

**SALES AND USE TAXES - NOTICE AND
EFFECTIVE DATE**

2000 GENERAL SESSION

STATE OF UTAH

Sponsor: John L. Valentine

AN ACT RELATING TO THE MUNICIPAL ENERGY SALES AND USE TAX AND THE SALES AND USE TAX ACT; SUBJECTING CERTAIN SALES AND USE TAXES TO UNIFORM PROVISIONS RELATING TO EFFECTIVE DATES AND PROVIDING NOTICE OF CERTAIN ACTIONS BY A COUNTY, CITY, OR TOWN TO THE UTAH STATE TAX COMMISSION; AND MAKING TECHNICAL CHANGES.

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

AMENDS:

- 10-1-304**, as enacted by Chapter 280, Laws of Utah 1996
- 59-12-301**, as last amended by Chapter 291, Laws of Utah 1998
- 59-12-354**, as enacted by Chapter 305, Laws of Utah 1997
- 59-12-402**, as last amended by Chapter 291, Laws of Utah 1998
- 59-12-603**, as last amended by Chapters 289 and 291, Laws of Utah 1998
- 59-12-703**, as last amended by Chapters 209 and 291, Laws of Utah 1998
- 59-12-1001**, as last amended by Chapter 291, Laws of Utah 1998
- 59-12-1102**, as last amended by Chapter 13, Laws of Utah 1998
- 59-12-1302**, as enacted by Chapter 243, Laws of Utah 1998

ENACTS:

- 59-12-208.1**, Utah Code Annotated 1953
- 59-12-355**, Utah Code Annotated 1953
- 59-12-403**, Utah Code Annotated 1953
- 59-12-504**, Utah Code Annotated 1953
- 59-12-805**, Utah Code Annotated 1953

REPEALS:

- 10-1-309**, as enacted by Chapter 280, Laws of Utah 1996

59-12-208, as renumbered and amended by Chapter 5, Laws of Utah 1987

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

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

10-1-304. Municipality may levy tax -- Rate -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements.

(1) By ordinance as provided in Section 10-1-305, a municipality may levy a municipal energy sales and use tax on the sale or use of taxable energy within the municipality of up to 6% of the delivered value of the taxable energy.

(2) A municipal energy sales and use tax imposed under this part may be in addition to any local option sales and use tax imposed by the municipality as provided in Title 59, Chapter 12, Part 2, The Local Sales and Use Tax Act.

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

(i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part 4, Annexation.

(ii) "Annexing area" means an area that is annexed into a city or town.

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

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

(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(b)(ii) from the city or town.

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

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

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

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

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

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

(A) on the first day of a calendar quarter; and
(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(c)(ii) from the city or town that annexes the annexing area.

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

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

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

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

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

Section 2. Section **59-12-208.1** is enacted to read:

59-12-208.1. Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements.

(1) For purposes of this section:

(a) "Annexation" means an annexation to:

(i) a county under Title 17, Chapter 2, Annexation to County; or

(ii) a city or town under Title 10, Chapter 2, Part 4, Annexation.

(b) "Annexing area" means an area that is annexed into a county, city, or town.

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

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

(ii) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (2)(b) from the county, city, or town.

(b) The notice described in Subsection (2)(a)(ii) shall state:

(i) that the county, city, or town will enact or repeal a tax or change the rate of a tax under this part;

(ii) the statutory authority for the tax described in Subsection (2)(b)(i);

(iii) the effective date of the tax described in Subsection (2)(b)(i); and

(iv) if the county, city, or town enacts the tax or changes the rate of the tax described in

Subsection (2)(b)(i), the new rate of the tax.

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

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

(ii) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(b) from the county, city, or town that annexes the annexing area.

(b) The notice described in Subsection (3)(a)(ii) shall state:

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

(ii) the statutory authority for the tax described in Subsection (3)(b)(i);

(iii) the effective date of the tax described in Subsection (3)(b)(i); and

(iv) the new rate of the tax described in Subsection (3)(b)(i).

Section 3. Section **59-12-301** is amended to read:

59-12-301. Transient room tax -- Rate -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements.

(1) (a) Any county legislative body may impose a transient room tax not to exceed 3% of the rent for every occupancy of a suite, room, or rooms on all persons, companies, corporations, or other similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or similar public accommodations.

(b) A county legislative body imposing a tax under this part shall impose the tax on the rents described in Subsection (1)(a) relating to the Olympic Winter Games of 2002 made to or by an organization exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code, except for rents described in Subsection (1)(a):

(i) paid for in full by the Salt Lake Organizing Committee for the Olympic Winter Games of 2002;

(ii) exclusively used by:

(A) an officer, a trustee, or an employee of the Salt Lake Organizing Committee for the Olympic Winter Games of 2002; or

(B) a volunteer supervised by the Salt Lake Organizing Committee for the Olympic Winter Games of 2002; and

(iii) for which the Salt Lake Organizing Committee for the Olympic Winter Games of 2002 does not receive reimbursement.

(2) ~~[Any]~~ Subject to Subsection (3), a county legislative body:

(a) may~~[- from time to time,]~~ increase or decrease the transient room tax ~~[as necessary or desirable];~~ and

(b) shall regulate the transient room tax by ordinance.

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

(i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Annexation to County.

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

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

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

(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(b)(ii) from the county.

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

(A) that the county will enact or repeal a tax or change the rate of a tax under this part;

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

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

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

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

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

(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(c)(ii) from the county that annexes the annexing area.

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

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

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

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

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

Section 4. Section **59-12-354** is amended to read:

59-12-354. Collection of tax -- Penalties -- Commission to interpret, audit, and adjudicate transient room tax -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements.

(1) Except as provided in Subsection (2), a governing body of a municipality levying a transient room tax under this part shall levy the tax at the same time and collect the tax in the same manner as provided in Part 2, ~~The~~ Local Sales and Use Tax Act.

(2) Notwithstanding Section 59-12-206, a municipality imposing a transient room tax under this part:

(a) may collect the tax and is not required to:

(i) transmit revenues generated by the tax to the commission; or

(ii) contract with the commission to collect the tax;

(b) shall report the revenues it collects to the commission as provided in Section 59-12-207;

and

(c) subject to the limitations of Subsections (3) and (4), may adopt an ordinance imposing penalties and interest on a person who:

(i) is required to pay the tax under this part; and

(ii) does not remit the tax to the collecting agent in a timely manner.

(3) A governing body of a municipality adopting an ordinance imposing penalties and interest under Subsection (2)(c) may impose penalties and interest in amounts that are less than or equal to the penalties and interest rates authorized for the commission under Sections 59-1-401 and 59-1-402.

(4) A municipality may adopt an ordinance imposing penalties and interest under Subsection

(2)(c) only if the municipality does not contract with the commission to collect the tax.

(5) If a municipality elects to collect the tax as provided in Subsection (2), the commission shall interpret, audit, and adjudicate the tax imposed under this part.

~~[(6) A municipality imposing a tax under this part shall:]~~

~~[(a) collect the tax on the first day of a calendar quarter; and]~~

~~[(b) notify the commission at least 30 days before the day on which the commission is required to collect the tax.]~~

Section 5. Section **59-12-355** is enacted to read:

59-12-355. Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements.

(1) For purposes of this section:

(a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part 4, Annexation.

(b) "Annexing area" means an area that is annexed into a city or town.

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

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

(ii) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (2)(b) from the city or town.

(b) The notice described in Subsection (2)(a)(ii) shall state:

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

(ii) the statutory authority for the tax described in Subsection (2)(b)(i);

(iii) the effective date of the tax described in Subsection (2)(b)(i); and

(iv) if the city or town enacts the tax or changes the rate of the tax described in Subsection (2)(b)(i), the new rate of the tax.

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

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

(ii) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(b) from the city or town that annexes the annexing area.

(b) The notice described in Subsection (3)(a)(ii) shall state:

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

(ii) the statutory authority for the tax described in Subsection (3)(b)(i);

(iii) the effective date of the tax described in Subsection (3)(b)(i); and

(iv) the new rate of the tax described in Subsection (3)(b)(i).

Section 6. Section **59-12-402** is amended to read:

59-12-402. Additional resort communities sales tax -- Rate -- Collection fees -- Resolution and voter approval requirements -- Election requirements -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements -- Ordinance requirements.

(1) Subject to the limitations of Subsections (2) through (6), the governing body of a municipality in which the transient room capacity is greater than or equal to 66% of the permanent census population may, in addition to the sales tax authorized under Section 59-12-401, impose an additional resort communities sales tax in an amount that is less than or equal to 1/2% on the sales and uses described in Subsection 59-12-103(1), subject to the exemptions provided for in Section 59-12-104, and shall exempt from that additional tax wholesale sales and sales of single items for which consideration paid is \$2,500 or more.

(2) An amount equal to the total of any costs incurred by the state in connection with the implementation of Subsection (1) which exceed, in any year, the revenues received by the state from its collection fees received in connection with the implementation of Subsection (1) shall be paid over to the state General Fund by the cities and towns which impose the tax provided for in Subsection (1). Payment costs shall be allocated proportionally among those cities and towns according to the amount of revenue the respective cities and towns generate in that year through imposition of that tax.

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

(a) pass a resolution approving the tax; and
(b) except as provided in Subsection (6), obtain voter approval for the tax as provided in Subsection (4).

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

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

- (i) a regular general election; or
- (ii) a municipal general election; and

(b) publish notice of the election:

- (i) 15 days or more before the day on which the election is held; and
- (ii) in a newspaper of general circulation in the municipality.

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

~~[(b) A municipality imposing a tax under this section shall:]~~

~~[(i) collect the tax on the first day of a calendar quarter; and]~~

~~[(ii) notify the commission at least 30 days before the day on which the commission is required to collect the tax.]~~

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

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

Section 7. Section **59-12-403** is enacted to read:

59-12-403. Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements.

(1) For purposes of this section:

(a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part 4,

Annexation.

(b) "Annexing area" means an area that is annexed into a city or town.

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

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

(ii) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (2)(b) from the city or town.

(b) The notice described in Subsection (2)(a)(ii) shall state:

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

(ii) the statutory authority for the tax described in Subsection (2)(b)(i);

(iii) the effective date of the tax described in Subsection (2)(b)(i); and

(iv) if the city or town enacts the tax or changes the rate of the tax described in Subsection (2)(b)(i), the new rate of the tax.

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

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

(ii) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(b) from the city or town that annexes the annexing area.

(b) The notice described in Subsection (3)(a)(ii) shall state:

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

(ii) the statutory authority for the tax described in Subsection (3)(b)(i);

(iii) the effective date of the tax described in Subsection (3)(b)(i); and

(iv) the new rate of the tax described in Subsection (3)(b)(i).

Section 8. Section **59-12-504** is enacted to read:

59-12-504. Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements.

(1) For purposes of this section:

(a) "Annexation" means an annexation to:

(i) a county under Title 17, Chapter 2, Annexation to County; or

(ii) a city or town under Title 10, Chapter 2, Part 4, Annexation.

(b) "Annexing area" means an area that is annexed into a county, city, or town.

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

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

(ii) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (2)(b) from the county, city, or town.

(b) The notice described in Subsection (2)(a)(ii) shall state:

(i) that the county, city, or town will enact or repeal a tax or change the rate of a tax under this part;

(ii) the statutory authority for the tax described in Subsection (2)(b)(i);

(iii) the effective date of the tax described in Subsection (2)(b)(i); and

(iv) if the county, city, or town enacts the tax or changes the rate of the tax described in Subsection (2)(b)(i), the new rate of the tax.

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

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

(ii) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(b) from the county, city, or town that annexes the annexing area.

(b) The notice described in Subsection (3)(a)(ii) shall state:

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

(ii) the statutory authority for the tax described in Subsection (3)(b)(i);

(iii) the effective date of the tax described in Subsection (3)(b)(i); and

(iv) the new rate of the tax described in Subsection (3)(b)(i).

Section 9. Section **59-12-603** is amended to read:

59-12-603. County tax -- Bases -- Rates -- Ordinance required -- Collection -- Administration -- Distribution -- Imposition of tax -- Tax rate change -- Effective date -- Notice requirements.

(1) In addition to any other taxes, a county legislative body may, as provided in this part, impose a tourism, recreation, cultural, and convention tax as follows:

(a) (i) a county legislative body of any county may impose a tax of not to exceed 3% on all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement;

(ii) beginning on or after January 1, 1999, a county legislative body of any county imposing a tax under Subsection (1)(a)(i) may, in addition to imposing the tax under Subsection (1)(a)(i), impose a tax of not to exceed 4% on all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement;

(b) a county legislative body of any county may impose a tax of not to exceed 1% of all sales of prepared foods and beverages that are sold by restaurants; and

(c) a county legislative body of any county may impose a tax of not to exceed 1/2% of the rent for every occupancy of a suite, room, or rooms on all persons, companies, corporations, or other similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or similar public accommodations.

(2) The revenue from the imposition of the taxes provided for in Subsections (1)(a) through (c) may be used for the purposes of financing, in whole or in part, tourism promotion, and the development, operation, and maintenance of tourist, recreation, cultural, and convention facilities as defined in Section 59-12-602.

(3) The tax imposed under Subsection (1)(c) shall be in addition to the transient room tax imposed under Part 3, Transient Room Tax, and may be imposed only by a county of the first class.

(4) (a) A tax imposed under this part shall be levied at the same time and collected in the

same manner as provided in Part 2, [The] Local Sales and Use Tax Act, except that the collection and distribution of the tax revenue is not subject to the provisions of Subsection 59-12-205(2).

(b) A tax imposed under this part may be pledged as security for bonds, notes, or other evidences of indebtedness incurred by a county under Title 11, Chapter 14, Utah Municipal Bond Act, to finance tourism, recreation, cultural, and convention facilities.

(5) (a) In order to impose the tax under Subsection (1), each county legislative body shall annually adopt an ordinance imposing the tax.

(b) (i) The ordinance under Subsection (5)(a) shall include provisions substantially the same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on those items and sales described in Subsection (1).

(ii) A county legislative body imposing a tax under this part shall impose the tax as provided in this section on the leases, rentals, and sales described in Subsection (1) relating to the Olympic Winter Games of 2002 made to or by an organization exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code, except for leases, rentals, and sales described in Subsection (1):

(A) paid for in full by the Salt Lake Organizing Committee for the Olympic Winter Games of 2002;

(B) exclusively used by:

(I) an officer, a trustee, or an employee of the Salt Lake Organizing Committee for the Olympic Winter Games of 2002; or

(II) a volunteer supervised by the Salt Lake Organizing Committee for the Olympic Winter Games of 2002; and

(C) for which the Salt Lake Organizing Committee for the Olympic Winter Games of 2002 does not receive reimbursement.

(c) The name of the county as the taxing agency shall be substituted for that of the state where necessary, and an additional license is not required if one has been or is issued under Section 59-12-106.

(6) In order to maintain in effect its tax ordinance adopted under this part, each county

legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1, Tax Collection, adopt amendments to its tax ordinance to conform with the applicable amendments to Part 1, Tax Collection.

(7) The commission shall:

(a) administer, collect, and enforce the tax authorized under this part pursuant to:

(i) the same procedures used to administer, collect, and enforce the sales and use tax under Part 1, Tax Collection; and

(ii) Chapter 1, General Taxation Policies;

(b) (i) except as provided in Subsection (7)(c), for a tax under this part other than the tax under Subsection (1)(a)(ii), distribute the revenues to the county imposing the tax; and

(ii) except as provided in Subsection (7)(c), for a tax under Subsection (1)(a)(ii), distribute the revenues according to the distribution formula provided in Subsection (8); and

(c) deduct from the distributions under Subsection (7)(b) an administrative charge for collecting the tax as provided in Section 59-12-206.

(8) The commission shall distribute the revenues generated by the tax under Subsection (1)(a)(ii) to each county collecting a tax under Subsection (1)(a)(ii) according to the following formula:

(a) the commission shall distribute 70% of the revenues based on the percentages generated by dividing the revenues collected by each county under Subsection (1)(a)(ii) by the total revenues collected by all counties under Subsection (1)(a)(ii); and

(b) the commission shall distribute 30% of the revenues based on the percentages generated by dividing the population of each county collecting a tax under Subsection (1)(a)(ii) by the total population of all counties collecting a tax under Subsection (1)(a)(ii).

(9) (a) For purposes of this Subsection (9):

(i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Annexation to County.

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

(b) (i) If, on or after May 1, 2000, a county enacts or repeals a tax or changes the rate of a

tax under this part, the enactment, repeal, or change shall take effect:

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

(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (9)(b)(ii) from the county.

(ii) The notice described in Subsection (9)(b)(i)(B) shall state:

(A) that the county will enact or repeal a tax or change the rate of a tax under this part;

(B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and

(D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(b)(ii)(A), the new rate of the tax.

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

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

(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (9)(c)(ii) from the county that annexes the annexing area.

(ii) The notice described in Subsection (9)(c)(i)(B) shall state:

(A) that the annexation described in Subsection (9)(c)(i) will result in a change in the rate of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (9)(c)(ii)(A);

(C) the effective date of the tax described in Subsection (9)(c)(ii)(A); and

(D) the new rate of the tax described in Subsection (9)(c)(ii)(A).

Section 10. Section **59-12-703** is amended to read:

59-12-703. Opinion question election -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements --Uses of tax monies.

(1) (a) Any county legislative body may, by majority vote of all members, submit an opinion question to the residents of that county so that each resident has an opportunity to express the resident's opinion on the imposition of a local sales and use tax of 1/10 of 1% on the sales and uses described in Subsection 59-12-103(1), subject to the exemptions provided for in Section 59-12-104,

to fund recreational and zoological facilities and botanical, cultural, and zoological organizations in that county.

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

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

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

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

(4) Taxes imposed under this part shall be:

(a) levied at the same time and collected in the same manner as provided in Title 59, Chapter 12, Part 2, ~~[The]~~ Local Sales and Use Tax Act, except that the collection and distribution of the tax revenue is not subject to Subsection 59-12-205(2); and

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

(5) (a) For purposes of this Subsection (5):

(i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Annexation to County.

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

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

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

(B) after a 75-day period beginning on the date the commission receives notice meeting the

requirements of Subsection (5)(b)(ii) from the county.

(ii) The notice described in Subsection (5)(b)(i)(B) shall state:

(A) that the county will enact or repeal a tax or change the rate of a tax under this part;

(B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

(D) if the county enacts the tax or changes the rate of the tax described in Subsection (5)(b)(ii)(A), the new rate of the tax.

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

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

(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(c)(ii) from the county that annexes the annexing area.

(ii) The notice described in Subsection (5)(c)(i)(B) shall state:

(A) that the annexation described in Subsection (5)(c)(i) will result in a change in the rate of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (5)(c)(ii)(A);

(C) the effective date of the tax described in Subsection (5)(c)(ii)(A); and

(D) the new rate of the tax described in Subsection (5)(c)(ii)(A).

Section 11. Section **59-12-805** is enacted to read:

59-12-805. Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements.

(1) For purposes of this section:

(a) "Annexation" means an annexation to:

(i) a county under Title 17, Chapter 2, Annexation to County; or

(ii) a city or town under Title 10, Chapter 2, Part 4, Annexation.

(b) "Annexing area" means an area that is annexed into a county, city, or town.

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

(i) on the first day of a calendar quarter; and
(ii) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (2)(b) from the county, city, or town.

(b) The notice described in Subsection (2)(a)(ii) shall state:

(i) that the county, city, or town will enact or repeal a tax or change the rate of a tax under this part;

(ii) the statutory authority for the tax described in Subsection (2)(b)(i);

(iii) the effective date of the tax described in Subsection (2)(b)(i); and

(iv) if the county, city, or town enacts the tax or changes the rate of the tax described in Subsection (2)(b)(i), the new rate of the tax.

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

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

(ii) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(b) from the county, city, or town that annexes the annexing area.

(b) The notice described in Subsection (3)(a)(ii) shall state:

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

(ii) the statutory authority for the tax described in Subsection (3)(b)(i);

(iii) the effective date of the tax described in Subsection (3)(b)(i); and

(iv) the new rate of the tax described in Subsection (3)(b)(i).

Section 12. Section **59-12-1001** is amended to read:

59-12-1001. Authority to impose highways tax -- Resolution and voter approval requirements -- Election requirements -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements -- Ordinance requirements.

(1) A municipality in which sales and uses described in Subsection 59-12-103(1) are not subject to a sales and use tax under Section 59-12-501 may as provided in this part impose a sales and use tax of 1/4% on the sales and uses described in Subsection 59-12-103(1), subject to the

exemptions provided for in Section 59-12-104.

(2) A tax imposed under this part by a municipality shall be used for the construction and maintenance of highways under the jurisdiction of the municipality imposing the tax.

(3) To impose a highways tax under this part, the governing body of the municipality shall:

(a) pass an ordinance approving the tax; and

(b) except as provided in Subsection (7), obtain voter approval for the tax as provided in Subsection (4).

(4) To obtain voter approval for a highways tax under Subsection (3)(b), a municipality shall:

(a) hold the highways tax election during:

(i) a regular general election; or

(ii) a municipal general election; and

(b) publish notice of the election:

(i) 15 days or more before the day on which the election is held; and

(ii) in a newspaper of general circulation in the municipality.

(5) An ordinance approving a highways tax under this part shall provide an effective date for the tax as provided in Subsection (6).

~~[(6) A municipality imposing a tax under this part shall:]~~

~~[(a) begin collecting the tax on the first day of a calendar quarter; and]~~

~~[(b) notify the commission at least 30 days before the day on which the commission is required to collect the tax.]~~

(6) (a) For purposes of this Subsection (6):

(i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part 4, Annexation.

(ii) "Annexing area" means an area that is annexed into a city or town.

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

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

(B) after a 75-day period beginning on the date the commission receives notice meeting the

requirements of Subsection (6)(b)(ii) from the city or town.

(ii) The notice described in Subsection (6)(b)(i)(B) shall state:

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

(B) the statutory authority for the tax described in Subsection (6)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (6)(b)(ii)(A); and

(D) if the city or town enacts the tax or changes the rate of the tax described in Subsection (6)(b)(ii)(A), the new rate of the tax.

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

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

(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (6)(c)(ii) from the city or town that annexes the annexing area.

(ii) The notice described in Subsection (6)(c)(i)(B) shall state:

(A) that the annexation described in Subsection (6)(c)(i) will result in a change in the rate of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (6)(c)(ii)(A);

(C) the effective date of the tax described in Subsection (6)(c)(ii)(A); and

(D) the new rate of the tax described in Subsection (6)(c)(ii)(A).

(7) (a) Except as provided in Subsection (7)(b), a municipality is not subject to the voter approval requirements of Subsection (3)(b) if, on or before January 1, 1996, the municipality imposed a licensee fee or tax on businesses based on gross receipts pursuant to Section 10-1-203.

(b) The exception from the voter approval requirements in Subsection (7)(a) does not apply to a municipality that, on or before January 1, 1996, imposed a license fee or tax on only one class of businesses based on gross receipts pursuant to Section 10-1-203.

Section 13. Section **59-12-1102** is amended to read:

59-12-1102. Base -- Rate -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements -- Distribution of revenue -- Administration.

(1) (a) Subject to the provisions of Subsections (2) through [~~(4)~~] (5), and in addition to any

other tax authorized by this chapter, a county may impose by ordinance a county option sales and use tax of 1/4% upon the sales and uses described in Subsection 59-12-103(1), subject to the exemptions provided for in Section 59-12-104.

(b) The county option sales and use tax under this section shall be imposed:

(i) upon sales and uses made in the county, including sales and uses made within municipalities in the county; and

(ii) except as provided in Subsection (1)(c), beginning on the first day of January:

(A) of the next calendar year after adoption of the ordinance imposing the tax if the ordinance is adopted on or before May 25; or

(B) of the second calendar year after adoption of the ordinance imposing the tax if the ordinance is adopted after May 25.

(c) Notwithstanding Subsection (1)(b)(ii), the county option sales and use tax under this section shall be imposed:

(i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before September 4, 1997; or

(ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during 1997 but after September 4, 1997.

(2) (a) Before imposing a county option sales and use tax under Subsection (1), a county shall ~~[(i)]~~ hold two public hearings on separate days in geographically diverse locations in the county ~~[, and]~~.

~~[(ii) notify the commission at least 30 days prior to the adoption of the ordinance.]~~

(b) (i) At least one of the hearings required by Subsection (2)(a) ~~[(i)]~~ shall have a starting time of no earlier than ~~[6:00]~~ 6 p.m.

(ii) The earlier of the hearings required by Subsection (2)(a) ~~[(i)]~~ shall be no less than seven days after the day the first advertisement required by Subsection (2)(c) is published.

(c) (i) Before holding the public hearings required by Subsection (2)(a) ~~[(i)]~~, the county shall advertise in a newspaper of general circulation in the county:

(A) its intent to adopt a county option sales and use tax;

(B) the date, time, and location of each public hearing; and

(C) a statement that the purpose of each public hearing is to obtain public comments regarding the proposed tax.

(ii) The advertisement shall be published once each week for the two weeks preceding the earlier of the two public hearings.

(iii) The advertisement shall be no less than 1/8 page in size, and the type used shall be no smaller than 18 point and surrounded by a 1/4-inch border.

(iv) The advertisement may not be placed in that portion of the newspaper where legal notices and classified advertisements appear.

(v) Whenever possible:

(A) the advertisement shall appear in a newspaper that is published at least five days a week, unless the only newspaper in the county is published less than five days a week; and

(B) the newspaper selected shall be one of general interest and readership in the community, and not one of limited subject matter.

(d) The adoption of an ordinance imposing a county option sales and use tax is subject to a local referendum election as provided in Title 20A, Chapter 7, Part 6, Local Referenda - Procedures, except that:

(i) notwithstanding Subsection 20A-7-609(2)(a), the county clerk shall hold a referendum election that qualifies for the ballot on the earlier of the next regular general election date or the next municipal general election date more than 155 days after adoption of an ordinance under this section;

(ii) for 1997 only, the 120-day period in Subsection 20A-7-606(1) shall be 30 days; and

(iii) the deadlines in Subsection 20A-7-606(2) and (3) do not apply, and the clerk shall take the actions required by those subsections before the referendum election.

(3) (a) If the aggregate population of the counties imposing a county option sales and use tax under Subsection (1) is less than 75% of the state population, the tax levied under Subsection (1) shall be distributed to the county in which the tax was collected.

(b) If the aggregate population of the counties imposing a county option sales and use tax under Subsection (1) is greater than or equal to 75% of the state population:

(i) 50% of the tax collected under Subsection (1) in each county shall be distributed to the county in which the tax was collected; and

(ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection (1) in each county shall be distributed proportionately among all counties imposing the tax, based on the total population of each county.

(c) If the amount to be distributed annually to a county under Subsection (3)(b)(ii), when combined with the amount distributed to the county under Subsection (3)(b)(i), does not equal at least \$75,000, then:

(i) the amount to be distributed annually to that county under Subsection (3)(b)(ii) shall be increased so that, when combined with the amount distributed to the county under Subsection (3)(b)(i), the amount distributed annually to the county is \$75,000; and

(ii) the amount to be distributed annually to all other counties under Subsection (3)(b)(ii) shall be reduced proportionately to offset the additional amount distributed under Subsection (3)(c)(i).

(d) The commission shall establish rules to implement the distribution of the tax under Subsections (3)(a), (b), and (c).

(4) (a) Except as provided in Subsections (4)(b) and (c), a county option sales and use tax under Subsection (1) shall be imposed and administered in the same manner as a tax imposed under Title 59, Chapter 12, Part 2, [The] Local Sales and Use Tax Act.

(b) A county option sales and use tax imposed under this part is not subject to:

(i) the distribution provisions of Subsections 59-12-205(2) and (3); and

(ii) the earmarking provisions of Subsection 59-12-205(4).

(c) The fee charged by the commission under Section 59-12-206 shall be based on the distribution amounts resulting after all the applicable distribution calculations under Subsection (3) have been made.

(5) (a) For purposes of this Subsection (5):

(i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Annexation to County.

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

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

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

(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(b)(ii) from the county.

(ii) The notice described in Subsection (5)(b)(i)(B) shall state:

(A) that the county will enact or repeal a tax or change the rate of a tax under this part;

(B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

(D) if the county enacts the tax or changes the rate of the tax described in Subsection (5)(b)(ii)(A), the new rate of the tax.

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

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

(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (5)(c)(ii) from the county that annexes the annexing area.

(ii) The notice described in Subsection (5)(c)(i)(B) shall state:

(A) that the annexation described in Subsection (5)(c)(i) will result in a change in the rate of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (5)(c)(ii)(A);

(C) the effective date of the tax described in Subsection (5)(c)(ii)(A); and

(D) the new rate of the tax described in Subsection (5)(c)(ii)(A).

Section 14. Section **59-12-1302** is amended to read:

59-12-1302. Authority to impose -- Base -- Rate -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements.

(1) Beginning on or after January 1, 1998, the governing body of a town may impose a tax as provided in this part in an amount that does not exceed 1%.

(2) A town may impose a tax as provided in this part if the town imposed a license fee or tax

on businesses based on gross receipts under Section 10-1-203 on or before January 1, 1996.

(3) A town imposing a tax under this section shall:

~~[(a) adopt an ordinance:]~~

~~[(i) imposing]~~ (a) impose the tax on the sales and uses described in Section 59-12-103;

~~[(ii) exempting]~~ (b) exempt from the tax the sales and uses described in Section 59-12-104;

and

~~[(iii) providing]~~ (c) provide an effective date for the tax[;] as provided in Subsection (4).

~~[(b) impose the tax on the first day of a calendar quarter; and]~~

~~[(c) notify the commission at least 30 days before the day on which the commission is required to collect the tax.]~~

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

(i) "Annexation" means an annexation to a town under Title 10, Chapter 2, Part 4,

Annexation.

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

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

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

(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (4)(b)(ii) from the town.

(ii) The notice described in Subsection (4)(b)(i)(B) shall state:

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

(B) the statutory authority for the tax described in Subsection (4)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (4)(b)(ii)(A); and

(D) if the town enacts the tax or changes the rate of the tax described in Subsection (4)(b)(ii)(A), the new rate of the tax.

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

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

(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (4)(c)(ii) from the town that annexes the annexing area.

(ii) The notice described in Subsection (4)(c)(i)(B) shall state:

(A) that the annexation described in Subsection (4)(c)(i) will result in a change in the rate of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (4)(c)(ii)(A);

(C) the effective date of the tax described in Subsection (4)(c)(ii)(A); and

(D) the new rate of the tax described in Subsection (4)(c)(ii)(A).

~~[(4)]~~ (5) The commission shall:

(a) except as provided in Subsection ~~[(4)]~~ (5)(c), distribute the revenues generated by the tax under this section to the town imposing the tax;

(b) administer, collect, and enforce the tax authorized under this section pursuant to:

(i) the same procedures used to administer, collect, and enforce the sales and use tax under ~~[Title 59, Chapter 12,]~~ Part 1, Tax Collection; and

(ii) ~~[Title 59,]~~ Chapter 1, General Taxation Policies; and

(c) deduct from the distribution under Subsection ~~[(4)]~~ (5)(a) an administrative charge for collecting the tax as provided in Section 59-12-206.

Section 15. Repealer.

This act repeals:

Section 10-1-309, Effective date of levy.

Section 59-12-208, When tax levied becomes effective.