fairpark Area Investment and Restoration District created in Section 11-70-201.
- 692 (5)(a) Notwithstanding Subsection (3)(a), each fiscal year the commission shall make
693 the deposits described in this Subsection (5).
- 694 (b)(i)(A) The commission shall deposit \$500,000 to the Department of Natural
695 Resources to be used for watershed rehabilitation or restoration.
- 696 (B) At the end of each fiscal year, 100% of any unexpended amount described in
697 Subsection (5)(b)(i)(A) shall lapse into the Water Resources Conservation and
698 Development Fund created in Section 73-10-24.
- 699 (ii) The commission shall deposit \$150,000 to the Division of Water Resources for
700 cloud-seeding projects authorized by Title 73, Chapter 15, Modification of
701 Weather.
- 702 (iii) The commission shall deposit \$525,000 into the Division of Conservation
703 created in Section 4-46-401 to implement water related programs.
- 704 (iv) The commission shall deposit \$7,175,000 into the Water Resources Conservation
705 and Development Fund created in Section 73-10-24 for use by the Division of
706 Water Resources:
- 707 (A) for the uses allowed of the Water Resources Conservation and Development
708 Fund under Section 73-10-24;

- 709 (B) to conduct hydrologic and geotechnical investigations by the Division of
710 Water Resources in a cooperative effort with other state, federal, or local
711 entities, for the purpose of quantifying surface and ground water resources and
712 describing the hydrologic systems of an area in sufficient detail so as to enable
713 local and state resource managers to plan for and accommodate growth in
714 water use without jeopardizing the resource;
- 715 (C) to fund state required dam safety improvements; and
- 716 (D) to protect the state's interest in interstate water compact allocations, including
717 the hiring of technical and legal staff.
- 718 (v) The commission shall deposit \$3,587,500 into the Utah Wastewater Loan
719 Program Subaccount created in Section 73-10c-5 for use by the Water Quality
720 Board to fund wastewater projects.
- 721 (vi) The commission shall deposit \$3,587,500 into the Drinking Water Loan Program
722 Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water
723 to:
- 724 (A) provide for the installation and repair of collection, treatment, storage, and
725 distribution facilities for any public water system, as defined in Section
726 19-4-102;
- 727 (B) develop underground sources of water, including springs and wells; and
- 728 (C) develop surface water sources.
- 729 (vii) The commission shall deposit \$2,450,000 to the Division of Wildlife Resources
730 to:
- 731 (A) implement the measures described in Subsections 23A-3-214(3)(a) through
732 (d) to protect sensitive plant and animal species; or
- 733 (B) award grants, up to the amount authorized by the Legislature in an
734 appropriations act, to political subdivisions of the state to implement the
735 measures described in Subsections 23A-3-214(3)(a) through (d) to protect
736 sensitive plant and animal species.
- 737 (viii) Funds transferred to the Division of Wildlife Resources under Subsection
738 (5)(b)(vii)(A) may not be used to assist the United States Fish and Wildlife
739 Service or any other person to list or attempt to have listed a species as threatened
740 or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531, et
741 seq.
- 742 (ix) At the end of each fiscal year, any unexpended amounts described in Subsections

- 743 (5)(b)(vii)(A) and (B) shall lapse:
744 (A) 50% into the Water Resources Conservation and Development Fund created
745 in Section 73-10-24;
746 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section
747 73-10c-5; and
748 (C) 25% into the Drinking Water Loan Program Subaccount created in Section
749 73-10c-5.
- 750 (x) The commission shall allocate \$175,000 to the Division of Water Rights to cover
751 the costs incurred in hiring legal and technical staff for the adjudication of water
752 rights.
- 753 (xi) At the end of each fiscal year, any unexpended amounts described in Subsection
754 (5)(b)(x) shall lapse:
755 (A) 50% into the Water Resources Conservation and Development Fund created
756 in Section 73-10-24;
757 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section
758 73-10c-5; and
759 (C) 25% into the Drinking Water Loan Program Subaccount created in Section
760 73-10c-5.
- 761 (c) The commission shall deposit \$45,000,000 into the Active Transportation Investment
762 Fund created in Section 72-2-124.
- 763 (d) The commission shall deposit \$533,750 into the Qualified Emergency Food
764 Agencies Fund created by and expended in accordance with Section 35A-8-1009.
- 765 (e) The commission shall deposit \$200,000 into the General Fund as a dedicated credit
766 for the sole use of the Search and Rescue Financial Assistance Program created by
767 and to be expended in accordance with Title 53, Chapter 2a, Part 11, Search and
768 Rescue Act.
- 769 (6)(a) The rate specified in this Subsection (6) is 0.15%.
- 770 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning
771 on or after July 1, 2019, annually transfer the amount of revenue collected from the
772 rate described in Subsection (6)(a) on the transactions that are subject to the sales and
773 use tax under Subsection (2)(a)(i)(B) into the Medicaid ACA Fund created in Section
774 26B-1-315.
- 775 (7)(a) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11),
776 (12), and (13), and as described in Section 63N-3-610, beginning the first day of a

777 calendar quarter one year after the sales and use tax boundary for a housing and
778 transit reinvestment zone is established under Title 63N, Chapter 3, Part 6, Housing
779 and Transit Reinvestment Zone Act, the commission, at least annually, shall transfer
780 an amount equal to 15% of the sales and use tax increment from the sales and use tax
781 imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within
782 an established sales and use tax boundary, as defined in Section 63N-3-602, into the
783 Transit Transportation Investment Fund created in Section 72-2-124.

784 (b) Beginning no sooner than January 1, 2026, notwithstanding Subsection (3)(a), and
785 except as provided in Subsections (11), (12), and (13), and as described in Section
786 63N-3-610.1, beginning the first day of a calendar quarter after the year set in the
787 proposal and after the sales and use tax boundary for a convention center
788 reinvestment zone is established in a capital city under Title 63N, Chapter 3, Part 6,
789 Housing and Transit Reinvestment Zone Act, the commission, at least annually, shall
790 transfer an amount equal to 50% of the sales and use tax increment as defined in
791 Section 63N-3-602 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a
792 4.7% rate, on transactions occurring within an established sales and use tax boundary,
793 as defined in Section 63N-3-602, to a convention center public infrastructure district
794 created in accordance with Section 17D-4-202.1 and specified in the convention
795 center reinvestment zone proposal submitted pursuant to Title 63N, Chapter 3, Part 6,
796 Housing and Transit Reinvestment Zone Act.

797 (8) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12), and
798 (13), beginning October 1, 2024 the commission shall transfer to the Utah Fairpark Area
799 Investment and Restoration District, created in Section 11-70-201, the revenue from the
800 sales and use tax imposed by Subsection (2)(a)(i)(A), on transactions occurring within
801 the district sales tax area, as defined in Section 11-70-101.

802 (9)(a) As used in this Subsection (9):

803 (i) "Additional land" means point of the mountain state land described in Subsection
804 11-59-102(6)(b) that the point of the mountain authority acquires after the point of
805 the mountain authority provides the commission a map under Subsection (9)(c).

806 (ii) "Point of the mountain authority" means the Point of the Mountain State Land
807 Authority, created in Section 11-59-201.

808 (iii) "Point of the mountain state land" means the same as that term is defined in
809 Section 11-59-102.

810 (b) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12),

811 and (13), the commission shall distribute to the point of the mountain authority [50] 25
812 % of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A), on
813 transactions occurring on the point of the mountain state land.

814 (c) The distribution under Subsection (9)(b) shall begin the next calendar quarter that
815 begins at least 90 days after the point of the mountain authority provides the
816 commission a map that:

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

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

819 (d) A distribution under Subsection (9)(b) with respect to additional land shall begin the
820 next calendar quarter that begins at least 90 days after the point of the mountain
821 authority provides the commission a map of point of the mountain state land that:

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

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

825 (e)(i) Upon the payment in full of bonds secured by the sales and use tax revenue
826 distributed to the point of the mountain authority under Subsection (9)(b), the
827 point of the mountain authority shall immediately notify the commission in
828 writing that the bonds are paid in full.

829 (ii) The commission shall discontinue distributions of sales and use tax revenue under
830 Subsection (9)(b) at the beginning of the calendar quarter that begins at least 90
831 days after the date that the commission receives the written notice under
832 Subsection (9)(e)(i).

833 (10) Notwithstanding Subsection (3)(a), the amount of state sales tax revenues described in
834 Section 63N-2-503.5 is deposited into the Convention Incentive Fund created in Section
835 63N-2-503.5.

836 (11)(a) As used in this Subsection (11):

837 (i) "Applicable percentage" means:

838 (A) for a housing and transit reinvestment zone created under Title 63N, Chapter
839 3, Part 6, Housing and Transit Reinvestment Zone Act, 15% of the revenue
840 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate
841 for sales occurring within the qualified development zone described in
842 Subsection (11)(a)(ii)(A);

843 (B) for the Utah Fairpark Area Investment and Restoration District created in
844 Section 11-70-201, the revenue from the sales and use tax imposed by

845 Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified
846 development zone described in Subsection (11)(a)(ii)(B); and
847 (C) for the Point of the Mountain State Land Authority created in Section
848 11-59-201, [50] 25% of the revenue from sales and use tax imposed by
849 Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified
850 development zone described in Subsection (11)(a)(ii)(C).

851 (ii) "Qualified development zone" means:

852 (A) the sales and use tax boundary of a housing and transit reinvestment zone
853 created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment
854 Act;

855 (B) the district sales tax boundary as defined in Section 11-70-101 for the Utah
856 Fairpark Area Investment and Restoration District, created in Section
857 11-70-201; or

858 (C) the sales and use tax boundary of point of the mountain state land, as defined
859 in Section 11-59-102, under the Point of the Mountain State Land Authority
860 created in Section 11-59-201.

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

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

866 (12)(a) As used in Subsections (12) and (13):

867 (i) "Applicable percentage" means, for a convention center reinvestment zone created
868 in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit
869 Reinvestment Zone Act, an amount equal to 50% of the sales and use tax
870 increment, as that term is defined in Section 63N-3-602, from the sales and use tax
871 imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the
872 qualified development zone described in Subsection (12)(a)(ii).

873 (ii) "Qualified development zone" means the sales and use tax boundary of a
874 convention center reinvestment zone created in a capital city under Title 63N,
875 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

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

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

878 (B) intended to be permanently attached to real property within the qualified

- 879 development zone.
- 880 (b) For a sale of qualifying construction materials, the commission shall distribute the
881 product calculated in Subsection (12)(c) to a qualified development zone if the seller
882 of the construction materials:
- 883 (i) establishes a delivery outlet with the commission within the qualified development
884 zone;
- 885 (ii) reports the sales of the construction materials to the delivery outlet described in
886 Subsection (12)(b)(i); and
- 887 (iii) does not report the sales of the construction materials on a simplified electronic
888 return.
- 889 (c) For the purposes of Subsection (12)(b), the product is equal to:
- 890 (i) the sales price or purchase price of the qualifying construction materials; and
891 (ii) the applicable percentage.
- 892 (13)(a) As used in this Subsection (13), "Schedule J sale" means a sale reported on State
893 Tax Commission Form TC-62M, Schedule J, or a substantially similar form as
894 designated by the commission.
- 895 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
896 qualified development zone shall be distributed into the General Fund.
- 897 Section 8. Section **63A-3-404** is amended to read:
- 898 **63A-3-404 (Effective 05/06/26). Loan agreement.**
- 899 (1)(a) A borrower that borrows money from an infrastructure fund shall enter into a loan
900 agreement with the division for repayment of the money.
- 901 (b)(i) A loan agreement under Subsection (1)(a) shall be secured by:
- 902 (A) bonds, notes, or another evidence of indebtedness validly issued under state
903 law; or
- 904 (B) revenue generated from an infrastructure project.
- 905 (ii) The security provided under Subsection (1)(b)(i) may include the borrower's
906 pledge of some or all of a revenue source that the borrower controls.
- 907 (c) The respective loan approval body may determine that property tax revenue or
908 revenue from the infrastructure project for which the infrastructure loan is obtained is
909 sufficient security for an infrastructure loan.
- 910 (2) An infrastructure loan shall bear interest at a rate not to exceed .5% above bond market
911 interest rates available to the state.
- 912 (3)(a) Subject to Subsection (3)(b), the respective loan approval body shall determine

- 913 the length of term of an infrastructure loan.
- 914 (b) If the security for an infrastructure loan is property tax revenue, the repayment terms
915 of the infrastructure loan agreement shall allow sufficient time for the property tax
916 revenue to generate sufficient money to cover payments under the infrastructure loan.
- 917 (4) An infrastructure loan agreement may provide for a portion of the loan proceeds to be
918 applied to a reserve fund to secure repayment of the infrastructure loan.
- 919 (5)(a) If a borrower fails to comply with the terms of an infrastructure loan agreement,
920 the division may:
- 921 (i) seek any legal or equitable remedy to obtain:
- 922 (A) compliance with the agreement; or
923 (B) the payment of damages; and
- 924 (ii) request a state agency with money due to the borrower to withhold payment of
925 the money to the borrower and instead to pay the money to the division to pay any
926 amount due under the infrastructure loan agreement.
- 927 (b) A state agency that receives a request from the division under Subsection (5)(a)(ii)
928 shall pay to the division the money due to the borrower to the extent of the amount
929 due under the infrastructure loan agreement.
- 930 (6) Upon approval from the respective loan approval body the division shall loan money
931 from an infrastructure fund according to the terms established by the respective loan
932 approval body.
- 933 (7)(a) The division shall administer and enforce an infrastructure loan according to the
934 terms of the infrastructure loan agreement.
- 935 (b)(i) Beginning May 5, 2021, the division shall assume responsibility from the State
936 Infrastructure Bank Fund for servicing the loan under Subsection
937 63B-27-101(3)(a)(i).
- 938 (ii) Payments due on or after October 1, 2021, under the loan under Subsection
939 63B-27-101(3)(a)(i) shall be made to the division rather than to the State
940 Infrastructure Bank Fund, to be deposited into the military development fund.
- 941 (iii) Notwithstanding Subsection (7)(b)(ii) and upon receipt of each debt service
942 payment, the division shall deposit an amount equal to interest payments due on
943 the bond described in Subsection 63B-27-101(3)(a)(i) into the Transportation
944 Investment Fund of 2005 created in Section 72-2-124.
- 945 (8) A borrower may request, and the division may consider, an amendment to a loan
946 agreement described in this section that:

- 947 (a) extends the term of the borrower's repayment; or
 948 (b) forgives the balance of the borrower's loan.
- 949 (9)(a) The division may agree to a request described in Subsection (8) and amend a loan
 950 agreement as described in this Subsection (9).
- 951 (b) Upon receiving a request described in Subsection (8), the division shall notify the
 952 Executive Appropriations Committee no later than 10 days after the day on which the
 953 division receives the request.
- 954 (c) Before amending a loan agreement, the division shall:
- 955 (i) consider factors necessitating the amendment and whether the amendment is in the
 956 best interests of the state, including if:
- 957 (A) the infrastructure project was properly managed and loan funds were wisely
 958 invested;
- 959 (B) external factors existed beyond the borrower's control that made the
 960 infrastructure projects impossible or impractical to complete; and
- 961 (C) changes to the infrastructure project would avoid the need for extension or
 962 forgiveness and additional investment of funds;
- 963 (ii) consider how and if the state shall be made financially whole, in whole or in part,
 964 under the proposed amendment; and
- 965 (iii) provide notice to, and receive advice from, the Executive Appropriations
 966 Committee as described in Subsection (9)(d).
- 967 (d)(i) The division shall notify the Executive Appropriations Committee of a
 968 proposed amendment to a loan agreement at least 45 days before the division
 969 executes the amendment.
- 970 (ii) The Executive Appropriations Committee may provide, and the division shall
 971 consider, advice regarding a proposed amendment described in this Subsection (9).
- 972 Section 9. Section **63I-1-210** is amended to read:
- 973 **63I-1-210 (Effective 05/06/26). Repeal dates: Title 10.**
- 974 (1) Subsection 10-1-104(5)(c), regarding a preliminary municipality, is repealed January 1,
 975 2031.
- 976 (2) Subsection 10-2a-201.5(1)(b), regarding a preliminary municipality, is repealed January
 977 1, 2031.
- 978 (3) Subsection 10-2a-202(5), regarding a feasibility request, is repealed January 1, 2031.
- 979 (4) Title 10, Chapter 2a, Part 5, Incorporation of a Preliminary Municipality, is repealed
 980 January 1, 2031.

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

984 Section 10. Section **63I-1-211** is amended to read:

985 **63I-1-211 (Effective 05/06/26). Repeal dates: Title 11.**

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

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

991 Section 11. **Effective Date.**

992 (1) Except as provided in Subsection (2), this bill takes effect May 6, 2026.

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