

1 **TAX EXPENDITURES FOR ZOOLOGICAL**
2 **FACILITIES**

3 1998 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: L. Steven Poulton**

6 AN ACT RELATING TO REVENUE AND TAXATION; AUTHORIZING THE USE OF
7 COUNTY SALES AND USE TAX TO SUPPORT ZOOLOGICAL FACILITIES; DEFINING
8 ZOOLOGICAL FACILITIES; AND MAKING TECHNICAL CHANGES.

9 This act affects sections of Utah Code Annotated 1953 as follows:

10 AMENDS:

11 **59-12-701**, as last amended by Chapter 284, Laws of Utah 1996

12 **59-12-702**, as last amended by Chapter 284, Laws of Utah 1996

13 **59-12-703**, as last amended by Chapter 284, Laws of Utah 1996

14 **59-12-704**, as last amended by Chapter 22, Laws of Utah 1997

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

16 Section 1. Section **59-12-701** is amended to read:

17 **59-12-701. Purpose statement.**

18 The Utah Legislature finds and declares that:

19 (1) Recreational and zoological facilities and the botanical, cultural, and zoological
20 organizations of the state of Utah enhance the quality of life of Utah's citizens, as well as the
21 continuing growth of Utah's tourist, convention, and recreational industries.

22 (2) Utah was the first state in this nation to create and financially support a state arts
23 agency, now the Utah Arts Council, which is committed to the nurturing and growth of cultural
24 pursuits.

25 (3) Utah has provided, and intends to continue, the financial support of recreational and
26 zoological facilities and the botanical, cultural, and zoological organizations of this state.

27 (4) The state's support of its recreational and zoological facilities and its botanical,

1 cultural, and zoological organizations has not been sufficient to assure the continuing existence
2 and growth of these facilities and organizations, and the Legislature believes that local government
3 may wish to play a greater role in the support of these organizations.

4 (5) Without jeopardizing the state's ongoing support of its recreational and zoological
5 facilities and its botanical, cultural, and zoological organizations, the Legislature intends to permit
6 the counties of the state of Utah to enhance public financial support of Utah's publicly owned or
7 operated recreational and zoological facilities and botanical, cultural, and zoological organizations
8 through the imposition of a county sales and use tax.

9 Section 2. Section **59-12-702** is amended to read:

10 **59-12-702. Definitions.**

11 As used in this part:

12 (1) "Botanical organization" means any private or public nonprofit organization or
13 administrative unit thereof having as its primary purpose the advancement and preservation of
14 plant science through horticultural display, botanical research, and community education.

15 (2) (a) (i) "Cultural organization" means a nonprofit institutional organization or
16 administrative unit thereof having as its primary purpose the advancement and preservation of
17 natural history, art, music, theater, or dance.

18 (ii) For purposes of Subsections 59-12-704(1)(d) and (6), "cultural organization" also
19 includes a nonprofit institutional organization or administrative unit thereof having as its primary
20 purpose the advancement and preservation of history.

21 (b) "Cultural organization" does not include any agency of the state, any political
22 subdivision of the state, or any educational institution whose annual revenues are directly derived
23 more than 50% from state funds, any radio or television broadcasting network or station, cable
24 communications system, newspaper, or magazine.

25 (3) "Recreational facility" means any publicly owned or operated park, campground,
26 marina, dock, golf course, playground, athletic field, gymnasium, swimming pool, or other facility
27 used for recreational purposes.

28 (4) (a) (i) Except as provided in Subsection (4)(a)(ii), "zoological organization" means
29 a nonprofit institutional organization having as its primary purpose the advancement and
30 preservation of zoology.

31 (ii) In a county of the first class, "zoological organization" means a nonprofit organization

1 having as its primary purpose the advancement and exhibition of mammals, birds, reptiles, and
2 amphibians to an audience of 500,000 or more persons annually.

3 (iii) In a county of the first class, "zoological facilities" means any buildings, exhibits,
4 utilities and infrastructure, walkways, pathways, roadways, offices, administration facilities, public
5 service facilities, educational facilities, enclosures, public viewing areas, animal barriers, animal
6 housing, animal care facilities, and veterinary and hospital facilities related to the advancement,
7 exhibition, or preservation of mammals, birds, reptiles, or amphibians.

8 (b) "Zoological organization" does not include any agency of the state, educational
9 institution, radio or television broadcasting network or station, cable communications system,
10 newspaper, or magazine.

11 Section 3. Section **59-12-703** is amended to read:

12 **59-12-703. Opinion question election -- Imposition of tax -- Uses of tax monies.**

13 (1) (a) Any county legislative body may, by majority vote of all members, submit an
14 opinion question to the residents of that county so that each resident has an opportunity to express
15 his opinion on the imposition of a local sales and use tax of 1/10 of 1% to fund recreational and
16 zoological facilities and botanical, cultural, and zoological organizations in that county.

17 (b) The election shall follow the procedures outlined in Title 11, Chapter 14, Utah
18 Municipal Bond Act.

19 (2) (a) If the county legislative body determines that a majority of the qualified electors
20 voting on the opinion question has assented to the imposition of a local sales and use tax as
21 prescribed in Subsection (1)(a), the county legislative body may, by a majority vote of all
22 members, impose such a tax.

23 (b) If the county legislative body imposes a tax under Subsection (2)(a), the tax shall be
24 imposed at the beginning of the quarter following the county legislative body's decision to impose
25 such a tax.

26 (3) The monies generated from any tax imposed under Subsection (2) shall be used for
27 financing recreational and zoological facilities and ongoing operating expenses of botanical,
28 cultural, and zoological organizations within the county.

29 (4) Taxes imposed under this part shall be:

30 (a) levied at the same time and collected in the same manner as provided in Title 59,
31 Chapter 12, Part 2, The Local Sales and Use Tax Act, except that the collection and distribution

1 of the tax revenue is not subject to Subsection 59-12-205(2); and

2 (b) levied for a period of ten years and may be reauthorized at the end of the ten-year
3 period in accordance with this section.

4 Section 4. Section **59-12-704** is amended to read:

5 **59-12-704. Distribution of revenues -- Advisory board creation -- Determining**
6 **operating expenses.**

7 (1) Except as provided in Subsection (5), and subject to the requirements of Subsection
8 (3), any revenues collected by a county of the first class under this part shall be distributed
9 annually by the county legislative body to support recreational and zoological facilities and
10 botanical, cultural, and zoological organizations within that first class county as follows:

11 (a) 30% of the revenue collected by the county under this section shall be distributed by
12 the county legislative body to support recreational ~~§ [and zoological] §~~ facilities located within the
13 county.

14 (b) 12.5% of the revenue collected by the county under this section shall be distributed by
15 the county legislative body to support zoological ~~§ FACILITIES AND §~~ organizations located within
15a the county. The
16 county legislative body shall determine how the monies shall be distributed among such
17 organizations.

18 (c) (i) 52.5% of the revenue collected by the county under this section shall be distributed
19 to botanical and cultural organizations with average annual operating expenses of more than
20 \$250,000 as determined under Subsection (3).

21 (ii) Subject to Subsection (1)(c)(iii), the county legislative body shall distribute the monies
22 among such organizations in proportion to their average annual operating expenses as determined
23 under Subsection (3).

24 (iii) The amount distributed to any such organization may not exceed 35% of the
25 organization's budget.

26 (d) 5% of the revenue collected by the county under this section shall be distributed to
27 botanical and cultural organizations with average annual operating expenses of less than \$250,000
28 as determined under Subsection (3). The county legislative body shall determine how the monies
29 shall be distributed among such organizations.

30 (2)(a) The county legislative body of each county of the first class shall create an advisory
31 board to advise the county legislative body on disbursement of funds to botanical and cultural

1 organizations under Subsection (1)(c)(i).

2 (b) The advisory board under Subsection (2)(a) shall consist of seven members appointed
3 by the county legislative body. Two of the seven members shall be appointed from the Utah Arts
4 Council.

5 (3) To be eligible to receive monies collected by the county under this part, a botanical,
6 cultural, and zoological organization located within a county of the first class shall, every three
7 years:

8 (a) calculate their average annual expenses based upon audited expenses for three
9 preceding fiscal years; and

10 (b) submit to the appropriate county legislative body:

11 (i) a verified audit of annual expenses for each of those three preceding fiscal years; and

12 (ii) the average annual expenses as calculated under Subsection (3)(a).

13 (4) When calculating average annual expenses as described in Subsection (3), each
14 botanical, cultural, and zoological organization shall use the same three-year fiscal period as
15 determined by the county legislative body.

16 (5) By July 1 of each year, the county legislative body of a first class county may index
17 the threshold amount in Subsections (1)(a), (b), and (d). Any change shall be rounded off to the
18 nearest \$100.

19 (6) In all other counties, the county legislative body shall distribute 30% of the revenues
20 collected by the county as a result of a tax imposed under this section to support recreational § **[and**
21 **zoological]** § facilities within the county and 70% of the revenues to botanical, cultural, and
22 zoological § **FACILITIES AND** § organizations within the county as determined by the county
22a legislative body.

23 (7) The commission may retain an amount not to exceed 1-1/2% of the county option
24 funding collected under this part for the cost of administering this part.

Legislative Review Note
as of 2-4-98 4:20 PM

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel