

28 **59-12-1001**, as last amended by Chapter 291, Laws of Utah 1998

29 **59-12-1102**, as last amended by Chapter 13, Laws of Utah 1998

30 **59-12-1302**, as enacted by Chapter 243, Laws of Utah 1998

31 ENACTS:

32 **59-12-805**, Utah Code Annotated 1953

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

34 Section 1. Section **59-12-102** is amended to read:

35 **59-12-102. Definitions.**

36 As used in this chapter:

37 (1) (a) "Admission or user fees" includes season passes.

38 (b) "Admission or user fees" does not include annual membership dues to private
39 organizations.

40 (2) "Area agency on aging" is as defined in Section 62A-3-101.

41 (3) "Authorized carrier" means:

42 (a) in the case of vehicles operated over public highways, the holder of credentials
43 indicating that the vehicle is or will be operated pursuant to both the International Registration
44 Plan (IRP) and the International Fuel Tax Agreement (IFTA);

45 (b) in the case of aircraft, the holder of a Federal Aviation Administration (FAA) operating
46 certificate or air carrier's operating certificate; or

47 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling stock,
48 the holder of a certificate issued by the United States Interstate Commerce Commission.

49 (4) (a) For purposes of Subsection 59-12-104(43), "coin-operated amusement device"
50 means:

51 (i) a coin-operated amusement, skill, or ride device;

52 (ii) that is not controlled through vendor-assisted, over-the-counter, sales of tokens; and

53 (iii) includes a music machine, pinball machine, billiard machine, video game machine,
54 arcade machine, and a mechanical or electronic skill game or ride.

55 (b) For purposes of Subsection 59-12-104(43), "coin-operated amusement device" does
56 not mean a coin-operated amusement device possessing a coinage mechanism that:

57 (i) accepts and registers multiple denominations of coins; and

58 (ii) allows the vendor to collect the sales and use tax at the time an amusement device is

59 activated and operated by a person inserting coins into the device.

60 (5) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other fuels
61 that does not constitute industrial use under Subsection [~~(13)~~] (14) or residential use under
62 Subsection [~~(21)~~] (22).

63 (6) (a) "Common carrier" means a person engaged in or transacting the business of
64 transporting passengers, freight, merchandise, or other property for hire within this state.

65 (b) (i) "Common carrier" does not include a person who, at the time the person is traveling
66 to or from that person's place of employment, transports a passenger to or from the passenger's
67 place of employment.

68 (ii) For purposes of Subsection (6)(b)(i), in accordance with Title 63, Chapter 46a, Utah
69 Administrative Rulemaking Act, the commission may make rules defining what constitutes a
70 person's place of employment.

71 (7) "Component part" includes:

72 (a) poultry, dairy, and other livestock feed, and their components;

73 (b) baling ties and twine used in the baling of hay and straw;

74 (c) fuel used for providing temperature control of orchards and commercial greenhouses
75 doing a majority of their business in wholesale sales, and for providing power for off-highway type
76 farm machinery; and

77 (d) feed, seeds, and seedlings.

78 (8) "Construction materials" means any tangible personal property that will be converted
79 into real property.

80 (9) (a) Subject to Subsections (9)(b) and (c), for purposes of Subsection 59-12-104(4),
81 "food" is as defined in 7 U.S.C. Sec 2012(g) under the Food Stamp Program, 7 U.S.C. Sec. 2011
82 et seq., regardless of whether the retailer from whom the food is purchased or the purchaser
83 participates in a federal or state food program.

84 (b) "Food" includes:

85 (i) hot or cold foods prepared for immediate consumption on or off the premises of a
86 retailer that does not meet the definition of a restaurant under Section 59-12-602; or

87 (ii) food sold through vending machines.

88 (c) "Food" does not include prepared foods or beverages that are sold by a restaurant as
89 defined in Section 59-12-602.

90 [~~9~~] (10) (a) "Fundraising sales" means sales:

91 (i) (A) made by a public or private elementary or secondary school; or

92 (B) made by a public or private elementary or secondary school student, grades
93 kindergarten through 12;

94 (ii) that are for the purpose of raising funds for the school to purchase equipment,
95 materials, or provide transportation; and

96 (iii) that are part of an officially sanctioned school activity.

97 (b) For purposes of Subsection [~~9~~] (10)(a)(iii), "officially sanctioned school activity"
98 means a school activity:

99 (i) that is conducted in accordance with a formal policy adopted by the school or school
100 district governing the authorization and supervision of fundraising activities;

101 (ii) that does not directly or indirectly compensate an individual teacher or other
102 educational personnel by direct payment, commissions, or payment in kind; and

103 (iii) the net or gross revenues from which are deposited in a dedicated account controlled
104 by the school or school district.

105 [~~10~~] (11) (a) "Hearing aid" means:

106 (i) an instrument or device having an electronic component that is designed to:

107 (A) (I) improve impaired human hearing; or

108 (II) correct impaired human hearing; and

109 (B) (I) be worn in the human ear; or

110 (II) affixed behind the human ear;

111 (ii) an instrument or device that is surgically implanted into the cochlea; or

112 (iii) a telephone amplifying device.

113 (b) "Hearing aid" does not include:

114 (i) except as provided in Subsection [~~10~~] (11)(a)(i)(B) or [~~10~~] (11)(a)(ii), an instrument
115 or device having an electronic component that is designed to be worn on the body;

116 (ii) except as provided in Subsection [~~10~~] (11)(a)(iii), an assistive listening device or
117 system designed to be used by one individual, including:

118 (A) a personal amplifying system;

119 (B) a personal FM system;

120 (C) a television listening system; or

121 (D) a device or system similar to a device or system described in Subsections [(10)]
122 (11)(b)(ii)(A) through (C); or

123 (iii) an assistive listening device or system designed to be used by more than one
124 individual, including:

125 (A) a device or system installed in:

126 (I) an auditorium;

127 (II) a church;

128 (III) a conference room;

129 (IV) a synagogue; or

130 (V) a theater; or

131 (B) a device or system similar to a device or system described in Subsections [(10)]
132 (11)(b)(iii)(A)(I) through (V).

133 [(11)] (12) (a) "Hearing aid accessory" means a hearing aid:

134 (i) component;

135 (ii) attachment; or

136 (iii) accessory.

137 (b) "Hearing aid accessory" includes:

138 (i) a hearing aid neck loop;

139 (ii) a hearing aid cord;

140 (iii) a hearing aid ear mold;

141 (iv) hearing aid tubing;

142 (v) a hearing aid ear hook; or

143 (vi) a hearing aid remote control.

144 (c) "Hearing aid accessory" does not include:

145 (i) a component, attachment, or accessory designed to be used only with an:

146 (A) instrument or device described in Subsection [(10)] (11)(b)(i); or

147 (B) assistive listening device or system described in Subsection [(10)] (11)(b)(ii) or (iii);

148 or

149 (ii) a hearing aid battery.

150 [(12)] (13) (a) "Home medical equipment and supplies" means equipment and supplies

151 that:

152 (i) a licensed physician prescribes or authorizes in writing as necessary for the treatment
153 of a medical illness or injury or as necessary to mitigate an impairment resulting from illness or
154 injury;

155 (ii) are used exclusively by the person for whom they are prescribed to serve a medical
156 purpose; and

157 (iii) are listed as eligible for payment under Title 18 of the federal Social Security Act or
158 under the state plan for medical assistance under Title 19 of the federal Social Security Act.

159 (b) "Home medical equipment and supplies" does not include:

160 (i) equipment and supplies purchased by, for, or on behalf of any health care facility, as
161 defined in Subsection [~~(12)~~] (13)(c), doctor, nurse, or other health care provider for use in their
162 professional practice;

163 (ii) eyeglasses, contact lenses, or equipment to correct impaired vision; or

164 (iii) hearing aids or hearing aid accessories.

165 (c) For purposes of Subsection [~~(12)~~] (13)(b)(i), "health care facility" includes:

166 (i) a clinic;

167 (ii) a doctor's office; and

168 (iii) a health care facility as defined in Section 26-21-2.

169 [~~(13)~~] (14) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil, or
170 other fuels in:

171 (a) mining or extraction of minerals;

172 (b) agricultural operations to produce an agricultural product up to the time of harvest or
173 placing the agricultural product into a storage facility, including:

174 (i) commercial greenhouses;

175 (ii) irrigation pumps;

176 (iii) farm machinery;

177 (iv) implements of husbandry as defined in Subsection 41-1a-102(23) that are not
178 registered under Title 41, Chapter 1a, Part 2, Registration; and

179 (v) other farming activities; and

180 (c) manufacturing tangible personal property at an establishment described in SIC Codes
181 2000 to 3999 of the 1987 Standard Industrial Classification Manual of the federal Executive Office
182 of the President, Office of Management and Budget.

183 [~~(14)~~] (15) "Manufactured home" means any manufactured home or mobile home as
184 defined in Title 58, Chapter 56, Utah Uniform Building Standards Act.

185 [~~(15)~~] (16) For purposes of Subsection 59-12-104(14), "manufacturing facility" means:

186 (a) an establishment described in SIC Codes 2000 to 3999 of the 1987 Standard Industrial
187 Classification Manual of the federal Executive Office of the President, Office of Management and
188 Budget; or

189 (b) a scrap recycler if:

190 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process one
191 or more of the following items into prepared grades of processed materials for use in new products:

192 (A) iron;

193 (B) steel;

194 (C) nonferrous metal;

195 (D) paper;

196 (E) glass;

197 (F) plastic;

198 (G) textile; or

199 (H) rubber; and

200 (ii) the new products under Subsection [~~(15)~~] (16)(b)(i) would otherwise be made with
201 nonrecycled materials.

202 [~~(16)~~] (17) (a) "Medicine" means:

203 (i) insulin, syringes, and any medicine prescribed for the treatment of human ailments by
204 a person authorized to prescribe treatments and dispensed on prescription filled by a registered
205 pharmacist, or supplied to patients by a physician, surgeon, or podiatric physician;

206 (ii) any medicine dispensed to patients in a county or other licensed hospital if prescribed
207 for that patient and dispensed by a registered pharmacist or administered under the direction of a
208 physician; and

209 (iii) any oxygen or stoma supplies prescribed by a physician or administered under the
210 direction of a physician or paramedic.

211 (b) "Medicine" does not include:

212 (i) any auditory, prosthetic, ophthalmic, or ocular device or appliance; or

213 (ii) any alcoholic beverage.

214 [(17)] (18) "Olympic merchandise" means tangible personal property bearing an Olympic
215 designation, emblem, insignia, mark, logo, service mark, symbol, terminology, trademark, or other
216 copyrighted or protected material, including:

217 (a) one or more of the following terms:

218 (i) "Olympic;"

219 (ii) "Olympiad;" or

220 (iii) "Citius Altius Fortius;"

221 (b) the symbol of the International Olympic Committee, consisting of five interlocking
222 rings;

223 (c) the emblem of the International Olympic Committee Corporation;

224 (d) a United States Olympic Committee designation, emblem, insignia, mark, logo, service
225 mark, symbol, terminology, trademark, or other copyrighted or protected material;

226 (e) any emblem of the Winter Olympic Games of 2002 that is officially designated by the
227 Salt Lake Organizing Committee of the Winter Olympic Games of 2002; or

228 (f) the mascot of the Winter Olympic Games of 2002.

229 [(18)] (19) (a) "Other fuels" means products that burn independently to produce heat or
230 energy.

231 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible personal
232 property.

233 [(19)] (20) "Person" includes any individual, firm, partnership, joint venture, association,
234 corporation, estate, trust, business trust, receiver, syndicate, this state, any county, city,
235 municipality, district, or other local governmental entity of the state, or any group or combination
236 acting as a unit.

237 [(20)] (21) "Purchase price" means the amount paid or charged for tangible personal
238 property or any other taxable ~~[item or service]~~ transaction under Subsection 59-12-103(1),
239 excluding only cash discounts taken or any excise tax imposed on the purchase price by the federal
240 government.

241 [(21)] (22) "Residential use" means the use in or around a home, apartment building,
242 sleeping quarters, and similar facilities or accommodations.

243 [(22)] (23) (a) "Retail sale" means any sale within the state of tangible personal property
244 or any other taxable ~~[item or service]~~ transaction under Subsection 59-12-103(1), other than resale

245 of such property, item, or service by a retailer or wholesaler to a user or consumer.

246 (b) "Retail sale" includes sales by any farmer or other agricultural producer of poultry,
247 eggs, or dairy products to consumers if the sales have an average monthly sales value of \$125 or
248 more.

249 (c) "Retail sale" does not include, and no additional sales or use tax shall be assessed
250 against, those transactions where a purchaser of tangible personal property pays applicable sales
251 or use taxes on its initial nonexempt purchases of property and then enters into a sale-leaseback
252 transaction by which title to such property is transferred by the purchaser-lessee to a lessor for
253 consideration, provided:

254 (i) the transaction is intended as a form of financing for the property to the
255 purchaser-lessee; and

256 (ii) pursuant to generally accepted accounting principles, the purchaser-lessee is required
257 to capitalize the subject property for financial reporting purposes, and account for the lease
258 payments as payments made under a financing arrangement.

259 [(23)] (24) (a) "Retailer" means any person engaged in a regularly organized retail business
260 in tangible personal property or any other taxable [item-or-service] transaction under Subsection
261 59-12-103(1), and who is selling to the user or consumer and not for resale.

262 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly
263 engaged in the business of selling to users or consumers within the state.

264 (c) "Retailer" includes any person who engages in regular or systematic solicitation of a
265 consumer market in this state by the distribution of catalogs, periodicals, advertising flyers, or
266 other advertising, or by means of print, radio or television media, by mail, telegraphy, telephone,
267 computer data base, cable, optic, microwave, or other communication system.

268 (d) "Retailer" does not include farmers, gardeners, stockmen, poultrymen, or other growers
269 or agricultural producers producing and doing business on their own premises, except those who
270 are regularly engaged in the business of buying or selling for a profit.

271 (e) For purposes of this chapter the commission may regard as retailers the following if
272 they determine it is necessary for the efficient administration of this chapter: salesmen,
273 representatives, peddlers, or canvassers as the agents of the dealers, distributors, supervisors, or
274 employers under whom they operate or from whom they obtain the tangible personal property sold
275 by them, irrespective of whether they are making sales on their own behalf or on behalf of these

276 dealers, distributors, supervisors, or employers, except that:

277 (i) a printer's facility with which a retailer has contracted for printing shall not be
278 considered to be a salesman, representative, peddler, canvasser, or agent of the retailer; and

279 (ii) the ownership of property that is located at the premises of a printer's facility with
280 which the retailer has contracted for printing and that consists of the final printed product, property
281 that becomes a part of the final printed product, or copy from which the printed product is
282 produced, shall not result in the retailer being deemed to have or maintain an office, distribution
283 house, sales house, warehouse, service enterprise, or other place of business, or to maintain a stock
284 of goods, within this state.

285 ~~[(24)]~~ (25) "Sale" means any transfer of title, exchange, or barter, conditional or otherwise,
286 in any manner, of tangible personal property or any other taxable ~~[item or service]~~ transaction
287 under Subsection 59-12-103(1), for a consideration. It includes:

288 (a) installment and credit sales;

289 (b) any closed transaction constituting a sale;

290 (c) any sale of electrical energy, gas, services, or entertainment taxable under this chapter;

291 (d) any transaction if the possession of property is transferred but the seller retains the title
292 as security for the payment of the price; and

293 (e) any transaction under which right to possession, operation, or use of any article of
294 tangible personal property is granted under a lease or contract and the transfer of possession would
295 be taxable if an outright sale were made.

296 ~~[(25)]~~ (26) (a) "Sales relating to schools" means sales by a public school district or public
297 or private elementary or secondary school, grades kindergarten through 12, that are directly related
298 to the school's or school district's educational functions or activities and include:

299 (i) the sale of textbooks, textbook fees, laboratory fees, laboratory supplies, and safety
300 equipment;

301 (ii) the sale of clothing that:

302 (A) a student is specifically required to wear as a condition of participation in a
303 school-related event or activity; and

304 (B) is not readily adaptable to general or continued usage to the extent that it takes the
305 place of ordinary clothing;

306 (iii) sales of food if the net or gross revenues generated by the food sales are deposited into

307 a school district fund or school fund dedicated to school meals; and
308 (iv) transportation charges for official school activities.
309 (b) "Sales relating to schools" does not include:
310 (i) gate receipts;
311 (ii) special event admission fees;
312 (iii) bookstore sales of items that are not educational materials or supplies; and
313 (iv) except as provided in Subsection [(25)] (26)(a)(ii), clothing.
314 [(26)] (27) "Senior citizen center" means a facility having the primary purpose of
315 providing services to the aged as defined in Section 62A-3-101.
316 [(27)] (28) "State" means the state of Utah, its departments, and agencies.
317 [(28)] (29) "Storage" means any keeping or retention of tangible personal property or any
318 other taxable [item or service] transaction under Subsection 59-12-103(1), in this state for any
319 purpose except sale in the regular course of business.
320 [(29)] (30) (a) "Tangible personal property" means:
321 (i) all goods, wares, merchandise, produce, and commodities;
322 (ii) all tangible or corporeal things and substances which are dealt in or capable of being
323 possessed or exchanged;
324 (iii) water in bottles, tanks, or other containers; and
325 (iv) all other physically existing articles or things, including property severed from real
326 estate.
327 (b) "Tangible personal property" does not include:
328 (i) real estate or any interest or improvements in real estate;
329 (ii) bank accounts, stocks, bonds, mortgages, notes, and other evidence of debt;
330 (iii) insurance certificates or policies;
331 (iv) personal or governmental licenses;
332 (v) water in pipes, conduits, ditches, or reservoirs;
333 (vi) currency and coinage constituting legal tender of the United States or of a foreign
334 nation; and
335 (vii) all gold, silver, or platinum ingots, bars, medallions, or decorative coins, not
336 constituting legal tender of any nation, with a gold, silver, or platinum content of not less than
337 80%.

338 [(30)] (31) (a) "Use" means the exercise of any right or power over tangible personal
339 property under Subsection 59-12-103(1), incident to the ownership or the leasing of that property,
340 item, or service.

341 (b) "Use" does not include the sale, display, demonstration, or trial of that property in the
342 regular course of business and held for resale.

343 [(31)] (32) "Vehicle" means any aircraft, as defined in Section 72-10-102; any vehicle, as
344 defined in Section 41-1a-102; any off-highway vehicle, as defined in Section 41-22-2; and any
345 vessel, as defined in Section 41-1a-102; that is required to be titled, registered, or both. "Vehicle"
346 for purposes of Subsection 59-12-104(36) only, also includes any locomotive, freight car, railroad
347 work equipment, or other railroad rolling stock.

348 [(32)] (33) "Vehicle dealer" means a person engaged in the business of buying, selling, or
349 exchanging vehicles as defined in Subsection [(31)] (32).

350 [(33)] (34) (a) "Vendor" means:

351 (i) any person receiving any payment or consideration upon a sale of tangible personal
352 property or any other taxable [item or service] transaction under Subsection 59-12-103(1), or to
353 whom such payment or consideration is payable; and

354 (ii) any person who engages in regular or systematic solicitation of a consumer market in
355 this state by the distribution of catalogs, periodicals, advertising flyers, or other advertising, or by
356 means of print, radio or television media, by mail, telegraphy, telephone, computer data base,
357 cable, optic, microwave, or other communication system.

358 (b) "Vendor" does not mean a printer's facility described in Subsection [(23)] (24)(e).

359 Section 2. Section **59-12-103** is amended to read:

360 **59-12-103. Sales and use tax base -- Rate -- Use of sales and use tax revenues.**

361 (1) [There is levied a] A tax is imposed on the purchaser as provided in this part for [the
362 amount] amounts paid or charged for the following transactions:

363 (a) retail sales of tangible personal property made within the state;

364 (b) [amount] amounts paid to common carriers or to telephone or telegraph corporations,
365 whether the corporations are municipally or privately owned, for:

366 (i) all transportation;

367 (ii) intrastate telephone service; or

368 (iii) telegraph service;

369 (c) sales of the following for commercial use:

370 (i) gas[-];

371 (ii) electricity[-];

372 (iii) heat[-];

373 (iv) coal[-];

374 (v) fuel oil[-]; or

375 (vi) other fuels [~~sold for commercial use~~];

376 (d) sales of the following for residential use:

377 (i) gas[-];

378 (ii) electricity[-];

379 (iii) heat[-];

380 (iv) coal[-];

381 (v) fuel oil[-]; or

382 (vi) other fuels [~~sold for residential use~~];

383 (e) [~~meals sold~~] sales of prepared food or beverages by a restaurant as defined in Section
384 59-12-602;

385 (f) amounts paid or charged as admission or user fees for theaters, movies, operas,
386 museums, planetariums, shows of any type or nature, exhibitions, concerts, carnivals, amusement
387 parks, amusement rides, circuses, menageries, fairs, races, contests, sporting events, dances,
388 boxing [~~and~~] matches, wrestling matches, closed circuit television broadcasts, billiard [~~or~~] parlors,
389 pool parlors, bowling lanes, golf [~~and~~], miniature golf, golf driving ranges, batting cages, skating
390 rinks, ski lifts, ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
391 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or any other
392 amusement, entertainment, recreation, exhibition, cultural, or athletic activity;

393 (g) amounts paid or charged for services:

394 (i) for repairs or renovations of tangible personal property; or [~~services~~]

395 (ii) to install tangible personal property in connection with other tangible personal
396 property;

397 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for cleaning
398 or washing of tangible personal property;

399 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court accommodations

400 and services for less than 30 consecutive days;

401 (j) amounts paid or charged for laundry [and] or dry cleaning services;

402 (k) amounts paid or charged for leases [and] or rentals of tangible personal property if [the
403 property]:

404 (i) the tangible personal property's situs is in this state[-if];

405 (ii) the lessee took possession of the tangible personal property in this state[-]; or [if]

406 (iii) within this state the tangible personal property is:

407 (A) stored[-];

408 (B) used[-]; or

409 (C) otherwise consumed [in this state];

410 (l) amounts paid or charged for tangible personal property if within this state the tangible
411 personal property is:

412 (i) stored[-];

413 (ii) used[-]; or

414 (iii) consumed [in this state]; and

415 (m) amounts paid or charged for prepaid telephone calling cards.

416 (2) Except [for] as provided in Subsection [(1)(d)] (3), the [rates of the] tax [levied under]
417 rates imposed on a transaction described in Subsection (1) [shall be] are as follows:

418 [~~(a) 5% through June 30, 1994;~~]

419 [~~(b) 4.875%~~] (a) beginning on July 1, 1994 through June 30, 1997, the tax rate is 4.875%;

420 [and]

421 [~~(c) 4.75%~~] (b) beginning on July 1, 1997, through December 31, 2000, the tax rate is
422 4.75%; and

423 (c) beginning on January 1, 2001, the tax rate is 5.25%.

424 (3) [The rates of the] Notwithstanding Subsection (2), beginning on January 1, 1990, the
425 tax [levied under] rate imposed on a transaction described in Subsection (1)(d) [shall be] is 2%
426 [from and after January 1, 1990].

427 (4) (a) There shall be deposited in an Olympics special revenue fund or funds as determined
428 by the Division of Finance under Section 51-5-4, for the use of the Utah Sports Authority created
429 under Title 63A, Chapter 7, Utah Sports Authority Act:

430 (i) from January 1, 1990, through December 31, 1999, the amount of sales and use tax

431 generated by a 1/64% tax rate on the taxable [~~items and services~~] transactions under Subsection
432 (1);

433 (ii) from January 1, 1990, through June 30, 1999, the amount of revenue generated by a
434 1/64% tax rate under Section 59-12-204 or Section 59-12-205 on the taxable [~~items and services~~]
435 transactions under Subsection (1); and

436 (iii) interest earned on the amounts under Subsections (4)(a)(i) and (ii).

437 (b) These funds shall be used:

438 (i) by the Utah Sports Authority as follows:

439 (A) to the extent funds are available, to transfer directly to a debt service fund or to
440 otherwise reimburse to the state any amount expended on debt service or any other cost of any
441 bonds issued by the state to construct any public sports facility as defined in Section 63A-7-103;

442 (B) to pay for the actual and necessary operating, administrative, legal, and other expenses
443 of the Utah Sports Authority, but not including protocol expenses for seeking and obtaining the
444 right to host the Winter Olympic Games; and

445 (C) unless the Legislature appropriates additional funds from the Olympics Special
446 Revenue Fund to the Utah Sports Authority, the Utah Sports Authority may not expend, loan, or
447 pledge in the aggregate more than:

448 (I) \$59,000,000 of sales and use tax deposited into the Olympics special revenue fund
449 under Subsection (4)(a);

450 (II) the interest earned on the amount described in Subsection (4)(b)(i)(C)(I); and

451 (III) the revenues deposited into the Olympics Special Revenue Fund that are not sales and
452 use taxes deposited under Subsection (4)(a) or interest on the sales and use taxes;

453 (ii) to pay salary, benefits, or administrative costs associated with the State Olympic
454 Officer under Subsection 63A-10-103(3), except that the salary, benefits, or administrative costs
455 may not be paid from the sales and tax revenues generated by municipalities or counties and
456 deposited under Subsection (4)(a)(ii).

457 (c) A payment of salary, benefits, or administrative costs under Subsection 63A-10-103(3)
458 is not considered an expenditure of the Utah Sports Authority.

459 (d) If the Legislature appropriates additional funds under Subsection (4)(b)(i)(C), the
460 authority may not expend, loan, pledge, or enter into any agreement to expend, loan, or pledge the
461 appropriated funds unless the authority:

462 (i) contracts in writing for the full reimbursement of the monies to the Olympics special
463 revenue fund by a public sports entity or other person benefitting from the expenditure; and

464 (ii) obtains a security interest that secures payment or performance of the obligation to
465 reimburse.

466 (e) A contract or agreement entered into in violation of Subsection (4)(d) is void.

467 (5) (a) From July 1, 1997, the annual amount of sales and use tax generated by a 1/8% tax
468 rate on the taxable [~~items and services~~] transactions under Subsection (1) shall be used as follows:

469 (i) 50% shall be used for water and wastewater projects as provided in Subsections (5)(b)
470 through (f); and

471 (ii) 50% shall be used for transportation projects as provided in Subsections (5)(g) through
472 (h).

473 (b) Five hundred thousand dollars each year shall be transferred to the Agriculture
474 Resource Development Fund created in Section 4-18-6.

475 (c) Fifty percent of the remaining amount generated by 50% of the 1/8% tax rate shall be
476 transferred to the Water Resources Conservation and Development Fund created in Section
477 73-10-24 for use by the Division of Water Resources. In addition to the uses allowed of the fund
478 under Section 73-10-24, the fund may also be used to:

479 (i) provide a portion of the local cost share, not to exceed in any fiscal year 50% of the
480 funds made available to the Division of Water Resources under this section, of potential project
481 features of the Central Utah Project;

482 (ii) conduct hydrologic and geotechnical investigations by the Department of Natural
483 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
484 quantifying surface and ground water resources and describing the hydrologic systems of an area
485 in sufficient detail so as to enable local and state resource managers to plan for and accommodate
486 growth in water use without jeopardizing the resource;

487 (iii) fund state required dam safety improvements; and

488 (iv) protect the state's interest in interstate water compact allocations, including the hiring
489 of technical and legal staff.

490 (d) Twenty-five percent of the remaining amount generated by 50% of the 1/8% tax rate
491 shall be transferred to the Utah Wastewater Loan Program subaccount created in Section 73-10c-5
492 for use by the Water Quality Board to fund wastewater projects as defined in Section 73-10b-2.

493 (e) Twenty-five percent of the remaining amount generated by 50% of the 1/8% tax rate
494 shall be transferred to the Drinking Water Loan Program subaccount created in Section 73-10c-5
495 for use by the Division of Drinking Water to:

496 (i) provide for the installation and repair of collection, treatment, storage, and distribution
497 facilities for any public water system, as defined in Section 19-4-102;

498 (ii) develop underground sources of water, including springs and wells; and

499 (iii) develop surface water sources.

500 (f) Notwithstanding Subsections (5)(b), (c), (d), and (e), \$100,000 of the remaining amount
501 generated by 50% of the 1/8% tax rate each year shall be transferred as dedicated credits to the
502 Division of Water Rights to cover the costs incurred in hiring legal and other technical staff for the
503 adjudication of water rights. Any remaining balance at the end of each fiscal year shall lapse back
504 to the contributing funds on a prorated basis.

505 (g) Fifty percent of the 1/8% tax rate shall be transferred to the class B and class C roads
506 account to be expended as provided in Title 72, Chapter 2, Transportation Finances Act, for the
507 use of class B and C road funds except as provided in Subsection (5)(h).

508 (h) (i) If H.B. 53, "Transportation Corridor Preservation," passes in the 1996 General
509 Session, \$500,000 each year shall be transferred to the Transportation Corridor Preservation
510 Revolving Loan Fund, and if H.B. 121, "State Park Access Roads," passes in the 1996 General
511 Session, from July 1, 1997, through June 30, 2006, \$500,000 shall be transferred to the Department
512 of Transportation for the State Park Access Highways Improvement Program. The remaining
513 amount generated by 50% of the 1/8% tax rate shall be transferred to the class B and class C roads
514 account.

515 (ii) At least 50% of the money transferred to the Transportation Corridor Preservation
516 Revolving Loan Fund under Subsection (5)(h)(i) shall be used to fund loan applications made by
517 the Department of Transportation at the request of local governments.

518 (6) (a) Beginning on January 1, 2000, the Division of Finance shall deposit into the
519 Centennial Highway Fund created in Section 72-2-118 a portion of the state sales and use tax
520 under Subsections (2) and (3) equal to the revenues generated by a 1/64% tax rate on the taxable
521 ~~[items and services]~~ transactions under Subsection (1).

522 (b) Except for sales and use taxes deposited under Subsection (7), beginning on July 1,
523 1999, the revenues generated by the 1/64% tax rate:

524 (i) retained under Subsection 59-12-204(7)(a) shall be retained by the counties, cities, or
525 towns as provided in Section 59-12-204; and

526 (ii) retained under Subsection 59-12-205(4)(a) shall be distributed to each county, city, and
527 town as provided in Section 59-12-205.

528 (7) Beginning on July 1, 1999, the commission shall deposit into the Airport to University
529 of Utah Light Rail Restricted Account created in Section 17A-2-1064 the portion of the sales and
530 use tax under Sections 59-12-204 and 59-12-205 that is:

531 (a) generated by a city or town that will have constructed within its boundaries the Airport
532 to University of Utah Light Rail described in the Transportation Equity Act for the 21st Century,
533 Pub. L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107; and

534 (b) equal to the revenues generated by a 1/64% tax rate on the taxable items and services
535 under Subsection (1).

536 Section 3. Section **59-12-104** is amended to read:

537 **59-12-104. Exemptions.**

538 The following sales and uses are exempt from the taxes imposed by this chapter:

539 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
540 under Title 59, Chapter 13, Motor and Special Fuel Tax Act;

541 (2) sales to the state, its institutions, and its political subdivisions; however, this exemption
542 does not apply to sales of construction materials except:

543 (a) construction materials purchased by or on behalf of institutions of the public education
544 system as defined in Utah Constitution Article X, Section 2, provided the construction materials
545 are clearly identified and segregated and installed or converted to real property which is owned by
546 institutions of the public education system; and

547 (b) construction materials purchased by the state, its institutions, or its political
548 subdivisions which are installed or converted to real property by employees of the state, its
549 institutions, or its political subdivisions;

550 (3) beginning on January 1, 2001, sales of food[, beverage, and dairy products from
551 vending machines in which the proceeds of each sale do not exceed \$1 if the vendor or operator
552 of the vending machine reports an amount equal to 150% of the cost of items as goods consumed];

553 (4) sales of food, beverage, dairy products, similar confections, and related services to
554 commercial airline carriers for in-flight consumption;

555 (5) sales of parts and equipment installed in aircraft operated by common carriers in
556 interstate or foreign commerce;

557 (6) sales of commercials, motion picture films, prerecorded audio program tapes or
558 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture
559 exhibitor, distributor, or commercial television or radio broadcaster;

560 (7) sales of cleaning or washing of tangible personal property by a coin-operated laundry
561 or dry cleaning machine;

562 (8) (a) except as provided in Subsection (8)(b), sales made to or by religious or charitable
563 institutions in the conduct of their regular religious or charitable functions and activities, if the
564 requirements of Section 59-12-104.1 are fulfilled;

565 (b) the exemption provided for in Subsection (8)(a) does not apply to the following sales,
566 uses, leases, or rentals relating to the Olympic Winter Games of 2002 made to or by an
567 organization exempt from federal income taxation under Section 501(c)(3), Internal Revenue
568 Code:

569 (i) retail sales of Olympic merchandise;

570 (ii) admissions or user fees described in Subsection 59-12-103(1)(f);

571 (iii) sales of accommodations and services as provided in Subsection 59-12-103(1)(i),
572 except for accommodations and services:

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

575 (B) exclusively used by:

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

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

580 (C) for which the Salt Lake Organizing Committee for the Olympic Winter Games of 2002
581 does not receive reimbursement; or

582 (iv) a lease or rental of a vehicle as defined in Section 41-1a-102, except for a lease or
583 rental of a vehicle:

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

- 586 (B) exclusively used by:
- 587 (I) an officer, a trustee, or an employee of the Salt Lake Organizing Committee for the
- 588 Olympic Winter Games of 2002; or
- 589 (II) a volunteer supervised by the Salt Lake Organizing Committee for the Olympic Winter
- 590 Games of 2002; and
- 591 (C) for which the Salt Lake Organizing Committee for the Olympic Winter Games of 2002
- 592 does not receive reimbursement;
- 593 (9) sales of vehicles of a type required to be registered under the motor vehicle laws of
- 594 this state which are made to bona fide nonresidents of this state and are not afterwards registered
- 595 or used in this state except as necessary to transport them to the borders of this state;
- 596 (10) sales of medicine;
- 597 (11) sales or use of property, materials, or services used in the construction of or
- 598 incorporated in pollution control facilities allowed by Sections 19-2-123 through 19-2-127;
- 599 (12) sales of meals served by:
- 600 (a) churches, charitable institutions, and institutions of higher education, if the meals are
- 601 not available to the general public; and
- 602 (b) inpatient meals provided at medical or nursing facilities;
- 603 (13) isolated or occasional sales by persons not regularly engaged in business, except the
- 604 sale of vehicles or vessels required to be titled or registered under the laws of this state in which
- 605 case the tax is based upon:
- 606 (a) the bill of sale or other written evidence of value of the vehicle or vessel being sold;
- 607 or
- 608 (b) in the absence of a bill of sale or other written evidence of value, the then existing fair
- 609 market value of the vehicle or vessel being sold as determined by the commission;
- 610 (14) (a) the following purchases or leases by a manufacturer on or after July 1, 1995:
- 611 (i) machinery and equipment:
- 612 (A) used in the manufacturing process;
- 613 (B) having an economic life of three or more years; and
- 614 (C) used:
- 615 (I) to manufacture an item sold as tangible personal property; and
- 616 (II) in new or expanding operations in a manufacturing facility in the state; and

- 617 (ii) subject to the provisions of Subsection (14)(b), normal operating replacements that:
- 618 (A) have an economic life of three or more years;
- 619 (B) are used in the manufacturing process in a manufacturing facility in the state;
- 620 (C) are used to replace or adapt an existing machine to extend the normal estimated useful
- 621 life of the machine; and
- 622 (D) do not include repairs and maintenance;
- 623 (b) the rates for the exemption under Subsection (14)(a)(ii) are as follows:
- 624 (i) beginning July 1, 1996, through June 30, 1997, 30% of the sale or lease described in
- 625 Subsection (14)(a)(ii) is exempt;
- 626 (ii) beginning July 1, 1997, through June 30, 1998, 60% of the sale or lease described in
- 627 Subsection (14)(a)(ii) is exempt; and
- 628 (iii) beginning July 1, 1998, 100% of the sale or lease described in Subsection (14)(a)(ii)
- 629 is exempt;
- 630 (c) for purposes of this Subsection (14), the commission shall by rule define the terms
- 631 "new or expanding operations" and "establishment"; and
- 632 (d) on or before October 1, 1991, and every five years after October 1, 1991, the
- 633 commission shall:
- 634 (i) review the exemptions described in Subsection (14)(a) and make recommendations to
- 635 the Revenue and Taxation Interim Committee concerning whether the exemptions should be
- 636 continued, modified, or repealed; and
- 637 (ii) include in its report:
- 638 (A) the cost of the exemptions;
- 639 (B) the purpose and effectiveness of the exemptions; and
- 640 (C) the benefits of the exemptions to the state;
- 641 (15) sales of tooling, special tooling, support equipment, and special test equipment used
- 642 or consumed exclusively in the performance of any aerospace or electronics industry contract with
- 643 the United States government or any subcontract under that contract, but only if, under the terms
- 644 of that contract or subcontract, title to the tooling and equipment is vested in the United States
- 645 government as evidenced by a government identification tag placed on the tooling and equipment
- 646 or by listing on a government-approved property record if a tag is impractical;
- 647 (16) intrastate movements of:

- 648 (a) freight by common carriers; and
- 649 (b) passengers:
 - 650 (i) by taxicabs as described in SIC Code 4121 of the 1987 Standard Industrial
 - 651 Classification Manual of the federal Executive Office of the President, Office of Management and
 - 652 Budget; or
 - 653 (ii) transported by an establishment described in SIC Code 4111 of the 1987 Standard
 - 654 Industrial Classification Manual of the federal Executive Office of the President, Office of
 - 655 Management and Budget, if the transportation originates and terminates within a county of the
 - 656 first, second, or third class;
- 657 (17) sales of newspapers or newspaper subscriptions;
- 658 (18) tangible personal property, other than money, traded in as full or part payment of the
- 659 purchase price, except that for purposes of calculating sales or use tax upon vehicles not sold by
- 660 a vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:
 - 661 (a) the bill of sale or other written evidence of value of the vehicle being sold and the
 - 662 vehicle being traded in; or
 - 663 (b) in the absence of a bill of sale or other written evidence of value, the then existing fair
 - 664 market value of the vehicle being sold and the vehicle being traded in, as determined by the
 - 665 commission;
- 666 (19) sprays and insecticides used to control insects, diseases, and weeds for commercial
- 667 production of fruits, vegetables, feeds, seeds, and animal products, but not those sprays and
- 668 insecticides used in the processing of the products;
- 669 (20) (a) sales of tangible personal property used or consumed primarily and directly in
- 670 farming operations, including sales of irrigation equipment and supplies used for agricultural
- 671 production purposes, whether or not they become part of real estate and whether or not installed
- 672 by farmer, contractor, or subcontractor, but not sales of:
 - 673 (i) machinery, equipment, materials, and supplies used in a manner that is incidental to
 - 674 farming, such as hand tools with a unit purchase price not in excess of \$250, and maintenance and
 - 675 janitorial equipment and supplies;
 - 676 (ii) tangible personal property used in any activities other than farming, such as office
 - 677 equipment and supplies, equipment and supplies used in sales or distribution of farm products, in
 - 678 research, or in transportation; or

- 679 (iii) any vehicle required to be registered by the laws of this state, without regard to the use
680 to which the vehicle is put;
- 681 (b) sales of hay;
- 682 (21) exclusive sale of locally grown seasonal crops, seedling plants, or garden, farm, or
683 other agricultural produce if sold by a producer during the harvest season;
- 684 (22) purchases of food as defined in 7 U.S.C. Sec. 2012(g) under the Food Stamp
685 Program, 7 U.S.C. Sec. 2011 et seq.;
- 686 (23) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
687 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor, wholesaler,
688 or retailer for use in packaging tangible personal property to be sold by that manufacturer,
689 processor, wholesaler, or retailer;
- 690 (24) property stored in the state for resale;
- 691 (25) property brought into the state by a nonresident for his or her own personal use or
692 enjoyment while within the state, except property purchased for use in Utah by a nonresident living
693 and working in Utah at the time of purchase;
- 694 (26) property purchased for resale in this state, in the regular course of business, either
695 in its original form or as an ingredient or component part of a manufactured or compounded
696 product;
- 697 (27) property upon which a sales or use tax was paid to some other state, or one of its
698 subdivisions, except that the state shall be paid any difference between the tax paid and the tax
699 imposed by this part and Part 2, and no adjustment is allowed if the tax paid was greater than the
700 tax imposed by this part and Part 2;
- 701 (28) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a
702 person for use in compounding a service taxable under the subsections;
- 703 (29) purchases of supplemental foods as defined in 42 U.S.C. Sec. 1786(b)(14) under the
704 special supplemental nutrition program for women, infants, and children established in 42 U.S.C.
705 Sec. 1786;
- 706 (30) beginning on July 1, 1999, through June 30, 2004, sales or leases of rolls, rollers,
707 refractory brick, electric motors, or other replacement parts used in the furnaces, mills, or ovens
708 of a steel mill described in SIC Code 3312 of the 1987 Standard Industrial Classification Manual
709 of the federal Executive Office of the President, Office of Management and Budget;

710 (31) sales of boats of a type required to be registered under Title 73, Chapter 18, State
711 Boating Act, boat trailers, and outboard motors which are made to bona fide nonresidents of this
712 state and are not thereafter registered or used in this state except as necessary to transport them to
713 the borders of this state;

714 (32) sales of tangible personal property to persons within this state that is subsequently
715 shipped outside the state and incorporated pursuant to contract into and becomes a part of real
716 property located outside of this state, except to the extent that the other state or political entity
717 imposes a sales, use, gross receipts, or other similar transaction excise tax on it against which the
718 other state or political entity allows a credit for taxes imposed by this chapter;

719 (33) sales of aircraft manufactured in Utah if sold for delivery and use outside Utah where
720 a sales or use tax is not imposed, even if the title is passed in Utah;

721 (34) amounts paid for the purchase of telephone service for purposes of providing
722 telephone service;

723 (35) fares charged to persons transported directly by a public transit district created under
724 the authority of Title 17A, Chapter 2, Part 10, Utah Public Transit District Act;

725 (36) sales or leases of vehicles to, or use of vehicles by an authorized carrier;

726 (37) (a) 45% of the sales price of any new manufactured home; and

727 (b) 100% of the sales price of any used manufactured home;

728 (38) sales relating to schools and fundraising sales;

729 (39) sales or rentals of home medical equipment and supplies;

730 (40) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
731 Section 72-11-102; and

732 (b) the commission shall by rule determine the method for calculating sales exempt under
733 Subsection (40)(a) that are not separately metered and accounted for in utility billings;

734 (41) sales to a ski resort of:

735 (a) snowmaking equipment;

736 (b) ski slope grooming equipment; and

737 (c) passenger ropeways as defined in Section 72-11-102;

738 (42) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;

739 (43) sales or rentals of the right to use or operate for amusement, entertainment, or
740 recreation a coin-operated amusement device as defined in Section 59-12-102;

741 (44) sales of cleaning or washing of tangible personal property by a coin-operated car
742 wash machine;

743 (45) sales by the state or a political subdivision of the state, except state institutions of
744 higher education as defined in Section 53B-3-102, of:

745 (a) photocopies; or
746 (b) other copies of records held or maintained by the state or a political subdivision of the
747 state; and

748 (46) (a) amounts paid:

749 (i) to a person providing intrastate transportation to an employer's employee to or from the
750 employee's primary place of employment;

751 (ii) by an:

752 (A) employee; or
753 (B) employer; and

754 (iii) pursuant to a written contract between:

755 (A) the employer; and
756 (B) (I) the employee; or
757 (II) a person providing transportation to the employer's employee; and

758 (b) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
759 commission may for purposes of Subsection (46)(a) make rules defining what constitutes an
760 employee's primary place of employment;

761 (47) amounts paid for admission to an athletic event at an institution of higher education
762 that is subject to the provisions of Title IX of the Education Amendments of 1972, 20 U.S.C. Sec.
763 1681 et seq.;

764 (48) sales of telephone service charged to a prepaid telephone calling card;

765 (49) (a) sales of hearing aids; and
766 (b) sales of hearing aid accessories; and

767 (50) (a) sales made to or by:

768 (i) an area agency on aging; or
769 (ii) a senior citizen center owned by a county, city, or town; or

770 (b) sales made by a senior citizen center that contracts with an area agency on aging.

771 Section 4. Section **59-12-204** is amended to read:

772 **59-12-204. Sales and use tax ordinance provisions -- Tax rate -- Distribution of tax**
773 **revenues.**

774 (1) The tax ordinance adopted pursuant to this part shall impose a tax upon [those items
775 listed] the transactions in Section 59-12-103, subject to the exemptions provided for in Section
776 59-12-104.

777 (2) Except as provided in Subsection 59-12-205(2), [such] the tax ordinance shall include
778 a provision imposing [a] the tax [upon every retail sale of items listed in Section 59-12-103]
779 described in Subsection (1) on transactions made within a county, including areas contained within
780 the cities and towns [thereof at the rate of 3/4% or any fractional part of such 3/4% of the purchase
781 price paid or charged:] located within the county, at the following rates:

782 (a) through December 31, 2000, at a rate that is less than or equal to .75%; and

783 (b) beginning on January 1, 2001, at a rate that is less than or equal to .84%.

784 (3) Such tax ordinance shall include provisions substantially the same as those contained
785 in Part 1, Tax Collection, insofar as they relate to sales or use tax, except that the name of the
786 county as the taxing agency shall be substituted for that of the state where necessary for the
787 purpose of this part and that an additional license is not required if one has been or is issued under
788 Section 59-12-106.

789 (4) Such tax ordinance shall include a provision that the county shall contract, prior to the
790 effective date of the ordinance, with the commission to perform all functions incident to the
791 administration or operation of the ordinance.

792 (5) Such tax ordinance shall include a provision that the sale, storage, use, or other
793 consumption of tangible personal property, the purchase price or the cost of which has been subject
794 to sales or use tax under a sales and use tax ordinance enacted in accordance with this part by any
795 county, city, or town in any other county in this state, shall be exempt from the tax due under this
796 ordinance.

797 (6) Such tax ordinance shall include a provision that any person subject to the provisions
798 of a city or town sales and use tax shall be exempt from the county sales and use tax if the city or
799 town sales and use tax is levied under an ordinance including provisions in substance as follows:

800 (a) a provision imposing a tax upon every retail sale of items listed in Section 59-12-103
801 made within the city or town at the rate imposed by the county in which it is situated pursuant to
802 Subsection (2);

803 (b) provisions substantially the same as those contained in Part 1, Tax Collection, insofar
804 as they relate to sales and use taxes, except that the name of the city or town as the taxing agency
805 shall be substituted for that of the state where necessary for the purposes of this part;

806 (c) a provision that the city or town shall contract prior to the effective date of the city or
807 town sales and use tax ordinance with the commission to perform all functions incident to the
808 administration or operation of the sales and use tax ordinance of the city or town;

809 (d) a provision that the sale, storage, use, or other consumption of tangible personal
810 property, the gross receipts from the sale of or the cost of which has been subject to sales or use
811 tax under a sales and use tax ordinance enacted in accordance with this part by any county other
812 than the county in which the city or town is located, or city or town in this state, shall be exempt
813 from the tax; and

814 (e) a provision that the amount of any tax paid under Part 1, Tax Collection, shall not be
815 included as a part of the purchase price paid or charged for a taxable item.

816 (7) (a) Notwithstanding any other provision of this section, from January 1, 1990, through
817 June 30, 1999, the commission shall determine and retain the amount of revenue generated by a
818 1/64% tax rate and deposit it in the Olympics Special Revenue Fund or funds provided for in
819 Subsection 59-12-103(4) for the purposes of the Utah Sports Authority described in Title 63A,
820 Chapter 7, Utah Sports Authority Act.

821 (b) Except for sales and use taxes deposited under Subsection (7)(c), beginning on July 1,
822 1999, the amount of revenue generated by the 1/64% tax rate under Subsection (7)(a) shall be
823 retained by the county, city, or town levying a tax under this section.

824 (c) Notwithstanding any other provision of this section, beginning on July 1, 1999, the
825 commission shall:

826 (i) determine and retain the portion of the sales and use tax imposed under this section:

827 (A) by a city or town that will have constructed within its boundaries the Airport to
828 University of Utah Light Rail described in the Transportation Equity Act for the 21st Century, Pub.
829 L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107; and

830 (B) that is equal to the revenues generated by a 1/64% tax rate; and

831 (ii) deposit the revenues described in Subsection (7)(c)(i) in the Airport to University of
832 Utah Light Rail Restricted Account created in Section 17A-2-1064 for the purposes described in
833 Section 17A-2-1064.

834 Section 5. Section **59-12-205** is amended to read:

835 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of tax**
836 **revenues.**

837 (1) Each county, city, and town, in order to maintain in effect sales and use tax ordinances
838 pursuant to this part, shall, within 30 days of any amendment of any applicable provisions of Part
839 1, Tax Collection, adopt amendments of their respective sales and use tax ordinances to conform
840 with the amendments to Part 1, Tax Collection, insofar as they relate to sales and use taxes.

841 (2) ~~[Any]~~ (a) A county, city, or town may distribute its sales or use tax revenues by means
842 other than point of sale or use by ~~[notifying]~~ sending notification of the decision in writing to the
843 ~~commission [in writing of such decision]~~, no later than 30 days before commencement of the next
844 tax accrual period.

845 (b) After ~~[such]~~ notice is given under Subsection (2)(a), a legislative body of a county, city,
846 or town may:

847 (i) beginning on January 1, 1990, through December 31, 2000, increase the tax rate
848 authorized by this part to a rate of 1%; and

849 (ii) beginning on January 1, 2001, increase the tax rate authorized by this part to a [total
850 of 1% from and after January 1, 1990, of the purchase price paid or charged, excluding a public
851 transit sales and use tax as provided in Section 59-12-501 and a resort communities sales tax as
852 provided in Section 59-12-401. This tax shall be collected and distributed as follows:] rate that
853 is less than or equal to 1.1%.

854 ~~[(a) from July 1, 1992, through June 30, 1993, 45% of each dollar collected from the sales~~
855 ~~and use tax authorized by this part shall be paid to each county, city, and town providing notice~~
856 ~~under this section, based upon the percentage that the population of the county, city, or town bears~~
857 ~~to the total population of all such entities providing notice under this section, and 55% based upon~~
858 ~~the point of sale or use of the transaction; and]~~

859 ~~[(b)]~~ (c) ~~[from and after July 1, 1993;]~~ Except as provided in Subsections (3) and (4):

860 (i) 50% of each dollar collected from the sales and use tax authorized by this part shall be
861 paid to each county, city, and town providing notice under this section, based upon the percentage
862 that the population of the county, city, or town bears to the total population of all such entities
863 providing notice under this section~~[-];~~ and

864 (ii) 50% of each dollar collected from the sales and use tax authorized by this part shall

865 be paid to each county, city, and town providing notice under this section, based upon the point
866 of sale or use of the transaction.

867 (3) (a) Notwithstanding [~~any provision of~~] Subsection (2), a legislative body of a county,
868 city, or town that has given notice under this section may not:

869 (i) if the legislative body of the county, city, or town imposes a tax rate of 1% under this
870 section, receive a tax revenue distribution of less than [3/4 of 1%] .75% of the taxable sales within
871 its boundaries[~~-. The~~]; or

872 (ii) if the legislative body of the county, city, or town imposes a tax rate that is greater than
873 1% but is less than or equal to 1.1%, receive a tax revenue distribution of less than .84% of the
874 taxable sales within its boundaries.

875 (b) The commission shall proportionally reduce quarterly distributions to any county, city,
876 or town, which, but for the reduction, would receive a distribution:

877 (i) if the legislative body of the county, city, or town imposes a tax rate of 1% under this
878 section, in excess of 1% [~~beginning January 1, 1990,~~] of the sales and use tax revenue collected
879 within its boundaries[~~-~~]; or

880 (ii) if the legislative body of the county, city, or town imposes a tax rate that is greater than
881 1% but is less than or equal to 1.1%, in excess of 1.1% of the sales and use tax revenue collected
882 within its boundaries.

883 (4) (a) Notwithstanding any other provision of this section, from January 1, 1990, through
884 June 30, 1999, the commission shall determine and retain the amount of revenue generated by a
885 1/64% tax rate and deposit it in the Olympics Special Revenue Fund or funds provided for in
886 Subsection 59-12-103(4) for the purposes of the Utah Sports Authority described in Title 63A,
887 Chapter 7, Utah Sports Authority Act.

888 (b) Except for sales and use taxes deposited under Subsection (4)(c), beginning on July 1,
889 1999, the amount of revenue generated by the 1/64% tax rate under Subsection (4)(a) shall be
890 distributed to each county, city, and town as provided in this section.

891 (c) Notwithstanding any other provision of this section, beginning on July 1, 1999, the
892 commission shall:

893 (i) determine and retain the portion of the sales and use tax imposed under this section:

894 (A) by a city or town that will have constructed within its boundaries the Airport to
895 University of Utah Light Rail described in the Transportation Equity Act for the 21st Century, Pub.

896 L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107; and

897 (B) that is equal to the revenues generated by a 1/64% tax rate; and

898 (ii) deposit the revenues described in Subsection (4)(c)(i) in the Airport to University of
899 Utah Light Rail Restricted Account created in Section 17A-2-1064 for the purposes described in
900 Section 17A-2-1064.

901 (5) (a) Population figures for purposes of this section shall be based on the most recent
902 official census or census estimate of the United States Bureau of the Census.

903 (b) If population estimates are not made for any county, city, or town by the United States
904 Bureau of Census, population figures shall be determined according to the biennial estimate from
905 the Utah Population Estimates Committee.

906 (6) The population of a county for purposes of this section shall be determined solely from
907 the unincorporated area of the county.

908 Section 6. Section **59-12-401** is amended to read:

909 **59-12-401. Resort communities tax -- Rate -- Collection fees.**

910 (1) In addition to other sales taxes, a legislative body of a city or town in which the
911 transient room capacity is greater than or equal to 66% of the permanent census population may
912 impose a sales tax [~~of up to 1%~~]:

913 (a) on the sales and uses described in Subsection 59-12-103(1), subject to the following
914 exemptions;

915 (i) the exemptions provided for in Section 59-12-104[~~], and shall exempt from that~~
916 additional tax];

917 (ii) an exemption for wholesale sales; and

918 (iii) an exemption for sales of single items for which consideration paid is \$2,500 or
919 more[~~]; and~~

920 (b) (i) through December 31, 2000, at a rate that is less than or equal to 1%; and

921 (ii) beginning on January 1, 2001, at a rate that is less than or equal to 1.125%.

922 (2) (a) An amount equal to the total of any costs incurred by the state in connection with
923 the implementation of Subsection (1) which exceed, in any year, the revenues received by the state
924 from its collection fees received in connection with the implementation of Subsection (1) shall be
925 paid over to the state General Fund by the cities and towns which impose the tax provided for in
926 Subsection (1). [~~Payment costs~~]

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

930 Section 7. Section **59-12-402** is amended to read:

931 **59-12-402. Additional resort communities sales tax -- Rate -- Collection fees --**
 932 **Resolution and voter approval requirements -- Election requirements -- Notice requirements**
 933 **-- Ordinance requirements.**

934 (1) (a) Subject to the limitations of Subsections (2) through (6), ~~[the governing]~~ a
 935 legislative body of a municipality in which the transient room capacity is greater than or equal to
 936 66% of the permanent census population may, in addition to the sales tax authorized under Section
 937 59-12-401, impose an additional resort communities sales tax ~~[in an amount]~~:

938 (i) through December 31, 2000, at a rate that is less than or equal to ~~[1/2%]~~ .5%; and

939 (ii) beginning on January 1, 2001, at a rate that is equal to the sum of:

940 (A) a rate that is less than or equal to .5%; and

941 (B) a rate that is less than or equal to .05%.

942 (b) A legislative body of a municipality imposing a tax under Subsection (1)(a) shall:

943 (i) impose the tax on the sales and uses described in Subsection 59-12-103(1), subject to
 944 the following exemptions:

945 (A) the exemptions provided for in Section 59-12-104~~[-and shall exempt from that~~
 946 ~~additional tax]~~;

947 (B) an exemption for wholesale sales; and

948 (C) an exemption for sales of single items for which consideration paid is \$2,500 or more.

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

954 (b) Payment costs shall be allocated proportionally among those cities and towns according
 955 to the amount of revenue the respective cities and towns generate in that year through imposition
 956 of that tax.

957 (3) To impose ~~[an additional resort communities sales]~~ or increase a tax under this section,

958 the ~~[governing]~~ legislative body of the municipality shall:

959 (a) ~~[pass a resolution approving]~~ by ordinance:

960 (i) impose the tax; ~~[and]~~ or

961 (ii) increase the tax; and

962 (b) except as provided in Subsection (6), obtain voter approval ~~[for]~~ to impose or increase
963 the tax as provided in Subsection (4).

964 (4) To obtain voter approval ~~[for an additional resort communities sales tax]~~ under
965 Subsection (3)(b), a legislative body of a municipality shall:

966 (a) hold the ~~[additional resort communities sales tax]~~ election during:

967 (i) a regular general election; or

968 (ii) a municipal general election; and

969 (b) publish notice of the election:

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

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

972 (5) (a) An ordinance approving ~~[an additional resort communities sales]~~ the imposition of
973 a tax or a tax increase under this section shall provide an effective date for the tax or the tax
974 increase.

975 (b) A legislative body of a municipality imposing or increasing a tax under this section
976 shall:

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

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

980 (6) (a) ~~[Except as provided in Subsection (6)(b), a]~~ A legislative body of a municipality
981 is not subject to the voter approval requirements of Subsection (3)(b) if~~[-]~~:

982 (i) except as provided in Subsection (6)(b), on or before January 1, 1996, the legislative
983 body of the municipality imposed a license fee or tax on businesses based on gross receipts
984 pursuant to Section 10-1-203[-]; or

985 (ii) (A) on December 31, 2000, the legislative body of the municipality imposes and
986 collects a tax under Subsection (1)(a)(i); and

987 (B) on or after January 1, 2001, the legislative body of the municipality increases the tax
988 under this section by an amount that is less than or equal to the tax rate described in Subsection

989 (1)(a)(ii)(B).

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

993 Section 8. Section **59-12-501** is amended to read:

994 **59-12-501. Public transit tax -- Rate -- Voter approval.**

995 (1) (a) In addition to other sales and use taxes, ~~[any]~~ legislative body of a county, city, or
996 town within a transit district organized under Title 17A, Chapter 2, Part 10, may impose a sales
997 and use tax [of 1/4 of 1%]:

998 (i) through December 31, 2000, at a rate of .25%; and

999 (ii) beginning on January 1, 2001, at a rate that is equal to the sum of:

1000 (A) .25%; and

1001 (B) a rate that is less than or equal to .025%.

1002 (b) A legislative body of a county, city, or town imposing a tax under Subsection (1)(a)
1003 shall impose the tax:

1004 (i) on the sales and uses described in Subsection 59-12-103(1), subject to the exemptions
1005 provided for in Section 59-12-104[-]; and

1006 (ii) to fund a public transportation system.

1007 ~~[(b) A]~~ (2) (a) Except as provided in Subsection (2)(b), a legislative body of a county, city,
1008 or town may impose or increase a tax under this section only if the [governing] legislative body
1009 of the county, city, or town, by resolution, submits the proposal to all the qualified voters within
1010 the county, city, or town as provided in Subsection (3) for approval at a general or special election
1011 conducted in the manner provided by statute.

1012 (b) Notwithstanding Subsection (2)(a), a legislative body of a county, city, or town is not
1013 required to meet the voter approval requirements of Subsection (2)(a) if:

1014 (i) on December 31, 2000, the legislative body of the county, city, or town imposes and
1015 collects a tax under Subsection (1)(a)(i); and

1016 (ii) on or after January 1, 2001, the legislative body of the county, city, or town increases
1017 the tax under this section by an amount that is less than or equal to the tax rate described in
1018 Subsection (1)(a)(ii)(B).

1019 ~~[(2)]~~ (3) (a) If only a portion of a county is included within a public transit district, the

1020 proposal may be submitted only to the qualified voters residing within the boundaries of the
1021 proposed or existing public transit district.

1022 (b) Notice of ~~[any such]~~ an election under this section shall be given by the legislative
1023 body of the county, city, or town ~~[governing body]~~ 15 days in advance in the manner prescribed
1024 by statute.

1025 (c) If a majority of the voters voting in ~~[such]~~ an election under this section approve the
1026 proposal~~[, it]~~ to impose or increase a tax under Subsection (1)(a)(i), the imposition of the tax or
1027 tax increase shall become effective on the date provided by the legislative body of the county, city,
1028 or town ~~[governing body]~~.

1029 ~~[(3)]~~ (4) This section may not be construed to require an election in jurisdictions where
1030 voters have previously approved a public transit sales or use tax, unless a county, city, or town
1031 increases a tax imposed under this section.

1032 Section 9. Section **59-12-801** is amended to read:

1033 **59-12-801. Definitions.**

1034 As used in this part:

1035 (1) "Nursing care facility" is as defined in Section 26-21-2.

1036 (2) "Rural city hospital" means a hospital owned by a city that is located within a third,
1037 fourth, fifth, or sixth class county.

1038 ~~[(2)]~~ (3) "Rural county health care facility" means a rural county hospital or a rural county
1039 nursing care facility.

1040 ~~[(3)]~~ (4) "Rural county hospital" means a hospital owned by a third, fourth, fifth, or sixth
1041 class county, as defined in Section 17-16-13, which is located outside of a standard metropolitan
1042 statistical area, as designated by the United States Bureau of the Census.

1043 ~~[(4)]~~ (5) "Rural county nursing care facility" means a nursing care facility owned by a
1044 third, fourth, fifth, or sixth class county, as defined in Section 17-16-13, which is located outside
1045 of a standard metropolitan statistical area, as designated by the United States Bureau of the Census.

1046 Section 10. Section **59-12-802** is amended to read:

1047 **59-12-802. Imposition of rural county health care facilities tax -- Base -- Rates.**

1048 (1) (a) ~~[Any]~~ A county legislative body may~~[, by a majority vote of all members, submit~~
1049 ~~an opinion question to the residents of that county so that each resident has an opportunity to~~
1050 ~~express the resident's opinion on the imposition of a local]~~ impose a sales and use tax [of up to

1051 1%];

1052 (i) through December 31, 2000, at a rate that is less than or equal to 1%; and

1053 (ii) beginning on January 1, 2001, at a rate that is equal to the sum of:

1054 (A) a rate that is less than or equal to 1%; and

1055 (B) a rate that is less than or equal to .1%.

1056 (b) A county legislative body imposing a tax under Subsection (1)(a) shall impose the tax:

1057 (i) on the sales and uses described in Subsection 59-12-103(1), subject to the exemptions

1058 provided for in Section 59-12-104[;]; and

1059 (ii) to fund rural county health care facilities in that county.

1060 (2) (a) Except as provided in Subsection (2)(c), before imposing or increasing a tax under

1061 Subsection (1)(a), a county legislative body shall obtain approval to impose or increase the tax

1062 from a majority of the:

1063 (i) members of the county's legislative body; and

1064 (ii) county's registered voters voting on the imposition of the tax.

1065 (b) The county legislative body shall conduct the election [shall follow] according to the

1066 procedures [outlined in] and requirements of Title 11, Chapter 14, Utah Municipal Bond Act.

1067 ~~[(2) If the legislative governing body determines that a majority of the qualified electors~~

1068 ~~voting on the opinion question has assented to the imposition of a local sales and use tax as~~

1069 ~~prescribed in Subsection (1)(a), the county legislative body may, by majority vote of all members,~~

1070 ~~impose such a tax.]~~

1071 (c) Notwithstanding Subsection (2)(a), a county legislative body is not required to meet

1072 the voter approval requirements of Subsection (2)(a)(ii) if:

1073 (i) on December 31, 2000, the county legislative body imposes and collects a tax under

1074 Subsection (1)(a)(i); and

1075 (ii) on or after January 1, 2001, the county legislative body increases the tax under this

1076 section by an amount that is less than or equal to the tax rate described in Subsection (1)(a)(ii)(B).

1077 (3) The monies generated [from] by a tax imposed under Subsection (1) may only be used

1078 for the financing of:

1079 (a) ongoing operating expenses of a rural county health care facility; [and]

1080 (b) the acquisition of land for[; and] a rural county health care facility; or

1081 (c) the design, construction, equipping, [and] or furnishing of a rural county health care

1082 facility.

1083 (4) Taxes imposed under this [part] section shall be:

1084 (a) levied at the same time and collected in the same manner as provided in [~~Title 59;~~
1085 ~~Chapter 12;~~] Part 2, The Local Sales and Use Tax Act, except that the collection and distribution
1086 of the tax revenue is not subject to Subsection 59-12-205(2); and

1087 (b) levied for a period of ten years and may be reauthorized at the end of the ten-year
1088 period by the county legislative body as provided in Section (1).

1089 (5) The [tax] commission may retain an amount not to exceed 1-1/2% of the [county
1090 ~~option funding~~] tax collected under this [part] section for the cost of administering this tax.

1091 Section 11. Section **59-12-803** is amended to read:

1092 **59-12-803. Distribution of revenues generated by rural county health care facilities**
1093 **tax.**

1094 [~~All~~] (1) Except as provided in Subsection 59-12-802(5) and Subsection (2), all revenues
1095 collected by a county under [~~this part~~] Section 59-12-802 shall be distributed quarterly by the
1096 county legislative body to rural county health care facilities. [~~If~~]

1097 (2) Notwithstanding Subsection (1), if there is more than one rural county health care
1098 facility in a county, the revenues collected by a county under Section 59-12-802 shall be distributed
1099 as determined by the county legislative body.

1100 Section 12. Section **59-12-804** is amended to read:

1101 **59-12-804. Imposition of rural city hospital tax -- Base -- Rates.**

1102 [~~(1) As used in this section, "rural city hospital" means any hospital owned by a city which~~
1103 ~~is located within a third, fourth, fifth, or sixth class county.]~~

1104 [~~(2) Any~~] (1) (a) A city legislative body may, ~~by a majority vote of all members submit~~
1105 ~~an opinion question to the residents of that city so that each resident has an opportunity to express~~
1106 ~~his opinion on the imposition of a local] impose a sales and use tax [~~of up to 1%]:~~~~

1107 (i) through December 31, 2000, at a rate that is less than or equal to 1%; and

1108 (ii) beginning on January 1, 2001, at a rate that is equal to the sum of:

1109 (A) a rate that is less than or equal to 1%; and

1110 (B) a rate that is less than or equal to .1%.

1111 (b) A city legislative body imposing a tax under Subsection (1)(a) shall impose the tax:

1112 (i) on the sales and uses described in Subsection 59-12-103(1), subject to the exemptions

1113 provided for in Section 59-12-104; and

1114 (ii) to fund rural city hospitals in that city.

1115 ~~[(3) The city legislative body and the tax commission shall follow the procedures and~~
1116 ~~requirements established in Sections 59-12-802 and 59-12-803 for the tax imposed under this~~
1117 ~~section.]~~

1118 (2) (a) Except as provided in Subsection (2)(c), before imposing or increasing a tax under
1119 Subsection (1)(a), a city legislative body shall obtain approval to impose the tax from a majority
1120 of the:

1121 (i) members of the city legislative body; and

1122 (ii) city's registered voters voting on the imposition of the tax.

1123 (b) The city legislative body shall conduct the election according to the procedures and
1124 requirements of Title 11, Chapter 14, Utah Municipal Bond Act.

1125 (c) Notwithstanding Subsection (2)(a), a city legislative body is not required to meet the
1126 voter approval requirements of Subsection (2)(a)(ii) if:

1127 (i) on December 31, 2000, the city legislative body imposes and collects a tax under
1128 Subsection (1)(a)(i); and

1129 (ii) on or after January 1, 2001, the city legislative body increases the tax under this section
1130 by an amount that is less than or equal to the tax rate described in Subsection (1)(a)(ii)(B).

1131 (3) The monies generated by a tax imposed under Subsection (1) may only be used for the
1132 financing of:

1133 (a) ongoing operating expenses of a rural city hospital;

1134 (b) the acquisition of land for a rural city hospital; or

1135 (c) the design, construction, equipping, or furnishing of a rural city hospital.

1136 (4) Taxes imposed under this section shall be:

1137 (a) levied at the same time and collected in the same manner as provided in Part 2, The
1138 Local Sales and Use Tax Act, except that the collection and distribution of the tax revenue is not
1139 subject to Section 59-12-205;

1140 (b) levied for a period of ten years and may be reauthorized at the end of the ten-year
1141 period by the city legislative body as provided in Subsection (1).

1142 (5) The commission may retain an amount not to exceed 1-1/2% of the tax collected under
1143 this section for the cost of administering the tax.

1144 Section 13. Section **59-12-805** is enacted to read:

1145 **59-12-805. Distribution of revenues generated by rural city hospital tax.**

1146 (1) Except as provided in Subsection 59-12-804(5) and Subsection (2), all revenues
1147 collected by a city under Section 59-12-804 shall be distributed quarterly by the city legislative
1148 body to rural city hospitals.

1149 (2) Notwithstanding Subsection (1), if there is more than one rural city hospital in a city,
1150 the revenues collected by the city under Section 59-12-804 shall be distributed as determined by
1151 the city legislative body.

1152 Section 14. Section **59-12-1001** is amended to read:

1153 **59-12-1001. Authority to impose highways tax -- Resolution and voter approval**
1154 **requirements -- Election requirements -- Notice requirements -- Ordinance requirements.**

1155 (1) (a) A legislative body of a municipality in which sales and uses described in Subsection
1156 59-12-103(1) are not subject to a sales and use tax under Section 59-12-501 may as provided in
1157 this part impose a sales and use tax [of 1/4%]:

1158 (i) through December 31, 2000, at a rate of .25%; and

1159 (ii) beginning on January 1, 2001, at a rate that is equal to the sum of:

1160 (A) .25%; and

1161 (B) a rate that is less than or equal to .025%.

1162 (b) A legislative body of a municipality imposing a tax under Subsection (1)(a) shall
1163 impose the tax on the sales and uses described in Subsection 59-12-103(1), subject to the
1164 exemptions provided for in Section 59-12-104.

1165 (2) A tax imposed under this part by a legislative body of a municipality shall be used for
1166 the construction and maintenance of highways under the jurisdiction of the municipality imposing
1167 the tax.

1168 (3) To impose or increase a highways tax under this part, the [governing] legislative body
1169 of the municipality shall:

1170 (a) pass an ordinance approving the imposition of the tax or tax increase; and

1171 (b) except as provided in Subsection (7), obtain voter approval [for] to impose or increase
1172 the tax as provided in Subsection (4).

1173 (4) To obtain voter approval [for a highways tax] under Subsection (3)(b), a legislative
1174 body of a municipality shall:

1175 (a) hold the ~~[highways tax]~~ election during:

1176 (i) a regular general election; or

1177 (ii) a municipal general election; and

1178 (b) publish notice of the election:

1179 (i) 15 days or more before the day on which the election is held; and

1180 (ii) in a newspaper of general circulation in the municipality.

1181 (5) An ordinance approving ~~[a highways]~~ the imposition of a tax or a tax increase under
1182 this part shall provide an effective date for the tax.

1183 (6) A legislative body of a municipality imposing or increasing a tax under this part shall:

1184 (a) begin collecting the tax on the first day of a calendar quarter; and

1185 (b) notify the commission at least 30 days before the day on which the commission is
1186 required to collect the tax.

1187 (7) (a) ~~[Except as provided in Subsection (7)(b), a]~~ A legislative body of a municipality
1188 is not subject to the voter approval requirements of Subsection (3)(b) if[-];

1189 (i) except as provided in Subsection(7)(b), on or before January 1, 1996, the legislative
1190 body of the municipality imposed a licensee fee or tax on businesses based on gross receipts
1191 pursuant to Section 10-1-203[-]; or

1192 (ii) (A) on December 31, 2000, the legislative body of the municipality imposes and
1193 collects a tax under Subsection (1)(a)(i); and

1194 (B) on or after January 1, 2001, the legislative body of the municipality increases the tax
1195 under this section in an amount that is less than or equal to the tax rate described in Subsection
1196 (1)(a)(ii)(B).

1197 (b) The exception from the voter approval requirements in Subsection (7)(a)(i) does not
1198 apply to a municipality that, on or before January 1, 1996, imposed a license fee or tax on only one
1199 class of businesses based on gross receipts pursuant to Section 10-1-203.

1200 Section 15. Section **59-12-1102** is amended to read:

1201 **59-12-1102. Base -- Rate -- Imposition of tax -- Distribution of revenue --**
1202 **Administration.**

1203 (1) (a) Subject to the provisions of Subsections (2) through (4), and in addition to any other
1204 tax authorized by this chapter, a county legislative body may impose by ordinance a county option
1205 sales and use tax ~~[of 1/4% upon];~~

- 1206 (i) through December 31, 2000, at a rate of .25%; and
- 1207 (ii) beginning on January 1, 2001, at a rate that is less than or equal to the sum of:
- 1208 (A) .25%; and
- 1209 (B) a rate that is less than or equal to .025%.
- 1210 (b) A county legislative body imposing a tax under Subsection (1)(a) shall impose the tax:
- 1211 (i) on the sales and uses described in Subsection 59-12-103(1), subject to the exemptions
- 1212 provided for in Section 59-12-104[-];
- 1213 ~~[(b) The county option sales and use tax under this section shall be imposed:]~~
- 1214 ~~[(i) upon]~~ (ii) on the sales and uses made in the county, including sales and uses made
- 1215 within municipalities in the county; and
- 1216 ~~[(ii)]~~ (iii) except as provided in Subsection (1)(c), beginning on the first day of January:
- 1217 (A) of the next calendar year after adoption of the ordinance imposing the tax if the
- 1218 ordinance is adopted on or before May 25; or
- 1219 (B) of the second calendar year after adoption of the ordinance imposing the tax if the
- 1220 ordinance is adopted after May 25.
- 1221 (c) Notwithstanding Subsection (1)(b)[(ii)] (iii), the county option sales and use tax under
- 1222 this section shall be imposed:
- 1223 (i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before
- 1224 September 4, 1997; or
- 1225 (ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during 1997
- 1226 but after September 4, 1997.
- 1227 (2) (a) Before imposing a county option sales and use tax under Subsection (1), a county
- 1228 legislative body shall:
- 1229 (i) hold two public hearings on separate days in geographically diverse locations in the
- 1230 county; and
- 1231 (ii) notify the commission at least 30 days prior to the adoption of the ordinance.
- 1232 (b) (i) At least one of the hearings required by Subsection (2)(a)(i) shall have a starting
- 1233 time of no earlier than 6:00 p.m.
- 1234 (ii) The earlier of the hearings required by Subsection (2)(a)(i) shall be no less than seven
- 1235 days after the day the first advertisement required by Subsection (2)(c) is published.
- 1236 (c) (i) Before holding the public hearings required by Subsection (2)(a)(i), the county

1237 legislative body shall advertise in a newspaper of general circulation in the county:

1238 (A) its intent to adopt a county option sales and use tax;

1239 (B) the date, time, and location of each public hearing; and

1240 (C) a statement that the purpose of each public hearing is to obtain public comments

1241 regarding the proposed tax.

1242 (ii) The advertisement shall be published once each week for the two weeks preceding the

1243 earlier of the two public hearings.

1244 (iii) The advertisement shall be no less than 1/8 page in size, and the type used shall be no

1245 smaller than 18 point and surrounded by a 1/4-inch border.

1246 (iv) The advertisement may not be placed in that portion of the newspaper where legal

1247 notices and classified advertisements appear.

1248 (v) Whenever possible:

1249 (A) the advertisement shall appear in a newspaper that is published at least five days a

1250 week, unless the only newspaper in the county is published less than five days a week; and

1251 (B) the newspaper selected shall be one of general interest and readership in the

1252 community, and not one of limited subject matter.

1253 (d) [~~The~~] Except as provided in Subsection (2)(e), the adoption of an ordinance imposing

1254 or increasing a county option sales and use tax is subject to a local referendum election as provided

1255 in Title 20A, Chapter 7, Part 6, Local Referenda - Procedures, except that:

1256 (i) notwithstanding Subsection 20A-7-609(2)(a), the county clerk shall hold a referendum

1257 election that qualifies for the ballot on the earlier of the next regular general election date or the

1258 next municipal general election date more than 155 days after adoption of an ordinance under this

1259 section;

1260 (ii) for 1997 only, the 120-day period in Subsection 20A-7-606(1) shall be 30 days; and

1261 (iii) the deadlines in Subsection 20A-7-606(2) and (3) do not apply, and the clerk shall

1262 take the actions required by those subsections before the referendum election.

1263 (e) Notwithstanding Subsection (2)(d), a county legislative body is not required to meet

1264 the voter approval requirements of Subsection (2)(d) if:

1265 (i) on December 31, 2000, the county legislative body imposes and collects a tax under

1266 Subsection (1)(a)(i); and

1267 (ii) on or after January 1, 2001, the county legislative body increases the tax under this

1268 section in an amount that is less than or equal to the tax rate described in Subsection (1)(a)(ii)(B).

1269 (3) (a) If the aggregate population of the counties imposing a county option sales and use
1270 tax under Subsection (1) is less than 75% of the state population, the tax levied under Subsection
1271 (1) shall be distributed to the county in which the tax was collected.

1272 (b) If the aggregate population of the counties imposing a county option sales and use tax
1273 under Subsection (1) is greater than or equal to 75% of the state population:

1274 (i) 50% of the tax collected under Subsection (1) in each county shall be distributed to the
1275 county in which the tax was collected; and

1276 (ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection (1)
1277 in each county shall be distributed proportionately among all counties imposing the tax, based on
1278 the total population of each county.

1279 (c) If the amount to be distributed annually to a county under Subsection (3)(b)(ii), when
1280 combined with the amount distributed to the county under Subsection (3)(b)(i), does not equal at
1281 least \$75,000, then:

1282 (i) the amount to be distributed annually to that county under Subsection (3)(b)(ii) shall
1283 be increased so that, when combined with the amount distributed to the county under Subsection
1284 (3)(b)(i), the amount distributed annually to the county is \$75,000; and

1285 (ii) the amount to be distributed annually to all other counties under Subsection (3)(b)(ii)
1286 shall be reduced proportionately to offset the additional amount distributed under Subsection
1287 (3)(c)(i).

1288 (d) The commission shall establish rules to implement the distribution of the tax under
1289 Subsections (3)(a), (b), and (c).

1290 (4) (a) Except as provided in Subsections (4)(b) and (c), a county option sales and use tax
1291 under Subsection (1) shall be imposed and administered in the same manner as a tax imposed
1292 under Title 59, Chapter 12, Part 2, The Local Sales and Use Tax Act.

1293 (b) A county option sales and use tax imposed under this part is not subject to:

1294 (i) the distribution provisions of Subsections 59-12-205(2) and (3); and

1295 (ii) the earmarking provisions of Subsection 59-12-205(4).

1296 (c) The fee charged by the commission under Section 59-12-206 shall be based on the
1297 distribution amounts resulting after all the applicable distribution calculations under Subsection
1298 (3) have been made.

1299 Section 16. Section **59-12-1302** is amended to read:

1300 **59-12-1302. Authority to impose -- Base -- Rate.**

1301 (1) Beginning on or after January 1, 1998, the [governing] legislative body of a town may
1302 impose a tax as provided in this part [in an amount that does not exceed 1%.]:

1303 (a) through December 31, 2000, at a rate that is less than or equal to 1%; and

1304 (b) beginning on January 1, 2001, at a rate that is equal to the sum of:

1305 (i) a rate that is less than or equal to 1%; and

1306 (ii) a rate that is less than or equal to .1%.

1307 (2) A legislative body of a town may impose a tax as provided in this part if the legislative
1308 body of the town imposed a license fee or tax on businesses based on gross receipts under Section
1309 10-1-203 on or before January 1, 1996.

1310 (3) A legislative body of a town imposing a tax under this section shall:

1311 (a) adopt an ordinance:

1312 (i) imposing the tax on the sales and uses described in Section 59-12-103;

1313 (ii) exempting from the tax the sales and uses described in Section 59-12-104; and

1314 (iii) providing an effective date for the tax;

1315 (b) impose the tax on the first day of a calendar quarter; and

1316 (c) notify the commission at least 30 days before the day on which the commission is
1317 required to collect the tax.

1318 (4) The commission shall:

1319 (a) except as provided in Subsection (4)(c), distribute the revenues generated by the tax
1320 under this section to the town imposing the tax;

1321 (b) administer, collect, and enforce the tax authorized under this section pursuant to:

1322 (i) the same procedures used to administer, collect, and enforce the sales and use tax under
1323 Title 59, Chapter 12, Part 1, Tax Collection; and

1324 (ii) Title 59, Chapter 1, General Taxation Policies; and

1325 (c) deduct from the distribution under Subsection (4)(a) an administrative charge for
1326 collecting the tax as provided in Section 59-12-206.

Legislative Review Note

as of 2-9-00 2:13 PM

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

Office of Legislative Research and General Counsel