

1 **LOCAL OPTION SALES AND USE TAX**

2 **AMENDMENTS**

3 2004 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: John Dougall**

6
7

LONG TITLE

8 **General Description:**

9 This bill amends the Sales and Use Tax Act.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ provides that a local option sales and use tax may be repealed by resolution of the
13 legislative body of the county, city, or town within which the sales and use tax is
14 imposed if certain requirements are met;

15 ▶ provides that certain local sales and use taxes may be imposed up to a specified tax
16 rate;

17 ▶ provides that the tax rate of certain local sales and use taxes shall be specified:
18 • in the resolution or ordinance adopted by a county, city, or town legislative body
19 imposing the tax; and

20 • if voter approval is required to impose the tax, in the proposal submitted to the
21 voters;

22 ▶ authorizes a county, city, or town legislative body to include the repeal date of
23 certain local sales and use taxes:

24 • in a resolution or ordinance adopted by the county, city, or town legislative body
25 imposing the tax if voter approval is not required to impose the tax; or

26 • in the proposal submitted to the voters if voter approval is required to impose
27 the tax;



28 ▶ establishes procedures and requirements for increasing certain local sales and use
29 taxes;

30 ▶ establishes procedures and requirements for repealing a local sales and use tax if
31 any portion of the local option sales and use tax is pledged to secure the payment of
32 a bond;

33 ▶ establishes procedures and requirements for reducing the tax rate of certain local
34 sales and use taxes that are pledged to secure the payment of a bond;

35 ▶ changes certain references to a governing body of a political subdivision to refer to
36 the legislative body of a political subdivision; and

37 ▶ makes technical changes.

38 **Monies Appropriated in this Bill:**

39 None

40 **Other Special Clauses:**

41 This bill takes effect on July 1, 2004.

42 **Utah Code Sections Affected:**

43 AMENDS:

44 **59-12-204 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

45 **59-12-301 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

46 **59-12-352**, as last amended by Chapter 291, Laws of Utah 1998

47 **59-12-353**, as last amended by Chapter 291, Laws of Utah 1998

48 **59-12-401 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

49 **59-12-402 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

50 **59-12-501 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

51 **59-12-502 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

52 **59-12-504 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

53 **59-12-603 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

54 **59-12-703 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

55 **59-12-802 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

56 **59-12-804 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

57 **59-12-1001 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

58 **59-12-1102 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

59 **59-12-1302 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003
60 **59-12-1402 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003
61 **59-12-1503**, as enacted by Chapter 282, Laws of Utah 2003

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

64 Section 1. Section **59-12-204 (Effective 07/01/04)** is amended to read:

65 **59-12-204 (Effective 07/01/04). Sales and use tax ordinance provisions -- Tax rate**
66 **-- Repeal of tax -- Distribution of tax revenues.**

67 (1) The tax ordinance adopted pursuant to this part shall impose a tax upon those
68 transactions listed in Subsection 59-12-103(1).

69 (2) (a) Except as provided in Subsections (2)(b) and 59-12-207.1(7)(c), the tax
70 ordinance under Subsection (1) shall include a provision imposing a tax upon every transaction
71 listed in Subsection 59-12-103(1) made within a county, including areas contained within the
72 cities and towns located in the county:

73 (i) at the rate of 1% of the purchase price paid or charged; and

74 (ii) if the transaction is consummated within the county in accordance with Section
75 59-12-205.

76 (b) Notwithstanding Subsection (2)(a), a tax ordinance under this Subsection (2) shall
77 include a provision prohibiting a county, city, or town from imposing a tax under this section
78 on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
79 exempt from taxation under Section 59-12-104.

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

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

88 (5) Such tax ordinance shall include a provision that the sale, storage, use, or other
89 consumption of tangible personal property, the purchase price or the cost of which has been

90 subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this
91 part by any county, city, or town in any other county in this state, shall be exempt from the tax
92 due under this ordinance.

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

97 (a) a provision imposing a tax upon every transaction listed in Section 59-12-103 made
98 within the city or town at the rate imposed by the county in which it is situated pursuant to
99 Subsection (2);

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

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

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

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

114 (7) (a) Notwithstanding any other provision of this section, beginning on July 1, 1999,
115 through May 5, 2003, the commission shall:

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

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

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

121 (ii) deposit the revenues described in Subsection (7) (a)(i) in the Airport to University
122 of Utah Light Rail Restricted Account created in Section 17A-2-1064 for the purposes
123 described in Section 17A-2-1064.

124 (b) Notwithstanding any other provision of this section, beginning July 1, 2000, the
125 commission shall:

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

127 (A) by each county and by each city and town within that county whose legislative
128 body consents by resolution to the commission's retaining and depositing sales and use tax
129 revenues as provided in this Subsection (7) (b); and

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

131 (ii) deposit the revenues described in Subsection (7) (b)(i) into a special fund of the
132 county, or a city, town, or other political subdivision of the state located within that county, that
133 has issued bonds to finance sports or recreational facilities or that is leasing sports or
134 recreational facilities, in order to repay those bonds or to pay the lease payments; and

135 (iii) continue to deposit those revenues into the special fund only as long as the bonds
136 or leases are outstanding.

137 (8) (a) A county, city, or town legislative body may repeal a tax imposed in accordance
138 with this part:

139 (i) by resolution of the county, city, or town legislative body;

140 (ii) except as provided in Subsection (8)(b), effective as provided in Subsection
141 59-12-208.1(2); and

142 (iii) if the county, city, or town legislative body provides notice to the commission as
143 required by Subsection 59-12-208.1(2).

144 (b) Notwithstanding Subsection (8)(a)(ii), if, on the day on which a county, city, or
145 town legislative body adopts a resolution in accordance with Subsection (8)(a) to repeal a tax
146 imposed in accordance with this part, any portion of the tax is pledged to secure the payment of
147 a bond:

148 (i) the tax may not be pledged to secure the payment of a bond issued on or after the
149 day on which the county, city, or town legislative body adopts the resolution in accordance
150 with Subsection (8)(a) to repeal the tax; and

151 (ii) the county, city, or town legislative body shall provide notice to the commission:

152 (A) no later than 90 days before the day on which the obligation to pay the bond is
153 satisfied;

154 (B) that meets the requirements of Subsection 59-12-208.1(2); and

155 (C) that provides that the repeal of the tax shall take effect as provided in Subsection
156 59-12-208.1(2).

157 Section 2. Section **59-12-301 (Effective 07/01/04)** is amended to read:

158 **59-12-301 (Effective 07/01/04). Transient room tax -- Rate -- Enactment or repeal**
159 **of tax -- Tax rate change -- Effective date -- Notice requirements.**

160 (1) (a) Any county legislative body may impose by ordinance a transient room tax [~~not~~
161 ~~to exceed~~] of up to 3% of the rent for every occupancy of a suite or room:

162 (i) on the following entities doing business as motor courts, motels, hotels, inns, or
163 providing similar public accommodations:

164 (A) a person;

165 (B) a company;

166 (C) a corporation; or

167 (D) a person, group, or organization similar to Subsections (1)(a)(i)(A) through (C);

168 and

169 (ii) if the suite or room is regularly rented for less than 30 consecutive days.

170 (b) The revenues raised from the tax imposed under Subsection (1)(a) shall be used for
171 the purposes listed in Section 17-31-2.

172 (c) The tax imposed under Subsection (1)(a) shall be in addition to the tourism,
173 recreation, cultural, and convention tax imposed under Part 6, Tourism, Recreation, Cultural,
174 and Convention Facilities Tax.

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

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

181 (ii) exclusively used by:

182 (A) an officer, a trustee, or an employee of the Salt Lake Organizing Committee for the

183 Olympic Winter Games of 2002; or
184 (B) a volunteer supervised by the Salt Lake Organizing Committee for the Olympic
185 Winter Games of 2002; and
186 (iii) for which the Salt Lake Organizing Committee for the Olympic Winter Games of
187 2002 does not receive reimbursement.

188 (e) A county legislative body:
189 (i) shall in the ordinance described in Subsection (1)(a) state the rate of the tax; and
190 (ii) may in the ordinance described in Subsection (1)(a) include a provision stating the
191 day on which a tax under this section shall be repealed.

192 (2) (a) Subject to [~~Subsection~~] Subsections (2) and (3), a county legislative body:
193 [~~(a)~~] (i) may increase or decrease the transient room tax; and
194 [~~(b)~~] (ii) shall regulate the transient room tax by ordinance.

195 (b) A county legislative body may repeal a tax imposed in accordance with this section:
196 (i) by resolution of the county legislative body;
197 (ii) except as provided in Subsection (2)(c), effective as provided in Subsection (3);
198 and
199 (iii) if the county legislative body provides notice to the commission meeting the
200 requirements of Subsection (3)(b)(ii).

201 (c) Notwithstanding Subsection (2)(b)(ii), if, on the day on which a county legislative
202 body adopts a resolution in accordance with Subsection (2)(b) to repeal a tax imposed in
203 accordance with this section, any portion of the tax is pledged to secure the payment of a bond:
204 (i) the tax may not be pledged to secure the payment of a bond issued on or after the
205 day on which the county legislative body adopts the resolution in accordance with Subsection
206 (2)(b) to repeal the tax;
207 (ii) the county legislative body shall:
208 (A) adopt an ordinance:
209 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary
210 to generate revenues sufficient to satisfy the obligation to pay the bond; and
211 (II) that takes effect as provided in Subsection (3); and
212 (B) before the ordinance described in Subsection (2)(c)(ii)(A) takes effect, provide
213 notice to the commission;

214 (I) meeting the requirements of Subsection (3)(b)(ii); and
215 (II) stating the day on which the county legislative body estimates that the obligation to
216 pay the bond will be satisfied; and

217 (iii) the county legislative body shall provide notice to the commission no later than 90
218 days before the day on which the obligation to pay the bond is satisfied:

219 (A) meeting the requirements of Subsection (3)(b)(ii); and

220 (B) that provides that the repeal of the tax shall take effect as provided in Subsection
221 (3).

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

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

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

226 (b) (i) Except as provided in Subsection (3)(c), if, on or after July 1, 2004, a county
227 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
228 change shall take effect:

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

230 (B) after a 90-day period beginning on the date the commission receives notice meeting
231 the requirements of Subsection (3)(b)(ii) from the county.

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

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

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

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

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

238 (c) (i) Notwithstanding Subsection (3)(b)(i), for a transaction described in Subsection
239 (3)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
240 first billing period:

241 (A) that begins after the effective date of the enactment of the tax or the tax rate
242 increase; and

243 (B) if the billing period for the transaction begins before the effective date of the
244 enactment of the tax or the tax rate increase imposed under this section.

245 (ii) Notwithstanding Subsection (3)(b)(i), for a transaction described in Subsection
246 (3)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
247 billing period:

248 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
249 and

250 (B) if the billing period for the transaction begins before the effective date of the repeal
251 of the tax or the tax rate decrease imposed under this section.

252 (iii) Subsections (3)(c)(i) and (ii) apply to transactions subject to a tax under
253 Subsection 59-12-103(1)(i).

254 (d) (i) Except as provided in Subsection (3)(e), if, for an annexation that occurs on or
255 after July 1, 2004, the annexation will result in the enactment, repeal, or a change in the rate of
256 a tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

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

258 (B) after a 90-day period beginning on the date the commission receives notice meeting
259 the requirements of Subsection (3)(d)(ii) from the county that annexes the annexing area.

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

261 (A) that the annexation described in Subsection (3)(d)(i) will result in an enactment,
262 repeal, or change in the rate of a tax under this part for the annexing area;

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

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

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

267 (e) (i) Notwithstanding Subsection (3)(d)(i), for a transaction described in Subsection
268 (3)(e)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
269 first billing period:

270 (A) that begins after the effective date of the enactment of the tax or the tax rate
271 increase; and

272 (B) if the billing period for the transaction begins before the effective date of the
273 enactment of the tax or the tax rate increase imposed under this section.

274 (ii) Notwithstanding Subsection (3)(d)(i), for a transaction described in Subsection
275 (3)(e)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last

276 billing period:

277 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;

278 and

279 (B) if the billing period for the transaction begins before the effective date of the repeal

280 of the tax or the tax rate decrease imposed under this section.

281 (iii) Subsections (3)(e)(i) and (ii) apply to transactions subject to a tax under

282 Subsection 59-12-103(1)(i).

283 Section 3. Section 59-12-352 is amended to read:

284 **59-12-352. Transient room tax authority for municipalities -- Purposes for which**
285 **revenues may be used -- Change in rate -- Repeal of tax.**

286 (1) (a) (i) The ~~[governing]~~ legislative body of a municipality may by ordinance impose
287 a transient room tax on the rents charged to transients occupying public accommodations in an
288 amount ~~[that is less than or equal]~~ up to 1% of the rents charged.

289 (ii) The legislative body of a municipality:

290 (A) shall in the ordinance described in Subsection (1)(a)(i) state the rate of the tax; and

291 (B) may in the ordinance described in Subsection (1)(a)(i) include a provision stating
292 the day on which a tax under this section shall be repealed.

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

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

299 (ii) exclusively used by:

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

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

304 (iii) for which the Salt Lake Organizing Committee for the Olympic Winter Games of
305 2002 does not receive reimbursement.

306 (2) Subject to ~~[the limitations of Subsection]~~ Subsections (1) and (5), a ~~[governing]~~

307 legislative body of a municipality may, by ordinance, increase or decrease the transient room
308 tax under this part.

309 (3) [~~A governing~~] Except as provided in Subsection (6)(a)(i), a legislative body of a
310 municipality shall regulate the transient room tax under this part by ordinance.

311 (4) Revenues generated by the transient room tax under this part may be used for
312 general fund purposes.

313 (5) If a legislative body of a municipality imposes a tax under this section at a tax rate
314 that is less than 1%, the legislative body of the municipality may increase the tax rate up to 1%:

315 (a) by ordinance of the legislative body of the municipality;

316 (b) effective as provided in Subsection 59-12-208.1(2); and

317 (c) if the legislative body of the municipality provides notice to the commission as
318 required by Subsection 59-12-208.1(2).

319 (6) (a) A legislative body of a municipality may repeal a tax imposed in accordance
320 with this part:

321 (i) notwithstanding Subsection (3), by resolution of the legislative body of the
322 municipality;

323 (ii) effective as provided in Subsection 59-12-208.1(2); and

324 (iii) if the legislative body of the municipality provides notice to the commission as
325 required by Subsection 59-12-208.1(2).

326 (b) If, on the day on which a legislative body of a municipality adopts a resolution in
327 accordance with Subsection (6)(a) to repeal a tax imposed in accordance with this section, any
328 portion of the tax is pledged to secure the payment of a bond:

329 (i) the tax may not be pledged to secure the payment of a bond issued on or after the
330 day on which the legislative body of the municipality adopts the resolution in accordance with
331 Subsection (6)(a) to repeal the tax;

332 (ii) the legislative body of the municipality shall:

333 (A) adopt an ordinance:

334 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary
335 to generate revenues sufficient to satisfy the obligation to pay the bond; and

336 (II) that takes effect as provided in Subsection 59-12-208.1(2); and

337 (B) before the ordinance described in Subsection (6)(b)(ii)(A) takes effect, provide

338 notice to the commission:

339 (I) as required by Subsection 59-12-208.1(2); and

340 (II) stating the day on which the legislative body of the municipality estimates that the
341 obligation to pay the bond will be satisfied; and

342 (iii) the legislative body of the municipality shall provide notice to the commission no
343 later than 90 days before the day on which the obligation to pay the bond is satisfied:

344 (A) that meets the requirements of Subsection 59-12-208.1(2); and

345 (B) that provides that the repeal of the tax shall take effect as provided in Subsection
346 59-12-208.1(2).

347 Section 4. Section **59-12-353** is amended to read:

348 **59-12-353. Additional municipal transient room tax to repay bonded or other**
349 **indebtedness.**

350 (1) (a) Subject to the limitations of Subsection (2), the [~~governing~~] legislative body of a
351 municipality may, in addition to the municipal transient room tax authorized under Section
352 59-12-352, impose a transient room tax by ordinance on the rents described in Subsection
353 59-12-352(1)(a) in an amount that is [~~less than or equal~~] up to [~~1/2%~~] .5% if the [~~governing~~]
354 legislative body of the municipality:

355 (i) before January 1, 1996, levied and collected a license fee or tax under Section
356 10-1-203; and

357 (ii) before January 1, 1997, took official action to obligate the municipality in reliance
358 on the license fees or taxes under Subsection (1)(a)(i) to the payment of debt service on bonds
359 or other indebtedness, including lease payments under a lease purchase agreement.

360 (b) A [~~governing~~] legislative body of a municipality imposing a tax under this section
361 shall impose the tax on the rents described in Subsection 59-12-352(1)(a) relating to the
362 Olympic Winter Games of 2002 made to or by an organization exempt from federal income
363 taxation under Section 501(c)(3), Internal Revenue Code, except for rents described in
364 Subsection 59-12-352(1)(a):

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

367 (ii) exclusively used by:

368 (A) an officer, a trustee, or an employee of the Salt Lake Organizing Committee for the

369 Olympic Winter Games of 2002; or

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

372 (iii) for which the Salt Lake Organizing Committee for the Olympic Winter Games of
373 2002 does not receive reimbursement.

374 (2) The ~~[governing]~~ legislative body of a municipality may impose the transient room
375 tax under this section until the sooner of:

376 (a) the day on which the following have been paid in full:

377 (i) the debt service on bonds or other indebtedness, including lease payments under a
378 lease purchase agreement described in Subsection (1)(a)(ii); and

379 (ii) refunding obligations that the municipality incurred as a result of the debt service
380 on bonds or other indebtedness, including lease payments under a lease purchase agreement
381 described in Subsection (1)(a)(ii); or

382 (b) 25 years from the day on which the municipality levied the transient room tax under
383 this section.

384 Section 5. Section **59-12-401 (Effective 07/01/04)** is amended to read:

385 **59-12-401 (Effective 07/01/04). Resort communities tax -- Base -- Rate -- Change**
386 **in rate -- Repeal of tax -- Collection fees.**

387 (1) (a) (i) Except as provided in Subsections (1)(b) and 59-12-207.1(7)(c), and in
388 addition to other sales taxes, a city or town in which the transient room capacity is greater than
389 or equal to 66% of the permanent census population may impose by ordinance a sales tax of up
390 to 1% on the transactions described in Subsection 59-12-103(1) located within the city or town.

391 (ii) A city or town legislative body, in the ordinance imposing the tax described in
392 Subsection (1)(a)(i):

393 (A) shall state the rate of the tax; and

394 (B) may include a provision stating the day on which a tax under this section shall be
395 repealed.

396 (b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this
397 section on:

398 (i) the sale of:

399 (A) a motor vehicle;

400 (B) an aircraft;
401 (C) a watercraft;
402 (D) a modular home;
403 (E) a manufactured home; or
404 (F) a mobile home; or
405 (ii) the sales and uses described in Section 59-12-104 to the extent the sales and uses
406 are exempt from taxation under Section 59-12-104.

407 (c) For purposes of this Subsection (1), the location of a transaction shall be
408 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

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

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

417 (3) If a city or town legislative body imposes a tax under this section at a tax rate that is
418 less than 1%, the city or town legislative body may increase the tax rate up to 1%:

419 (a) by ordinance of the city or town legislative body; and

420 (b) if the city or town legislative body provides notice to the commission as required by
421 Subsection 59-12-403(2).

422 (4) (a) A city or town legislative body may repeal a tax imposed in accordance with
423 this section:

424 (i) by resolution of the city or town legislative body;

425 (ii) except as provided in Subsection (4)(b), effective as provided in Subsection
426 59-12-403(2); and

427 (iii) if the city or town legislative body provides notice to the commission as required
428 by Subsection 59-12-403(2).

429 (b) Notwithstanding Subsection (4)(a)(ii), if, on the day on which a city or town
430 legislative body adopts a resolution in accordance with Subsection (4)(a) to repeal a tax

431 imposed in accordance with this section, any portion of the tax is pledged to secure the
 432 payment of a bond:

433 (i) the tax may not be pledged to secure the payment of a bond issued on or after the
 434 day on which the city or town legislative body adopts the resolution in accordance with

435 Subsection (4)(a) to repeal the tax;

436 (ii) the city or town legislative body shall:

437 (A) adopt an ordinance:

438 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary
 439 to generate revenues sufficient to satisfy the obligation to pay the bond; and

440 (II) that takes effect as provided in Subsection 59-12-403(2); and

441 (B) before the ordinance described in Subsection (4)(b)(ii)(A) takes effect, provide
 442 notice to the commission:

443 (I) as required by Subsection 59-12-403(2); and

444 (II) stating the day on which the city or town legislative body estimates that the
 445 obligation to pay the bond will be satisfied; and

446 (iii) the city or town legislative body shall provide notice to the commission no later
 447 than 90 days before the day on which the obligation to pay the bond is satisfied:

448 (A) that meets the requirements of Subsection 59-12-403(2); and

449 (B) that provides that the repeal of the tax shall take effect as provided in Subsection
 450 59-12-403(2).

451 Section 6. Section **59-12-402 (Effective 07/01/04)** is amended to read:

452 **59-12-402 (Effective 07/01/04). Additional resort communities sales tax -- Base --**
 453 **Rate -- Change in rate -- Repeal of tax -- Collection fees -- Resolution and voter approval**
 454 **requirements -- Election requirements -- Notice requirements -- Ordinance requirements.**

455 (1) (a) Except as provided in Subsections (1)(b) and 59-12-207.1(7)(c), and subject to
 456 the limitations of Subsections (2) through (6), the [~~governing~~] legislative body of a
 457 municipality in which the transient room capacity is greater than or equal to 66% of the
 458 permanent census population may, in addition to the sales tax authorized under Section
 459 59-12-401, impose an additional resort communities sales tax in an amount that is less than or
 460 equal to [~~1+2%~~] .5% on the transactions described in Subsection 59-12-103(1) located within
 461 the municipality.

462 (b) Notwithstanding Subsection (1)(a), the ~~[governing]~~ legislative body of a
463 municipality may not impose a tax under this section on:

464 (i) the sale of:

465 (A) a motor vehicle;

466 (B) an aircraft;

467 (C) a watercraft;

468 (D) a modular home;

469 (E) a manufactured home; or

470 (F) a mobile home; or

471 (ii) the sales and uses described in Section 59-12-104 to the extent the sales and uses
472 are exempt from taxation under Section 59-12-104.

473 (c) For purposes of this Subsection (1), the location of a transaction shall be
474 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

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

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

483 (3) To impose an additional resort communities sales tax under this section, the
484 ~~[governing]~~ legislative body of the municipality shall:

485 (a) pass a resolution approving the tax~~;~~ and that:

486 (i) shall state the rate of the tax; and

487 (ii) may include a provision stating the day on which a tax under this section shall be
488 repealed; and

489 (b) except as provided in Subsection (6), obtain voter approval for the tax as provided
490 in Subsection (4).

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

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

494 (i) a regular general election; or

495 (ii) a municipal general election; and

496 (b) publish notice of the election:

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

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

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

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

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

508 (7) If a legislative body of a municipality imposes a tax under this section at a tax rate
509 that is less than .5%, the legislative body of the municipality may increase the tax rate up to
510 .5%:

511 (a) by ordinance of the legislative body of the municipality;

512 (b) if the legislative body of the municipality meets the same requirements established
513 in Subsections (4) and (6) for obtaining voter approval to impose the tax; and

514 (c) if the legislative body of the municipality provides notice to the commission as
515 required by Subsection 59-12-403(2).

516 (8) (a) A legislative body of a municipality may repeal a tax imposed in accordance
517 with this section:

518 (i) by resolution of the legislative body of the municipality;

519 (ii) except as provided in Subsection (8)(b), effective as provided in Subsection
520 59-12-403(2); and

521 (iii) if the legislative body of the municipality provides notice to the commission as
522 required by Subsection 59-12-403(2).

523 (b) Notwithstanding Subsection (8)(a)(ii), if, on the day on which a legislative body of

524 a municipality adopts a resolution in accordance with Subsection (8)(a) to repeal a tax imposed
525 in accordance with this section, any portion of the tax is pledged to secure the payment of a
526 bond:

527 (i) the tax may not be pledged to secure the payment of a bond issued on or after the
528 day on which the legislative body of the municipality adopts the resolution in accordance with
529 Subsection (8)(a) to repeal the tax;

530 (ii) the legislative body of the municipality shall:

531 (A) adopt an ordinance:

532 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary
533 to generate revenues sufficient to satisfy the obligation to pay the bond; and

534 (II) that takes effect as provided in Subsection 59-12-403(2); and

535 (B) before the ordinance described in Subsection (8)(b)(ii)(A) takes effect, provide
536 notice to the commission:

537 (I) as required by Subsection 59-12-403(2); and

538 (II) stating the day on which the legislative body of the municipality estimates that the
539 obligation to pay the bond will be satisfied; and

540 (iii) the legislative body of the municipality shall provide notice to the commission no
541 later than 90 days before the day on which the obligation to pay the bond is satisfied:

542 (A) that meets the requirements of Subsection 59-12-403(2); and

543 (B) that provides that the repeal of the tax shall take effect as provided in Subsection
544 59-12-403(2).

545 Section 7. Section **59-12-501 (Effective 07/01/04)** is amended to read:

546 **59-12-501 (Effective 07/01/04). Public transit tax -- Base -- Rate -- Voter approval**
547 **-- Increase in tax -- Repeal of tax.**

548 (1) (a) (i) Except as provided in Subsections (1)(a)(ii) and 59-12-207.1(7)(c), in
549 addition to other sales and use taxes, any county, city, or town within a transit district
550 organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act, may impose a
551 sales and use tax of [~~1/4 of 1%~~] up to .25% on the transactions described in Subsection
552 59-12-103(1) located within the county, city, or town[;];

553 (A) by ordinance of the county, city, or town legislative body; and

554 (B) to fund a public transportation system.

555 (ii) Notwithstanding Subsection (1)(a)(i), a county, city, or town may not impose a tax
556 under this section on the sales and uses described in Section 59-12-104 to the extent the sales
557 and uses are exempt from taxation under Section 59-12-104.

558 (b) For purposes of this Subsection (1), the location of a transaction shall be
559 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

560 (c) (i) ~~[A]~~ Subject to Subsections (1)(c)(ii) and (iii), a county, city, or town may impose
561 a tax under this section only if the ~~[governing]~~ legislative body of the county, city, or town, by
562 resolution, submits ~~[the]~~ a proposal:

563 (A) stating the proposed tax rate; and

564 (B) to all the [qualified] registered voters within the county, city, or town voting on the
565 imposition of the tax for approval at a general or special election conducted in the manner
566 provided by statute.

567 (ii) ~~[An]~~ Except as provided in Subsection (4), an election under Subsection
568 17B-2-512(3)(a)(ii) approving the annexation of an area to a public transit district or local
569 district and approving for that annexed area the sales and use tax authorized by this section
570 satisfies the election requirement of Subsection (1)(c)(i) for the area to be annexed to the public
571 transit district or local district.

572 (iii) A county, city, or town legislative body may include in the proposal described in
573 Subsection (1)(a)(i) a provision stating the day on which a tax under this section shall be
574 repealed.

575 (2) (a) If only a portion of a county is included within a public transit district, the
576 proposal may be submitted only to the qualified voters residing within the boundaries of the
577 proposed or existing public transit district.

578 (b) Notice of any such election shall be given by the county, city, or town governing
579 body 15 days in advance in the manner prescribed by statute.

580 (c) If a majority of the voters voting in such election approve the proposal, it shall
581 become effective on the date provided by the county, city, or town governing body.

582 (3) ~~[This]~~ Except as provided in Subsection (4), this section may not be construed to
583 require an election in jurisdictions where voters have previously approved a public transit sales
584 or use tax.

585 (4) Notwithstanding Subsections (1)(c)(ii) and (3), if a county, city, or town legislative

586 body imposes a tax under this section at a tax rate that is less than .25%, the county, city, or
587 town legislative body may increase the tax rate up to .25%:

588 (a) by ordinance of the county, city, or town legislative body;

589 (b) if the county, city, or town legislative body meets the same requirements
590 established in Subsections (1) and (2) for obtaining voter approval to impose the tax; and

591 (c) if the county, city, or town legislative body provides notice to the commission as
592 required by Subsection 59-12-504(2).

593 (5) (a) A county, city, or town legislative body may repeal a tax imposed in accordance
594 with this section:

595 (i) by resolution of the county, city, or town legislative body;

596 (ii) except as provided in Subsection (5)(b), effective as provided in Subsection
597 59-12-504(2); and

598 (iii) if the county, city, or town legislative body provides notice to the commission as
599 required by Subsection 59-12-504(2).

600 (b) Notwithstanding Subsection (5)(a)(ii), if, on the day on which a county, city, or
601 town legislative body adopts a resolution in accordance with Subsection (5)(a) to repeal a tax
602 imposed in accordance with this section, any portion of the tax is pledged to secure the
603 payment of a bond:

604 (i) the tax may not be pledged to secure the payment of a bond issued on or after the
605 day on which the county, city, or town legislative body adopts the resolution in accordance
606 with Subsection (5)(a) to repeal the tax;

607 (ii) the county, city, or town legislative body shall:

608 (A) adopt an ordinance:

609 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary
610 to generate revenues sufficient to satisfy the obligation to pay the bond; and

611 (II) that takes effect as provided in Subsection 59-12-504(2); and

612 (B) before the ordinance described in Subsection (5)(b)(ii)(A) takes effect, provide
613 notice to the commission:

614 (I) as required by Subsection 59-12-504(2); and

615 (II) stating the day on which the county, city, or town legislative body estimates that
616 the obligation to pay the bond will be satisfied; and

617 (iii) the county, city, or town legislative body shall provide notice to the commission
 618 no later than 90 days before the day on which the obligation to pay the bond is satisfied:

619 (A) that meets the requirements of Subsection 59-12-504(2); and

620 (B) that provides that the repeal of the tax shall take effect as provided in Subsection
 621 59-12-504(2).

622 Section 8. Section **59-12-502 (Effective 07/01/04)** is amended to read:

623 **59-12-502 (Effective 07/01/04). Additional public transit tax for expanded system**
 624 **and fixed guideway and interstate improvements -- Base -- Rate -- Change in rate --**
 625 **Repeal of tax -- Voter approval.**

626 (1) (a) (i) Except as provided in Subsections (1)(a)(ii) and 59-12-207.1(7)(c), and in
 627 addition to other sales and use taxes, including the public transit district tax authorized by
 628 Section 59-12-501, a county, city, or town within a transit district organized under Title 17A,
 629 Chapter 2, Part 10, Utah Public Transit District Act, may impose a sales and use tax of [~~1/4 of~~
 630 ~~1%~~] up to .25% on the transactions described in Subsection 59-12-103(1) located within the
 631 county, city, or town[~~;~~];

632 (A) by ordinance of the county, city, or town legislative body; and

633 (B) to fund a fixed guideway and expanded public transportation system.

634 (ii) Notwithstanding Subsection (1)(a)(i), a county, city, or town may not impose a tax
 635 under this section on the sales and uses described in Section 59-12-104 to the extent the sales
 636 and uses are exempt from taxation under Section 59-12-104.

637 (b) For purposes of this Subsection (1), the location of a transaction shall be
 638 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

639 (c) (i) A county, city, or town may impose the tax under this section only if the
 640 [~~governing~~] legislative body of the county, city, or town submits, by [~~resolution~~] ordinance,

641 [~~the~~] a proposal:

642 (A) stating the proposed tax rate; and

643 (B) to all the [~~qualified~~] registered voters within the county, city, or town voting on the
 644 imposition or change in rate of the tax for approval at a general or special election conducted in
 645 the manner provided by statute.

646 (ii) Notice of the election under Subsection (1)(c)(i) shall be given by the county, city,
 647 or town governing body 15 days in advance in the manner prescribed by statute.

648 (iii) A county, city, or town legislative body may include in the proposal described in
649 Subsection (1)(c)(i) a provision stating the day on which a tax under this section shall be
650 repealed.

651 (2) If the majority of the voters voting in [~~this~~] the election described in Subsection
652 (1)(c) approve the proposal, it shall become effective on the date provided by the county, city,
653 or town [~~governing~~] legislative body.

654 (3) Except as provided in Subsection (7):

655 [~~(3)~~] (a) [~~This~~] this section may not be construed to require an election in jurisdictions
656 where voters have previously approved a public transit sales or use tax[-]; and

657 (b) [~~This~~] this section shall be construed to require an election to impose the sales and
658 use tax authorized by this section, including jurisdictions where the voters have previously
659 approved the sales and use tax authorized by Section 59-12-501, but this section may not be
660 construed to affect the sales and use tax authorized by Section 59-12-501.

661 (4) No public funds shall be spent to promote the required election.

662 (5) Notwithstanding the designated use of revenues in Subsection (1), of the revenues
663 generated by the tax imposed under this section by any county of the first class:

664 (a) 75% shall be allocated to fund a fixed guideway and expanded public transportation
665 system; and

666 (b) 25% shall be allocated to fund new construction, major renovations, and
667 improvements to Interstate 15 and state highways within the county and to pay any debt service
668 and bond issuance costs related to those projects.

669 (6) A county of the first class may, through an interlocal agreement, authorize the
670 deposit or transfer of the portion of the revenues described in Subsection (5)(b) to the Public
671 Transportation System Tax Highway Fund created in Section 72-2-121.

672 (7) Notwithstanding Subsection (3), if a county, city, or town legislative body imposes
673 a tax under this section at a tax rate that is less than .25%, the county, city, or town legislative
674 body may increase the tax rate up to .25%:

675 (a) by ordinance of the county, city, or town legislative body;

676 (b) if the county, city, or town legislative body meets the same requirements
677 established in Subsections (1) and (2) for obtaining voter approval to impose the tax; and

678 (c) if the county, city, or town legislative body provides notice to the commission as

679 required by Subsection 59-12-504(2).

680 (8) (a) A county, city, or town legislative body may repeal a tax imposed in accordance
681 with this section:

682 (i) by resolution of the county, city, or town legislative body;

683 (ii) except as provided in Subsection (8)(b), effective as provided in Subsection
684 59-12-504(2); and

685 (iii) if the county, city, or town legislative body provides notice to the commission as
686 required by Subsection 59-12-504(2).

687 (b) Notwithstanding Subsection (8)(a)(ii), if, on the day on which a county, city, or
688 town legislative body adopts a resolution in accordance with Subsection (8)(a) to repeal a tax
689 imposed in accordance with this section, any portion of the tax is pledged to secure the
690 payment of a bond:

691 (i) the tax may not be pledged to secure the payment of a bond issued on or after the
692 day on which the county, city, or town legislative body adopts the resolution in accordance
693 with Subsection (8)(a) to repeal the tax;

694 (ii) the county, city, or town legislative body shall:

695 (A) adopt an ordinance:

696 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary
697 to generate revenues sufficient to satisfy the obligation to pay the bond; and

698 (II) that takes effect as provided in Subsection 59-12-504(2); and

699 (B) before the ordinance described in Subsection (8)(b)(ii)(A) takes effect, provide
700 notice to the commission:

701 (I) as required by Subsection 59-12-504(2); and

702 (II) stating the day on which the county, city, or town legislative body estimates that
703 the obligation to pay the bond will be satisfied; and

704 (iii) the county, city, or town legislative body shall provide notice to the commission
705 no later than 90 days before the day on which the obligation to pay the bond is satisfied:

706 (A) that meets the requirements of Subsection 59-12-504(2); and

707 (B) that provides that the repeal of the tax shall take effect as provided in Subsection
708 59-12-504(2).

709 Section 9. Section **59-12-504 (Effective 07/01/04)** is amended to read:

710 **59-12-504 (Effective 07/01/04). Enactment or repeal of tax or tax rate change --**

711 **Effective date -- Notice requirements.**

712 (1) For purposes of this section:

713 (a) "Annexation" means an annexation to:

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

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

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

717 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after July 1, 2004, a

718 county, city, or town enacts or repeals a tax or changes the rate of a tax under this part, the

719 enactment [~~or~~], repeal, or change shall take effect:

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

721 (ii) after a 90-day period beginning on the date the commission receives notice meeting

722 the requirements of Subsection (2)(b) from the county, city, or town.

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

724 (i) that the county, city, or town will enact or repeal a tax or change the rate of a tax

725 under this part;

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

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

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

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

730 (c) (i) Notwithstanding Subsection (2)(a), for a transaction described in Subsection

731 (2)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the

732 first billing period:

733 (A) that begins after the effective date of the [~~imposition~~] enactment of the tax or the

734 tax rate increase; and

735 (B) if the billing period for the transaction begins before the effective date of the

736 enactment of the tax or the tax rate increase imposed under:

737 (I) Section 59-12-501; or

738 (II) Section 59-12-502.

739 (ii) Notwithstanding Subsection (2)(a), for a transaction described in Subsection

740 (2)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last

741 billing period:

742 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;

743 and

744 (B) if the billing period for the transaction begins before the effective date of the repeal

745 of the tax or the tax rate decrease imposed under:

746 (I) Section 59-12-501; or

747 (II) Section 59-12-502.

748 (iii) Subsections (2)(c)(i) and (ii) apply to transactions subject to a tax under:

749 (A) Subsection 59-12-103(1)(b);

750 (B) Subsection 59-12-103(1)(c);

751 (C) Subsection 59-12-103(1)(d);

752 (D) Subsection 59-12-103(1)(e);

753 (E) Subsection 59-12-103(1)(f);

754 (F) Subsection 59-12-103(1)(g);

755 (G) Subsection 59-12-103(1)(h);

756 (H) Subsection 59-12-103(1)(i);

757 (I) Subsection 59-12-103(1)(j); or

758 (J) Subsection 59-12-103(1)(k).

759 (d) (i) Notwithstanding Subsection (2)(a), if a tax due under this chapter on a catalogue
760 sale is computed on the basis of sales and use tax rates published in the catalogue, an

761 enactment [~~or~~], repeal, or change in the rate of a tax described in Subsection (2)(a) takes effect:

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

763 (B) beginning 60 days after the effective date of the enactment [~~or~~], repeal, or change
764 in the rate of the tax under Subsection (2)(a).

765 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
766 the commission may by rule define the term "catalogue sale."

767 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs
768 on or after July 1, 2004, the annexation will result in the enactment [~~or~~], repeal, or change in
769 the rate of a tax under this part for an annexing area, the enactment [~~or~~], repeal, or change shall
770 take effect:

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

772 (ii) after a 90-day period beginning on the date the commission receives notice meeting
773 the requirements of Subsection (3)(b) from the county, city, or town that annexes the annexing
774 area.

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

776 (i) that the annexation described in Subsection (3)(a) will result in an enactment [~~or~~],
777 repeal, or a change in the rate of a tax under this part for the annexing area;

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

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

780 (iv) if the county, city, or town enacts the tax or changes the rate of the tax described in
781 Subsection (3)(b)(i), the rate of the tax [~~described in Subsection (3)(b)(i)~~].

782 (c) (i) Notwithstanding Subsection (3)(a), for a transaction described in Subsection
783 (3)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
784 first billing period:

785 (A) that begins after the effective date of the [~~imposition~~] enactment of the tax or the
786 tax rate increase; and

787 (B) if the billing period for the transaction begins before the effective date of the
788 enactment of the tax or the tax rate increase under:

789 (I) Section 59-12-501; or

790 (II) Section 59-12-502.

791 (ii) Notwithstanding Subsection (3)(a), for a transaction described in Subsection
792 (3)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
793 billing period:

794 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
795 and

796 (B) if the billing period for the transaction begins before the effective date of the repeal
797 of the tax or the tax rate decrease imposed under:

798 (I) Section 59-12-501; or

799 (II) Section 59-12-502.

800 (iii) Subsections (3)(c)(i) and (ii) apply to transactions subject to a tax under:

801 (A) Subsection 59-12-103(1)(b);

802 (B) Subsection 59-12-103(1)(c);

- 803 (C) Subsection 59-12-103(1)(d);
 804 (D) Subsection 59-12-103(1)(e);
 805 (E) Subsection 59-12-103(1)(f);
 806 (F) Subsection 59-12-103(1)(g);
 807 (G) Subsection 59-12-103(1)(h);
 808 (H) Subsection 59-12-103(1)(i);
 809 (I) Subsection 59-12-103(1)(j); or
 810 (J) Subsection 59-12-103(1)(k).

811 (d) (i) Notwithstanding Subsection (3)(a), if a tax due under this chapter on a catalogue
 812 sale is computed on the basis of sales and use tax rates published in the catalogue, an
 813 enactment [~~or~~], repeal, or change in the rate of a tax described in Subsection (3)(a) takes effect:

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

815 (B) beginning 60 days after the effective date of the enactment [~~or~~], repeal, or change
 816 in the rate of a tax under Subsection (3)(a).

817 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
 818 the commission may by rule define the term "catalogue sale."

819 Section 10. Section **59-12-603 (Effective 07/01/04)** is amended to read:

820 **59-12-603 (Effective 07/01/04). County tax -- Bases -- Rates --- Change of rate --**

821 **Repeal of tax -- Use of revenues -- Collection -- Adoption of ordinance required --**

822 **Administration -- Distribution -- Enactment or repeal of tax or tax rate change --**

823 **Effective date -- Notice requirements.**

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

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

830 (ii) beginning on or after January 1, 1999, a county legislative body of any county
 831 imposing a tax under Subsection (1)(a)(i) may, in addition to imposing the tax under
 832 Subsection (1)(a)(i), impose a tax of not to exceed 4% on all short-term leases and rentals of
 833 motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made for

834 the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to
835 a repair or an insurance agreement;

836 (b) a county legislative body of any county may impose a tax of [~~not to exceed~~] up to
837 1% of all sales of prepared foods and beverages that are sold by restaurants; and

838 (c) a county legislative body of any county may impose a tax of [~~not to exceed 1/2%~~]
839 up to .5% of the rent for every occupancy of a suite or room:

840 (i) on the following entities doing business as motor courts, motels, hotels, inns, or
841 providing similar public accommodations:

842 (A) a person;

843 (B) a company;

844 (C) a corporation; or

845 (D) a person, group, or organization similar to Subsections (1)(c)(i)(A) through (C);

846 and

847 (ii) if the suite or room is regularly rented for less than 30 consecutive days.

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

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

855 (4) (a) (i) Except as provided in Subsection (4)(a)(ii), a tax imposed under this part
856 shall be levied at the same time and collected in the same manner as provided in Part 2, Local
857 Sales and Use Tax Act.

858 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to
859 Subsections 59-12-205(2) through (5).

860 (b) A tax imposed under this part may be pledged, in accordance with Section
861 11-14-28 and Subsection (10), as security for bonds, notes, or other evidences of indebtedness
862 incurred by a county under Title 11, Chapter 14, Utah Municipal Bond Act, to finance tourism,
863 recreation, cultural, and convention facilities.

864 (5) (a) In order to impose the tax under Subsection (1), each county legislative body

865 shall annually adopt an ordinance imposing the tax[-] that:

866 (i) shall state the tax rate; and

867 (ii) may include a provision stating the day on which a tax under this section shall be
868 repealed.

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

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

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

879 (B) exclusively used by:

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

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

884 (C) for which the Salt Lake Organizing Committee for the Olympic Winter Games of
885 2002 does not receive reimbursement.

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

889 (6) In order to maintain in effect its tax ordinance adopted under this part, each county
890 legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1,
891 Tax Collection, adopt amendments to its tax ordinance to conform with the applicable
892 amendments to Part 1, Tax Collection.

893 (7) The commission shall:

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

895 (i) the same procedures used to administer, collect, and enforce the sales and use tax

896 under Part 1, Tax Collection; and

897 (ii) Chapter 1, General Taxation Policies;

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

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

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

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

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

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

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

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

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

917 (b) (i) Except as provided in Subsection (9)(c), if, on or after July 1, 2004, a county
918 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
919 change shall take effect:

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

921 (B) after a 90-day period beginning on the date the commission receives notice meeting
922 the requirements of Subsection (9)(b)(ii) from the county.

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

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

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

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

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

929 (c) (i) Notwithstanding Subsection (9)(b)(i), for a transaction described in Subsection
930 (9)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
931 first billing period:

932 (A) that begins after the effective date of the enactment of the tax or the tax rate
933 increase; and

934 (B) if the billing period for the transaction begins before the effective date of the
935 enactment of the tax or the tax rate increase imposed under Subsection (1).

936 (ii) Notwithstanding Subsection (9)(b)(i), for a transaction described in Subsection
937 (9)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
938 billing period:

939 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
940 and

941 (B) if the billing period for the transaction begins before the effective date of the repeal
942 of the tax or the tax rate decrease imposed under Subsection (1).

943 (iii) Subsections (9)(c)(i) and (ii) apply to transactions subject to a tax under:

944 (A) Subsection 59-12-103(1)(e);

945 (B) Subsection 59-12-103(1)(i); or

946 (C) Subsection 59-12-103(1)(k).

947 (d) (i) Except as provided in Subsection (9)(e), if, for an annexation that occurs on or
948 after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a
949 tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

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

951 (B) after a 90-day period beginning on the date the commission receives notice meeting
952 the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

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

954 (A) that the annexation described in Subsection (9)(d)(i) will result in an enactment,
955 repeal, or change in the rate of a tax under this part for the annexing area;

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

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

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

960 (e) (i) Notwithstanding Subsection (9)(d)(i), for a transaction described in Subsection
961 (9)(e)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
962 first billing period:

963 (A) that begins after the effective date of the enactment of the tax or the tax rate
964 increase; and

965 (B) if the billing period for the transaction begins before the effective date of the
966 enactment of the tax or the tax rate increase imposed under Subsection (1).

967 (ii) Notwithstanding Subsection (9)(d)(i), for a transaction described in Subsection
968 (9)(e)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
969 billing period:

970 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
971 and

972 (B) if the billing period for the transaction begins before the effective date of the repeal
973 of the tax or the tax rate decrease imposed under Subsection (1).

974 (iii) Subsections (9)(e)(i) and (ii) apply to transactions subject to a tax under:

975 (A) Subsection 59-12-103(1)(e);

976 (B) Subsection 59-12-103(1)(i); or

977 (C) Subsection 59-12-103(1)(k).

978 (10) (a) A county legislative body may repeal a tax imposed in accordance with this
979 section:

980 (i) by resolution of the county legislative body;

981 (ii) except as provided in Subsection (10)(b), effective as provided in Subsection (9);

982 and

983 (iii) if the county legislative body provides notice to the commission as required by
984 Subsection (9).

985 (b) Notwithstanding Subsection (10)(a)(ii), if, on the day on which a county legislative
986 body adopts a resolution in accordance with Subsection (10)(a) to repeal a tax imposed in
987 accordance with this section, any portion of the tax is pledged to secure the payment of a bond:

988 (i) the tax may not be pledged to secure the payment of a bond issued on or after the

989 day on which the county, city, or town legislative body adopts the resolution in accordance
 990 with Subsection (10)(a) to repeal the tax;

991 (ii) the county, city, or town legislative body shall:

992 (A) adopt an ordinance:

993 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary
 994 to generate revenues sufficient to satisfy the obligation to pay the bond; and

995 (II) that takes effect as provided in Subsection (9); and

996 (B) before the ordinance described in Subsection (10)(b)(ii)(A) takes effect, provide
 997 notice to the commission:

998 (I) as required by Subsection (9); and

999 (II) stating the day on which the county legislative body estimates that the obligation to
 1000 pay the bond will be satisfied; and

1001 (iii) the county legislative body shall provide notice to the commission no later than 90
 1002 days before the day on which the obligation to pay the bond is satisfied:

1003 (A) that meets the requirements of Subsection (9); and

1004 (B) that provides that the repeal of the tax shall take effect as provided in Subsection
 1005 (9).

1006 Section 11. Section **59-12-703 (Effective 07/01/04)** is amended to read:

1007 **59-12-703 (Effective 07/01/04). Opinion question election -- Imposition of tax --**
 1008 **Increase in tax -- Uses of tax monies -- Enactment or repeal of tax or tax rate change --**
 1009 **Effective date -- Notice requirements.**

1010 (1) (a) (i) Except as provided in Subsections (1)(a)(ii) and 59-12-207.1(7)(c) and
 1011 subject to Subsections (1)(b) through (d), a county legislative body may submit an opinion
 1012 question to the [~~residents~~] registered voters of that county, by [~~majority vote~~] resolution of all
 1013 members of the legislative body, so that each [~~resident of the county~~] registered voter has an
 1014 opportunity to express the [~~resident's~~] registered voter's opinion on the imposition of a local
 1015 sales and use tax of up to .1% on the transactions described in Subsection 59-12-103(1) located
 1016 within the county, to fund recreational and zoological facilities, botanical, cultural, and
 1017 zoological organizations, and rural radio stations, in that county.

1018 (ii) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a
 1019 tax under this section on the sales and uses described in Section 59-12-104 to the extent the

1020 sales and uses are exempt from taxation under Section 59-12-104.

1021 (b) For purposes of this Subsection (1), the location of a transaction shall be
1022 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

1023 (c) The election shall follow the procedures outlined in Title 11, Chapter 14, Utah
1024 Municipal Bond Act.

1025 (d) The opinion question described in Subsection (1)(a)(i):

1026 (i) shall state the proposed tax rate of the tax described in Subsection (1)(a); and

1027 (ii) may include a provision stating the day on which a tax under this section shall be
1028 repealed.

1029 (2) (a) If the county legislative body determines that a majority of the county's
1030 registered voters voting on the imposition of the tax have voted in favor of the imposition of
1031 the tax as prescribed in Subsection (1)(a), the county legislative body may impose the tax by [a
1032 ~~majority vote of all members~~] ordinance of the county legislative body:

1033 (i) stating the rate of the tax; and

1034 (ii) on the transactions:

1035 ~~[(†)]~~ (A) described in Subsection (1); and

1036 ~~[(†)]~~ (B) within the county, including the cities and towns located in the county.

1037 (b) A county legislative body may revise county ordinances to reflect statutory changes
1038 to the distribution formula or eligible recipients of revenues generated from a tax imposed
1039 under Subsection (2)(a):

1040 (i) after the county legislative body submits an opinion question to residents of the
1041 county in accordance with Subsection (1)~~[(†)]~~ giving them the opportunity to express their
1042 opinion on the proposed revisions to county ordinances; and

1043 (ii) if the county legislative body determines that a majority of those voting on the
1044 opinion question have voted in favor of the revisions.

1045 (3) The monies generated from any tax imposed under Subsection (2) shall be used for
1046 funding:

1047 (a) recreational and zoological facilities located within the county or a city or town
1048 located in the county; and

1049 (b) ongoing operating expenses of:

1050 (i) recreational facilities described in Subsection (3)(a);

1051 (ii) botanical, cultural, and zoological organizations within the county; and
1052 (iii) rural radio stations within the county.

1053 (4) (a) A tax under this part shall be:

1054 (i) except as provided in Subsection (4)(b), levied at the same time and collected in the
1055 same manner as provided in Part 2, Local Sales and Use Tax Act; and

1056 (ii) subject to Subsection (5) and except as provided in Subsection (6), levied for a
1057 period of ten years and may be reauthorized [at the end of the ten-year period in accordance
1058 with this section] if the county legislative body meets the same requirements of Subsections (1)
1059 and (2) for imposing the tax.

1060 (b) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to
1061 Subsections 59-12-205(2) through (5).

1062 (5) If a county legislative body imposes a tax under this section at a tax rate that is less
1063 than .1%, the county legislative body may increase the tax rate up to .1%:

1064 (a) by ordinance of the county legislative body;

1065 (b) if the county legislative body meets the same requirements of Subsections (1) and
1066 (2) for obtaining voter approval to impose the tax;

1067 (c) except as provided in Subsection (6), effective until the expiration of the ten-year
1068 period described in Subsection (4)(a)(ii); and

1069 (d) if the county legislative body provides notice to the commission as required by
1070 Subsection (7).

1071 (6) (a) Notwithstanding Subsection (4)(a)(ii) or (5)(c), a county legislative body may
1072 repeal a tax imposed in accordance with this section before the expiration of the ten-year period
1073 described in Subsection (4)(a)(ii):

1074 (i) by resolution of the county legislative body;

1075 (ii) except as provided in Subsection (6)(b), effective as provided in Subsection (7);
1076 and

1077 (iii) if the county legislative body provides notice to the commission as required by
1078 Subsection (7).

1079 (b) Notwithstanding Subsection (6)(a)(ii), if, on the day on which a county legislative
1080 body adopts a resolution in accordance with Subsection (6)(a) to repeal a tax imposed in
1081 accordance with this section, any portion of the tax is pledged to secure the payment of a bond:

1082 (i) the tax may not be pledged to secure the payment of a bond issued on or after the
1083 day on which the county legislative body adopts the resolution in accordance with Subsection
1084 (6)(a) to repeal the tax;

1085 (ii) the county legislative body shall:

1086 (A) adopt an ordinance:

1087 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary
1088 to generate revenues sufficient to satisfy the obligation to pay the bond; and

1089 (II) that takes effect as provided in Subsection (7); and

1090 (B) before the ordinance described in Subsection (6)(b)(ii)(A) takes effect, provide
1091 notice to the commission:

1092 (I) as required by Subsection (7); and

1093 (II) stating the day on which the county legislative body estimates that the obligation to
1094 pay the bond will be satisfied; and

1095 (iii) the county legislative body shall provide notice to the commission no later than 90
1096 days before the day on which the obligation to pay the bond is satisfied:

1097 (A) that meets the requirements of Subsection (7); and

1098 (B) that provides that the repeal of the tax shall take effect as provided in Subsection
1099 (7).

1100 [~~5~~] (7) (a) For purposes of this Subsection [~~5~~] (7):

1101 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2,
1102 Annexation to County.

1103 (ii) "Annexing area" means an area that is annexed into a county.

1104 (b) (i) Except as provided in Subsection [~~5~~] (7)(c) or (d), if, on or after July 1, 2004, a
1105 county enacts or repeals a tax or changes the rate of a tax under this part, the enactment [~~or~~],
1106 repeal, or change shall take effect:

1107 (A) on the first day of a calendar quarter; and

1108 (B) after a 90-day period beginning on the date the commission receives notice meeting
1109 the requirements of Subsection [~~5~~] (7)(b)(ii) from the county.

1110 (ii) The notice described in Subsection [~~5~~] (7)(b)(i)(B) shall state:

1111 (A) that the county will enact or repeal a tax or change the rate of a tax under this part;

1112 (B) the statutory authority for the tax described in Subsection [~~5~~] (7)(b)(ii)(A);

1113 (C) the effective date of the tax described in Subsection [~~(5)~~] (7)(b)(ii)(A); and

1114 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
1115 [~~(5)~~] (7)(b)(ii)(A), the rate of the tax.

1116 (c) (i) Notwithstanding Subsection [~~(5)~~] (7)(b)(i), for a transaction described in
1117 Subsection [~~(5)~~] (7)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the
1118 first day of the first billing period:

1119 (A) that begins after the effective date of the [~~imposition~~] enactment of the tax or the
1120 tax rate increase; and

1121 (B) if the billing period for the transaction begins before the effective date of the
1122 enactment of the tax or the tax rate increase imposed under this section.

1123 (ii) Notwithstanding Subsection [~~(5)~~] (7)(b)(i), for a transaction described in
1124 Subsection [~~(5)~~] (7)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first
1125 day of the last billing period:

1126 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
1127 and

1128 (B) if the billing period for the transaction begins before the effective date of the repeal
1129 of the tax or the tax rate decrease imposed under this section.

1130 (iii) Subsections [~~(5)~~] (7)(c)(i) and (ii) apply to transactions subject to a tax under:

1131 (A) Subsection 59-12-103(1)(b);

1132 (B) Subsection 59-12-103(1)(c);

1133 (C) Subsection 59-12-103(1)(d);

1134 (D) Subsection 59-12-103(1)(e);

1135 (E) Subsection 59-12-103(1)(f);

1136 (F) Subsection 59-12-103(1)(g);

1137 (G) Subsection 59-12-103(1)(h);

1138 (H) Subsection 59-12-103(1)(i);

1139 (I) Subsection 59-12-103(1)(j); or

1140 (J) Subsection 59-12-103(1)(k).

1141 (d) (i) Notwithstanding Subsection [~~(5)~~] (7)(b)(i), if a tax due under this chapter on a
1142 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
1143 enactment [~~or~~], repeal, or change in the rate of a tax described in Subsection [~~(5)~~] (7)(b)(i)

1144 takes effect:

1145 (A) on the first day of a calendar quarter; and

1146 (B) beginning 60 days after the effective date of the enactment [~~or~~], repeal, or change
1147 in the rate of the tax under Subsection [~~(5)~~] (7)(b)(i).

1148 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1149 the commission may by rule define the term "catalogue sale."

1150 (e) (i) Except as provided in Subsection [~~(5)~~] (7)(f) or (g), if, for an annexation that
1151 occurs on or after July 1, 2004, the annexation will result in the enactment [~~or~~], repeal, or
1152 change in the rate of a tax under this part for an annexing area, the enactment [~~or~~], repeal, or
1153 change shall take effect:

1154 (A) on the first day of a calendar quarter; and

1155 (B) after a 90-day period beginning on the date the commission receives notice meeting
1156 the requirements of Subsection [~~(5)~~] (7)(e)(ii) from the county that annexes the annexing area.

1157 (ii) The notice described in Subsection [~~(5)~~] (7)(e)(i)(B) shall state:

1158 (A) that the annexation described in Subsection [~~(5)~~] (7)(e)(i) will result in an
1159 enactment [~~or~~], repeal, or change in the rate of a tax under this part for the annexing area;

1160 (B) the statutory authority for the tax described in Subsection [~~(5)~~] (7)(e)(ii)(A);

1161 (C) the effective date of the tax described in Subsection [~~(5)~~] (7)(e)(ii)(A); and

1162 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
1163 (7)(e)(ii)(A), the rate of the tax [~~described in Subsection (5)(e)(ii)(A)~~].

1164 (f) (i) Notwithstanding Subsection [~~(5)~~] (7)(e)(i), for a transaction described in
1165 Subsection [~~(5)~~] (7)(f)(iii), the enactment of a tax or a tax rate increase shall take effect on the
1166 first day of the first billing period:

1167 (A) that begins after the effective date of the [~~imposition~~] enactment of the tax or the
1168 tax rate increase; and

1169 (B) if the billing period for the transaction begins before the effective date of the
1170 enactment of the tax or the tax rate increase under this section.

1171 (ii) Notwithstanding Subsection [~~(5)~~] (7)(e)(i), for a transaction described in
1172 Subsection [~~(5)~~] (7)(f)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first
1173 day of the last billing period:

1174 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;

1175 and

1176 (B) if the billing period for the transaction begins before the effective date of the repeal
1177 of the tax or the tax rate decrease imposed under this section.

1178 (iii) Subsections [~~5~~] (7)(f)(i) and (ii) apply to transactions subject to a tax under:

1179 (A) Subsection 59-12-103(1)(b);

1180 (B) Subsection 59-12-103(1)(c);

1181 (C) Subsection 59-12-103(1)(d);

1182 (D) Subsection 59-12-103(1)(e);

1183 (E) Subsection 59-12-103(1)(f);

1184 (F) Subsection 59-12-103(1)(g);

1185 (G) Subsection 59-12-103(1)(h);

1186 (H) Subsection 59-12-103(1)(i);

1187 (I) Subsection 59-12-103(1)(j); or

1188 (J) Subsection 59-12-103(1)(k).

1189 (g) (i) Notwithstanding Subsection [~~5~~] (7)(e)(i), if a tax due under this chapter on a
1190 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
1191 enactment [~~or~~], repeal, or change in the rate of a tax described in Subsection [~~5~~] (7)(e)(i)
1192 takes effect:

1193 (A) on the first day of a calendar quarter; and

1194 (B) beginning 60 days after the effective date of the enactment [~~or~~], repeal, or change
1195 in the rate of a tax under Subsection [~~5~~] (7)(e)(i).

1196 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1197 the commission may by rule define the term "catalogue sale."

1198 Section 12. Section **59-12-802 (Effective 07/01/04)** is amended to read:

1199 **59-12-802 (Effective 07/01/04). Imposition of rural county health care facilities**
1200 **tax -- Base -- Rate -- Change in rate -- Repeal of tax.**

1201 (1) (a) A county legislative body may impose a sales and use tax of up to 1%:

1202 (i) except as provided in Subsections (1)(b) and 59-12-207.1(7)(c), on the transactions
1203 described in Subsection 59-12-103(1) located within the county; and

1204 (ii) to fund rural county health care facilities in that county.

1205 (b) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a

1206 tax under this section on:

1207 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
1208 are exempt from taxation under Section 59-12-104; or

1209 (ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in
1210 a city that imposes a tax under Section 59-12-804.

1211 (c) For purposes of this Subsection (1), the location of a transaction shall be
1212 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

1213 (2) (a) Before imposing a tax under Subsection (1)(a), a county legislative body shall
1214 obtain approval to impose the tax from a majority of the:

1215 (i) members of the county's legislative body by ordinance; and

1216 (ii) county's registered voters voting on an opinion question relating to the imposition
1217 of the tax.

1218 (b) The county legislative body shall conduct the election according to the procedures
1219 and requirements of Title 11, Chapter 14, Utah Municipal Bond Act.

1220 (c) The opinion question described in Subsection (2)(a)(ii):

1221 (i) shall state the proposed tax rate of the tax described in Subsection (1); and

1222 (ii) may include a provision stating the day on which a tax under this section shall be
1223 repealed.

1224 (3) The monies generated by a tax imposed under Subsection (1) may only be used for
1225 the financing of:

1226 (a) ongoing operating expenses of a rural county health care facility;

1227 (b) the acquisition of land for a rural county health care facility; or

1228 (c) the design, construction, equipping, or furnishing of a rural county health care
1229 facility.

1230 (4) (a) A tax under this section shall be:

1231 (i) except as provided in Subsection (4)(b), levied at the same time and collected in the
1232 same manner as provided in Part 2, Local Sales and Use Tax Act; and

1233 (ii) levied for a period of ten years and may be reauthorized at the end of the ten-year
1234 period by the county legislative body as provided in Subsection (1).

1235 (b) Notwithstanding Subsection (4)(a)(i), a tax under this section is not subject to
1236 Subsections 59-12-205(2) through (5).

- 1237 (5) The commission may retain an amount not to exceed [~~1-1/2%~~] 1.5% of the tax
1238 collected under this section for the cost of administering this tax.
- 1239 (6) If a county legislative body imposes a tax under this section at a tax rate that is less
1240 than 1%, the county legislative body may increase the tax rate up to 1%:
- 1241 (a) by ordinance of the county legislative body;
- 1242 (b) if the county legislative body meets the same requirements established in
1243 Subsections (1) and (2) for obtaining voter approval to impose the tax; and
- 1244 (c) if the county legislative body provides notice to the commission as required by
1245 Section 59-12-806.
- 1246 (7) (a) A county legislative body may repeal a tax imposed in accordance with this
1247 section:
- 1248 (i) by resolution of the county legislative body;
- 1249 (ii) except as provided in Subsection (7)(b), effective as provided in Section
1250 59-12-806; and
- 1251 (iii) if the county legislative body provides notice to the commission as required by
1252 Section 59-12-806.
- 1253 (b) Notwithstanding Subsection (7)(a)(ii), if, on the day on which a county legislative
1254 body adopts a resolution in accordance with Subsection (7)(a) to repeal a tax imposed in
1255 accordance with this section, any portion of the tax is pledged to secure the payment of a bond:
- 1256 (i) the tax may not be pledged to secure the payment of a bond issued on or after the
1257 day on which the county legislative body adopts the resolution in accordance with Subsection
1258 (7)(a) to repeal the tax;
- 1259 (ii) the county legislative body shall:
- 1260 (A) adopt an ordinance:
- 1261 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary
1262 to generate revenues sufficient to satisfy the obligation to pay the bond; and
- 1263 (II) that takes effect as provided in Section 59-12-806; and
- 1264 (B) before the ordinance described in Subsection (7)(b)(ii)(A) takes effect, provide
1265 notice to the commission:
- 1266 (I) as required by Section 59-12-806; and
- 1267 (II) stating the day on which the county legislative body estimates that the obligation to

1268 pay the bond will be satisfied; and

1269 (iii) the county legislative body shall provide notice to the commission no later than 90

1270 days before the day on which the obligation to pay the bond is satisfied:

1271 (A) that meets the requirements of Section 59-12-806; and

1272 (B) that provides that the repeal of the tax shall take effect as provided in Section
1273 59-12-806.

1274 Section 13. Section **59-12-804 (Effective 07/01/04)** is amended to read:

1275 **59-12-804 (Effective 07/01/04). Imposition of rural city hospital tax -- Base -- Rate**

1276 **-- Change in rate -- Repeal of tax.**

1277 (1) (a) A city legislative body may impose a sales and use tax of up to 1%:

1278 (i) except as provided in Subsections (1)(b) and 59-12-207.1(7)(c), on the transactions
1279 described in Subsection 59-12-103(1) located within the city; and

1280 (ii) to fund rural city hospitals in that city.

1281 (b) Notwithstanding Subsection (1)(a)(i), a city legislative body may not impose a tax
1282 under this section on the sales and uses described in Section 59-12-104 to the extent the sales
1283 and uses are exempt from taxation under Section 59-12-104.

1284 (c) For purposes of this Subsection (1), the location of a transaction shall be
1285 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

1286 (2) (a) Before imposing a tax under Subsection (1)(a), a city legislative body shall
1287 obtain approval to impose the tax from a majority of the:

1288 (i) members of the city legislative body by ordinance; and

1289 (ii) city's registered voters voting on an opinion question relating to the imposition of
1290 the tax.

1291 (b) The city legislative body shall conduct the election according to the procedures and
1292 requirements of Title 11, Chapter 14, Utah Municipal Bond Act.

1293 (c) The opinion question described in Subsection (2)(a)(ii):

1294 (i) shall state the proposed tax rate of the tax described in Subsection (1); and

1295 (ii) may include a provision stating the day on which a tax under this section shall be
1296 repealed.

1297 (3) The monies generated by a tax imposed under Subsection (1) may only be used for
1298 the financing of:

- 1299 (a) ongoing operating expenses of a rural city hospital;
- 1300 (b) the acquisition of land for a rural city hospital; or
- 1301 (c) the design, construction, equipping, or furnishing of a rural city hospital.
- 1302 (4) (a) A tax under this section shall be:
- 1303 (i) except as provided in Subsection (4)(b), levied at the same time and collected in the
- 1304 same manner as provided in Part 2, Local Sales and Use Tax Act; and
- 1305 (ii) levied for a period of ten years and may be reauthorized at the end of the ten-year
- 1306 period by the city legislative body as provided in Subsection (1).
- 1307 (b) Notwithstanding Subsection (4)(a)(i), a tax under this section is not subject to
- 1308 Subsections 59-12-205(2) through (5).
- 1309 (5) The commission may retain an amount not to exceed [~~1-1/2%~~] 1.5% of the tax
- 1310 collected under this section for the cost of administering the tax.
- 1311 (6) If a city legislative body imposes a tax under this section at a tax rate that is less
- 1312 than 1%, the city legislative body may increase the tax rate up to 1%:
- 1313 (a) by ordinance of the city legislative body;
- 1314 (b) if the city legislative body meets the same requirements established in Subsections
- 1315 (1) and (2) for obtaining voter approval to impose the tax; and
- 1316 (c) if the city legislative body provides notice to the commission as required by Section
- 1317 59-12-806.
- 1318 (7) (a) A city legislative body may repeal a tax imposed in accordance with this
- 1319 section:
- 1320 (i) by resolution of the city legislative body;
- 1321 (ii) except as provided in Subsection (7)(b), effective as provided in Section
- 1322 59-12-806; and
- 1323 (iii) if the city legislative body provides notice to the commission as required by
- 1324 Section 59-12-806.
- 1325 (b) Notwithstanding Subsection (7)(a)(ii), if, on the day on which a city legislative
- 1326 body adopts a resolution in accordance with Subsection (7)(a) to repeal a tax imposed in
- 1327 accordance with this section, any portion of the tax is pledged to secure the payment of a bond:
- 1328 (i) the tax may not be pledged to secure the payment of a bond issued on or after the
- 1329 day on which the city legislative body adopts the resolution in accordance with Subsection

1330 (7)(a) to repeal the tax;
1331 (ii) the city legislative body shall:
1332 (A) adopt an ordinance:
1333 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary
1334 to generate revenues sufficient to satisfy the obligation to pay the bond; and
1335 (II) that takes effect as provided in Section 59-12-806; and
1336 (B) before the ordinance described in Subsection (7)(b)(ii)(A) takes effect, provide
1337 notice to the commission:
1338 (I) as required by Section 59-12-806; and
1339 (II) stating the day on which the city legislative body estimates that the obligation to
1340 pay the bond will be satisfied; and
1341 (iii) the city legislative body shall provide notice to the commission no later than 90
1342 days before the day on which the obligation to pay the bond is satisfied:
1343 (A) that meets the requirements of Section 59-12-806; and
1344 (B) that provides that the repeal of the tax shall take effect as provided in Section
1345 59-12-806.

1346 Section 14. Section **59-12-1001 (Effective 07/01/04)** is amended to read:

1347 **59-12-1001 (Effective 07/01/04). Authority to impose tax for highways or to fund**
1348 **a system for public transit -- Ordinance requirements -- Voter approval requirements --**
1349 **Election requirements -- Notice of election requirements -- Exceptions to voter approval**
1350 **requirements -- Enactment or repeal of tax -- Change of rate -- Effective date -- Notice**
1351 **requirements.**

1352 (1) (a) Except as provided in Subsections (1)(b) and 59-12-207.1(7)(c), a city or town
1353 in which the transactions described in Subsection 59-12-103(1) are not subject to a sales and
1354 use tax under Section 59-12-501 may as provided in this part impose a sales and use tax of
1355 [~~1/4%~~] up to .25% on the transactions described in Subsection 59-12-103(1) located within the
1356 city or town.

1357 (b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this
1358 section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
1359 exempt from taxation under Section 59-12-104.

1360 (c) For purposes of this Subsection (1), the location of a transaction shall be

1361 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

1362 (2) (a) A city or town imposing a tax under this part may use the revenues generated by
1363 the tax:

1364 (i) for the construction and maintenance of highways under the jurisdiction of the city
1365 or town imposing the tax;

1366 (ii) subject to Subsection (2)(b), to fund a system for public transit; or

1367 (iii) for a combination of the purposes described in Subsections (2)(a)(i) and (ii).

1368 (b) (i) For purposes of Subsection (2)(a)(ii) and except as provided in Subsection

1369 (2)(b)(ii), "public transit" is as defined in Section 17A-2-1004.

1370 (ii) Notwithstanding Subsection (2)(b)(i), "public transit" does not include a fixed
1371 guideway system.

1372 (3) (a) To impose a tax under this part, the ~~[governing]~~ legislative body of the city or
1373 town shall:

1374 ~~[(a)]~~ (i) pass an ordinance approving the tax; and

1375 ~~[(b)]~~ (ii) except as provided in Subsection (7), obtain voter approval through an
1376 opinion question for the tax as provided in Subsection (4).

1377 (b) The opinion question described in Subsection (3)(a)(ii):

1378 (i) shall state the proposed tax rate of the tax described in Subsection (1)(a); and

1379 (ii) may include a provision stating the day on which a tax under this section shall be
1380 repealed.

1381 (4) To obtain voter approval for a tax under Subsection (3)(b), a city or town shall:

1382 (a) hold an election during:

1383 (i) a regular general election; or

1384 (ii) a municipal general election; and

1385 (b) publish notice of the election:

1386 (i) 15 days or more before the day on which the election is held; and

1387 (ii) in a newspaper of general circulation in the city or town.

1388 (5) An ordinance approving a tax or changing the rate of a tax under this part shall

1389 provide an effective date for the tax as provided in Subsection (6).

1390 (6) (a) For purposes of this Subsection (6):

1391 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part

1392 4, Annexation.

1393 (ii) "Annexing area" means an area that is annexed into a city or town.

1394 (b) (i) Except as provided in Subsection (6)(c) or (d), if, on or after July 1, 2004, a city
1395 or town enacts or repeals or changes the rate of a tax under this part, the enactment [~~or~~], repeal,
1396 or change in rate shall take effect:

1397 (A) on the first day of a calendar quarter; and

1398 (B) after a 90-day period beginning on the date the commission receives notice meeting
1399 the requirements of Subsection (6)(b)(ii) from the city or town.

1400 (ii) The notice described in Subsection (6)(b)(i)(B) shall state:

1401 (A) that the city or town will enact [~~or~~], repeal, or change the rate of a tax under this
1402 part;

1403 (B) the statutory authority for the tax described in Subsection (6)(b)(ii)(A);

1404 (C) the effective date of the tax described in Subsection (6)(b)(ii)(A); and

1405 (D) if the city or town enacts or changes the rate of the tax described in Subsection
1406 (6)(b)(ii)(A), the rate of the tax.

1407 (c) (i) Notwithstanding Subsection (6)(b)(i), for a transaction described in Subsection
1408 (6)(c)(iii), the enactment of a tax or tax rate increase shall take effect on the first day of the first
1409 billing period:

1410 (A) that begins after the effective date of the imposition of the tax or tax rate increase;
1411 and

1412 (B) if the billing period for the transaction begins before the effective date of the
1413 enactment of the tax or tax rate increase under Subsection (1).

1414 (ii) Notwithstanding Subsection (6)(b)(i), for a transaction described in Subsection
1415 (6)(c)(iii), the repeal of a tax or tax rate decrease shall take effect on the first day of the last
1416 billing period:

1417 (A) that began before the effective date of the repeal of the tax or tax rate decrease; and

1418 (B) if the billing period for the transaction begins before the effective date of the repeal
1419 of the tax or tax rate decrease imposed under Subsection (1).

1420 (iii) Subsections (6)(c)(i) and (ii) apply to transactions subject to a tax under:

1421 (A) Subsection 59-12-103(1)(b);

1422 (B) Subsection 59-12-103(1)(c);

- 1423 (C) Subsection 59-12-103(1)(d);
1424 (D) Subsection 59-12-103(1)(e);
1425 (E) Subsection 59-12-103(1)(f);
1426 (F) Subsection 59-12-103(1)(g);
1427 (G) Subsection 59-12-103(1)(h);
1428 (H) Subsection 59-12-103(1)(i);
1429 (I) Subsection 59-12-103(1)(j); or
1430 (J) Subsection 59-12-103(1)(k).

1431 (d) (i) Notwithstanding Subsection (6)(b)(i), if a tax due under this chapter on a
1432 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
1433 enactment [~~or~~], repeal, or change in rate of a tax described in Subsection (6)(b)(i) takes effect:

1434 (A) on the first day of a calendar quarter; and

1435 (B) beginning 60 days after the effective date of the enactment [~~or~~], repeal, or change
1436 in rate under Subsection (6)(b)(i).

1437 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1438 the commission may by rule define the term "catalogue sale."

1439 (e) (i) Except as provided in Subsection (6)(f) or (g), if, for an annexation that occurs
1440 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
1441 part for an annexing area, the enactment or repeal shall take effect:

1442 (A) on the first day of a calendar quarter; and

1443 (B) after a 90-day period beginning on the date the commission receives notice meeting
1444 the requirements of Subsection (6) (e)(ii) from the city or town that annexes the annexing area.

1445 (ii) The notice described in Subsection (6) (e)(i)(B) shall state:

1446 (A) that the annexation described in Subsection (6) (e)(i) will result in an enactment or
1447 repeal of a tax under this part for the annexing area;

1448 (B) the statutory authority for the tax described in Subsection (6) (e)(ii)(A);

1449 (C) the effective date of the tax described in Subsection (6) (e)(ii)(A); and

1450 (D) the rate of the tax described in Subsection (6) (e)(ii)(A).

1451 (f) (i) Notwithstanding Subsection (6)(e)(i), for a transaction described in Subsection
1452 (6)(f)(iii), the enactment of a tax or tax rate increase shall take effect on the first day of the first
1453 billing period:

1454 (A) that begins after the effective date of the imposition of the tax or tax rate increase;
1455 and

1456 (B) if the billing period for the transaction begins before the effective date of the
1457 enactment of the tax or tax rate increase under Subsection (1).

1458 (ii) Notwithstanding Subsection (6)(e)(i), for a transaction described in Subsection
1459 (6)(f)(iii), the repeal of a tax or tax rate decrease shall take effect on the first day of the last
1460 billing period:

1461 (A) that began before the effective date of the repeal of the tax or tax rate decrease; and

1462 (B) if the billing period for the transaction begins before the effective date of the repeal
1463 of the tax or tax rate decrease imposed under Subsection (1).

1464 (iii) Subsections (6)(f)(i) and (ii) apply to transactions subject to a tax under:

1465 (A) Subsection 59-12-103(1)(b);

1466 (B) Subsection 59-12-103(1)(c);

1467 (C) Subsection 59-12-103(1)(d);

1468 (D) Subsection 59-12-103(1)(e);

1469 (E) Subsection 59-12-103(1)(f);

1470 (F) Subsection 59-12-103(1)(g);

1471 (G) Subsection 59-12-103(1)(h);

1472 (H) Subsection 59-12-103(1)(i);

1473 (I) Subsection 59-12-103(1)(j); or

1474 (J) Subsection 59-12-103(1)(k).

1475 (g) (i) Notwithstanding Subsection (6)(e)(i), if a tax due under this chapter on a
1476 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
1477 enactment [~~or~~], repeal, or change in rate of a tax described in Subsection (6)(e)(i) takes effect:

1478 (A) on the first day of a calendar quarter; and

1479 (B) beginning 60 days after the effective date of the enactment [~~or~~], repeal, or change
1480 in rate under Subsection (6)(e)(i).

1481 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1482 the commission may by rule define the term "catalogue sale."

1483 (7) (a) Except as provided in Subsection (7)(b), a city or town is not subject to the
1484 voter approval requirements of Subsection (3)(b) if:

1485 (i) on or before January 1, 1996, the city or town imposed a license fee or tax on
1486 businesses based on gross receipts pursuant to Section 10-1-203; or

1487 (ii) the city or town:

1488 (A) on or before June 30, 2002, obtained voter approval in accordance with Subsection
1489 (3)(b) to impose a tax under this part for a purpose described in Subsection (2)(a)(i); and

1490 (B) on or after July 1, 2002, uses the revenues generated by a tax under this part for a
1491 purpose described in Subsection (2)(a).

1492 (b) Notwithstanding Subsection (7)(a), the exception from the voter approval
1493 requirements in Subsection (7)(a)(i) does not apply to a city or town that, on or before January
1494 1, 1996, imposed a license fee or tax on only one class of businesses based on gross receipts
1495 pursuant to Section 10-1-203.

1496 (8) If a city or town legislative body imposes a tax under this section at a tax rate that is
1497 less than .25%, the city or town legislative body may increase the tax rate up to .25%:

1498 (a) by ordinance of the city or town legislative body;

1499 (b) except as provided in Subsection (7), if the city or town legislative body meets the
1500 same requirements established in Subsections (1), (3), and (4) for obtaining voter approval to
1501 impose the tax; and

1502 (c) if the city or town legislative body provides notice to the commission as required by
1503 Subsection (6).

1504 (9) (a) A city or town legislative body may repeal a tax imposed in accordance with
1505 this section:

1506 (i) by resolution of the city or town legislative body;

1507 (ii) except as provided in Subsection (9)(b), effective as provided in Subsection (6);

1508 and

1509 (iii) if the city or town legislative body provides notice to the commission as required
1510 by Subsection (6).

1511 (b) Notwithstanding Subsection (9)(a)(ii), if, on the day on which a city or town
1512 legislative body adopts a resolution in accordance with Subsection (9)(a) to repeal a tax
1513 imposed in accordance with this section, any portion of the tax is pledged to secure the
1514 payment of a bond:

1515 (i) the tax may not be pledged to secure the payment of a bond issued on or after the

1516 day on which the city or town legislative body adopts the resolution in accordance with
 1517 Subsection (9)(a) to repeal the tax;
 1518 (ii) the city or town legislative body shall:
 1519 (A) adopt an ordinance:
 1520 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary
 1521 to generate revenues sufficient to satisfy the obligation to pay the bond; and
 1522 (II) that takes effect as provided in Subsection (6); and
 1523 (B) before the ordinance described in Subsection (9)(b)(ii)(A) takes effect, provide
 1524 notice to the commission:
 1525 (I) as required by Subsection (6); and
 1526 (II) stating the day on which the city or town legislative body estimates that the
 1527 obligation to pay the bond will be satisfied; and
 1528 (iii) the city or town legislative body shall provide notice to the commission no later
 1529 than 90 days before the day on which the obligation to pay the bond is satisfied;
 1530 (A) that meets the requirements of Subsection (6); and
 1531 (B) that provides that the repeal of the tax shall take effect as provided in Subsection
 1532 (6).

1533 Section 15. Section **59-12-1102 (Effective 07/01/04)** is amended to read:

1534 **59-12-1102 (Effective 07/01/04). Base -- Rate -- Imposition of tax -- Distribution**
 1535 **of revenue -- Administration -- Enactment or repeal of tax -- Effective date -- Notice**
 1536 **requirements.**

1537 (1) (a) (i) Except as provided in Subsections (1)(a)(ii) and 59-12-207.1(7)(c), subject to
 1538 [~~the provisions of~~] Subsections (1)(a)(iii), (1)(b) through (d), and (2) through [~~(5)~~] (6), and in
 1539 addition to any other tax authorized by this chapter, a county may impose by ordinance a
 1540 county option sales and use tax of [~~1/4%~~] .25% upon the transactions described in Subsection
 1541 59-12-103(1).

1542 (ii) Notwithstanding Subsection (1)(a)(i), a county may not impose a tax under this
 1543 section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
 1544 exempt from taxation under Section 59-12-104.

1545 (iii) A county legislative body:

1546 (A) shall in the ordinance described in Subsection (1)(a)(i) state the rate of the tax; and

1547 (B) may in the ordinance described in Subsection (1)(a)(i) include a provision stating
1548 the day on which a tax under this section shall be repealed.

1549 (b) For purposes of this Subsection (1), the location of a transaction shall be
1550 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

1551 (c) The county option sales and use tax under this section shall be imposed:

1552 (i) upon transactions that are located within the county, including transactions that are
1553 located within municipalities in the county; and

1554 (ii) except as provided in Subsection (1)(d) or [~~5~~] (6), beginning on the first day of
1555 January:

1556 (A) of the next calendar year after adoption of the ordinance imposing the tax if the
1557 ordinance is adopted on or before May 25; or

1558 (B) of the second calendar year after adoption of the ordinance imposing the tax if the
1559 ordinance is adopted after May 25.

1560 (d) Notwithstanding Subsection (1)(c)(ii), the county option sales and use tax under
1561 this section shall be imposed:

1562 (i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before
1563 September 4, 1997; or

1564 (ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during 1997
1565 but after September 4, 1997.

1566 (2) (a) Before imposing a county option sales and use tax under Subsection (1), a
1567 county shall hold two public hearings on separate days in geographically diverse locations in
1568 the county.

1569 (b) (i) At least one of the hearings required by Subsection (2)(a) shall have a starting
1570 time of no earlier than 6 p.m.

1571 (ii) The earlier of the hearings required by Subsection (2)(a) shall be no less than seven
1572 days after the day the first advertisement required by Subsection (2)(c) is published.

1573 (c) (i) Before holding the public hearings required by Subsection (2)(a), the county
1574 shall advertise in a newspaper of general circulation in the county:

1575 (A) its intent to adopt a county option sales and use tax;

1576 (B) the date, time, and location of each public hearing; and

1577 (C) a statement that the purpose of each public hearing is to obtain public comments

1578 regarding the proposed tax.

1579 (ii) The advertisement shall be published once each week for the two weeks preceding
1580 the earlier of the two public hearings.

1581 (iii) The advertisement shall be no less than 1/8 page in size, and the type used shall be
1582 no smaller than 18 point and surrounded by a 1/4-inch border.

1583 (iv) The advertisement may not be placed in that portion of the newspaper where legal
1584 notices and classified advertisements appear.

1585 (v) Whenever possible:

1586 (A) the advertisement shall appear in a newspaper that is published at least five days a
1587 week, unless the only newspaper in the county is published less than five days a week; and

1588 (B) the newspaper selected shall be one of general interest and readership in the
1589 community, and not one of limited subject matter.

1590 (d) The adoption of an ordinance imposing a county option sales and use tax is subject
1591 to a local referendum election as provided in Title 20A, Chapter 7, Part 6, Local Referenda -
1592 Procedures, except that:

1593 (i) notwithstanding Subsection 20A-7-609(2)(a), the county clerk shall hold a
1594 referendum election that qualifies for the ballot on the earlier of the next regular general
1595 election date or the next municipal general election date more than 155 days after adoption of
1596 an ordinance under this section;

1597 (ii) for 1997 only, the 120-day period in Subsection 20A-7-606(1) shall be 30 days; and

1598 (iii) the deadlines in Subsection 20A-7-606(2) and (3) do not apply, and the clerk shall
1599 take the actions required by those subsections before the referendum election.

1600 (3) (a) If the aggregate population of the counties imposing a county option sales and
1601 use tax under Subsection (1) is less than 75% of the state population, the tax levied under
1602 Subsection (1) shall be distributed to the county in which the tax was collected.

1603 (b) If the aggregate population of the counties imposing a county option sales and use
1604 tax under Subsection (1) is greater than or equal to 75% of the state population:

1605 (i) 50% of the tax collected under Subsection (1) in each county shall be distributed to
1606 the county in which the tax was collected; and

1607 (ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection
1608 (1) in each county shall be distributed proportionately among all counties imposing the tax,

1609 based on the total population of each county.

1610 (c) If the amount to be distributed annually to a county under Subsection (3)(b)(ii),
1611 when combined with the amount distributed to the county under Subsection (3)(b)(i), does not
1612 equal at least \$75,000, then:

1613 (i) the amount to be distributed annually to that county under Subsection (3)(b)(ii) shall
1614 be increased so that, when combined with the amount distributed to the county under
1615 Subsection (3)(b)(i), the amount distributed annually to the county is \$75,000; and

1616 (ii) the amount to be distributed annually to all other counties under Subsection
1617 (3)(b)(ii) shall be reduced proportionately to offset the additional amount distributed under
1618 Subsection (3)(c)(i).

1619 (d) The commission shall establish rules to implement the distribution of the tax under
1620 Subsections (3)(a), (b), and (c).

1621 (4) (a) Except as provided in Subsection (4)(b) or (c), a tax under this part shall be
1622 imposed and administered in the same manner as a tax imposed under Part 2, Local Sales and
1623 Use Tax Act.

1624 (b) Notwithstanding Subsection (4)(a), a tax under this part is not subject to
1625 Subsections 59-12-205(2) through (5).

1626 (c) Notwithstanding Subsection (4)(a), the fee charged by the commission under
1627 Section 59-12-206 shall be based on the distribution amounts resulting after all the applicable
1628 distribution calculations under Subsection (3) have been made.

1629 (5) (a) A county legislative body may repeal a tax imposed in accordance with this
1630 section:

1631 (i) by resolution of the county legislative body;

1632 (ii) if the county legislative body provides notice to the commission as required by
1633 Subsection (6); and

1634 (iii) except as provided in Subsection (5)(b), effective as provided in Subsection (6).

1635 (b) Notwithstanding Subsection (5)(a)(ii), if, on the day on which a county legislative
1636 body adopts a resolution in accordance with Subsection (5)(a) to repeal a tax imposed in
1637 accordance with this section, any portion of the tax is pledged to secure the payment of a bond:

1638 (i) the tax may not be pledged to secure the payment of a bond issued on or after the
1639 day on which the county legislative body adopts the resolution in accordance with Subsection

1640 (5)(a) to repeal the tax; and
1641 (ii) the county legislative body shall provide notice to the commission:
1642 (A) no later than 90 days before the day on which the obligation to pay the bond is
1643 satisfied;
1644 (B) that meets the requirements of Subsection (6); and
1645 (C) that provides that the repeal of the tax shall take effect as provided in Subsection
1646 (6).
1647 [~~5~~] (6) (a) For purposes of this Subsection [~~5~~] (6):
1648 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2,
1649 Annexation to County.
1650 (ii) "Annexing area" means an area that is annexed into a county.
1651 (b) (i) Except as provided in Subsection [~~5~~] (6)(c) or (d), if, on or after July 1, 2004, a
1652 county enacts or repeals a tax under this part:
1653 (A) (I) the enactment shall take effect as provided in Subsection (1)(c); or
1654 (II) the repeal shall take effect on the first day of a calendar quarter; and
1655 (B) after a 90-day period beginning on the date the commission receives notice meeting
1656 the requirements of Subsection [~~5~~] (6)(b)(ii) from the county.
1657 (ii) The notice described in Subsection [~~5~~] (6)(b)(i)(B) shall state:
1658 (A) that the county will enact or repeal a tax under this part;
1659 (B) the statutory authority for the tax described in Subsection [~~5~~] (6)(b)(ii)(A);
1660 (C) the effective date of the tax described in Subsection [~~5~~] (6)(b)(ii)(A); and
1661 (D) if the county enacts the tax described in Subsection [~~5~~] (6)(b)(ii)(A), the rate of
1662 the tax.
1663 (c) (i) Notwithstanding Subsection [~~5~~] (6)(b)(i), for a transaction described in
1664 Subsection [~~5~~] (6)(c)(iii), the enactment of a tax shall take effect on the first day of the first
1665 billing period:
1666 (A) that begins after the effective date of the imposition of the tax; and
1667 (B) if the billing period for the transaction begins before the effective date of the
1668 enactment of the tax under Subsection (1).
1669 (ii) Notwithstanding Subsection [~~5~~] (6)(b)(i), for a transaction described in
1670 Subsection [~~5~~] (6)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing

1671 period:

1672 (A) that began before the effective date of the repeal of the tax; and

1673 (B) if the billing period for the transaction begins before the effective date of the repeal
1674 of the tax imposed under Subsection (1).

1675 (iii) Subsections [~~5~~] (6)(c)(i) and (ii) apply to transactions subject to a tax under:

1676 (A) Subsection 59-12-103(1)(b);

1677 (B) Subsection 59-12-103(1)(c);

1678 (C) Subsection 59-12-103(1)(d);

1679 (D) Subsection 59-12-103(1)(e);

1680 (E) Subsection 59-12-103(1)(f);

1681 (F) Subsection 59-12-103(1)(g);

1682 (G) Subsection 59-12-103(1)(h);

1683 (H) Subsection 59-12-103(1)(i);

1684 (I) Subsection 59-12-103(1)(j); or

1685 (J) Subsection 59-12-103(1)(k).

1686 (d) (i) Notwithstanding Subsection [~~5~~] (6)(b)(i), if a tax due under this chapter on a
1687 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
1688 enactment or repeal of a tax described in Subsection [~~5~~] (6)(b)(i) takes effect:

1689 (A) on the first day of a calendar quarter; and

1690 (B) beginning 60 days after the effective date of the enactment or repeal under
1691 Subsection [~~5~~] (6)(b)(i).

1692 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1693 the commission may by rule define the term "catalogue sale."

1694 (e) (i) Except as provided in Subsection [~~5~~] (6)(f) or (g), if, for an annexation that
1695 occurs on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax
1696 under this part for an annexing area, the enactment or repeal shall take effect:

1697 (A) on the first day of a calendar quarter; and

1698 (B) after a 90-day period beginning on the date the commission receives notice meeting
1699 the requirements of Subsection [~~5~~] (6)(e)(ii) from the county that annexes the annexing area.

1700 (ii) The notice described in Subsection [~~5~~] (6)(e)(i)(B) shall state:

1701 (A) that the annexation described in Subsection [~~5~~] (6)(e)(i) will result in an

1702 enactment or repeal of a tax under this part for the annexing area;

1703 (B) the statutory authority for the tax described in Subsection [~~(5)~~] (6)(e)(ii)(A);

1704 (C) the effective date of the tax described in Subsection [~~(5)~~] (6)(e)(ii)(A); and

1705 (D) the rate of the tax described in Subsection [~~(5)~~] (6)(e)(ii)(A).

1706 (f) (i) Notwithstanding Subsection [~~(5)~~] (6)(e)(i), for a transaction described in

1707 Subsection [~~(5)~~] (6)(f)(iii), the enactment of a tax shall take effect on the first day of the first

1708 billing period:

1709 (A) that begins after the effective date of the imposition of the tax; and

1710 (B) if the billing period for the transaction begins before the effective date of the

1711 enactment of the tax under Subsection (1).

1712 (ii) Notwithstanding Subsection [~~(5)~~] (6)(e)(i), for a transaction described in

1713 Subsection [~~(5)~~] (6)(f)(iii), the repeal of a tax shall take effect on the first day of the last billing

1714 period:

1715 (A) that began before the effective date of the repeal of the tax; and

1716 (B) if the billing period for the transaction begins before the effective date of the repeal

1717 of the tax imposed under Subsection (1).

1718 (iii) Subsections [~~(5)~~] (6)(f)(i) and (ii) apply to transactions subject to a tax under:

1719 (A) Subsection 59-12-103(1)(b);

1720 (B) Subsection 59-12-103(1)(c);

1721 (C) Subsection 59-12-103(1)(d);

1722 (D) Subsection 59-12-103(1)(e);

1723 (E) Subsection 59-12-103(1)(f);

1724 (F) Subsection 59-12-103(1)(g);

1725 (G) Subsection 59-12-103(1)(h);

1726 (H) Subsection 59-12-103(1)(i);

1727 (I) Subsection 59-12-103(1)(j); or

1728 (J) Subsection 59-12-103(1)(k).

1729 (g) (i) Notwithstanding Subsection [~~(5)~~] (6)(e)(i), if a tax due under this chapter on a

1730 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an

1731 enactment or repeal of a tax described in Subsection [~~(5)~~] (6)(e)(i) takes effect:

1732 (A) on the first day of a calendar quarter; and

1733 (B) beginning 60 days after the effective date of the enactment or repeal under
1734 Subsection ~~[(5)]~~ (6)(e)(i).

1735 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1736 the commission may by rule define the term "catalogue sale."

1737 Section 16. Section **59-12-1302 (Effective 07/01/04)** is amended to read:

1738 **59-12-1302 (Effective 07/01/04). Authority to impose -- Base -- Rate -- Enactment**
1739 **or repeal of tax -- Tax rate change -- Effective date -- Notice requirements.**

1740 (1) (a) Except as provided in Subsection 59-12-207.1(7)(c) and subject to Subsection
1741 (2), beginning on or after January 1, 1998, the ~~[governing]~~ legislative body of a town may, by
1742 ordinance, impose a tax as provided in this part in an amount ~~[that does not exceed]~~ up to 1%.

1743 (b) An ordinance imposing the tax described in Subsection (1)(a):

1744 (i) shall state the proposed tax rate of the tax described in Subsection (1)(a); and

1745 (ii) may include a provision stating the day on which a tax under this section shall be
1746 repealed.

1747 (2) A town may impose a tax as provided in this part if the town imposed a license fee
1748 or tax on businesses based on gross receipts under Section 10-1-203 on or before January 1,
1749 1996.

1750 (3) A town imposing a tax under this section shall:

1751 (a) except as provided in Subsection (4), impose the tax on the transactions described
1752 in Subsection 59-12-103(1) located within the town; and

1753 (b) provide an effective date for the tax as provided in Subsection (5).

1754 (4) (a) Notwithstanding Subsection (3)(a), a town may not impose a tax under this
1755 section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
1756 exempt from taxation under Section 59-12-104.

1757 (b) For purposes of this Subsection (4), the location of a transaction shall be
1758 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

1759 (5) (a) For purposes of this Subsection (5):

1760 (i) "Annexation" means an annexation to a town under Title 10, Chapter 2, Part 4,
1761 Annexation.

1762 (ii) "Annexing area" means an area that is annexed into a town.

1763 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a

1764 town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal,
1765 or change shall take effect:

1766 (A) on the first day of a calendar quarter; and

1767 (B) after a 90-day period beginning on the date the commission receives notice meeting
1768 the requirements of Subsection (5)(b)(ii) from the town.

1769 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

1770 (A) that the town will enact or repeal a tax or change the rate of a tax under this part;

1771 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

1772 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

1773 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
1774 (5)(b)(ii)(A), the rate of the tax.

1775 (c) (i) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
1776 (5)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
1777 first billing period:

1778 (A) that begins after the effective date of the enactment of the tax or the tax rate
1779 increase; and

1780 (B) if the billing period for the transaction begins before the effective date of the
1781 enactment of the tax or the tax rate increase imposed under Subsection (1).

1782 (ii) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
1783 (5)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
1784 billing period:

1785 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
1786 and

1787 (B) if the billing period for the transaction begins before the effective date of the repeal
1788 of the tax or the tax rate decrease imposed under Subsection (1).

1789 (iii) Subsections (5)(c)(i) and (ii) apply to transactions subject to a tax under:

1790 (A) Subsection 59-12-103(1)(b);

1791 (B) Subsection 59-12-103(1)(c);

1792 (C) Subsection 59-12-103(1)(d);

1793 (D) Subsection 59-12-103(1)(e);

1794 (E) Subsection 59-12-103(1)(f);

- 1795 (F) Subsection 59-12-103(1)(g);
1796 (G) Subsection 59-12-103(1)(h);
1797 (H) Subsection 59-12-103(1)(i);
1798 (I) Subsection 59-12-103(1)(j); or
1799 (J) Subsection 59-12-103(1)(k).
- 1800 (d) (i) Notwithstanding Subsection (5)(b)(i), if a tax due under this chapter on a
1801 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
1802 enactment, repeal, or change in the rate of a tax described in Subsection (5)(b)(i) takes effect:
1803 (A) on the first day of a calendar quarter; and
1804 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
1805 rate of the tax under Subsection (5)(b)(i).
- 1806 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1807 the commission may by rule define the term "catalogue sale."
- 1808 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
1809 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
1810 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
1811 effect:
1812 (A) on the first day of a calendar quarter; and
1813 (B) after a 90-day period beginning on the date the commission receives notice meeting
1814 the requirements of Subsection (5)(e)(ii) from the town that annexes the annexing area.
- 1815 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:
1816 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment,
1817 repeal, or change in the rate of a tax under this part for the annexing area;
1818 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);
1819 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and
1820 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
1821 (5)(e)(ii)(A), the rate of the tax.
- 1822 (f) (i) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection
1823 (5)(f)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
1824 first billing period:
1825 (A) that begins after the effective date of the enactment of the tax or the tax rate

1826 increase; and

1827 (B) if the billing period for the transaction begins before the effective date of the
1828 enactment of the tax or the tax rate increase imposed under Subsection (1).

1829 (ii) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection
1830 (5)(f)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
1831 billing period:

1832 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
1833 and

1834 (B) if the billing period for the transaction begins before the effective date of the repeal
1835 of the tax or the tax rate decrease imposed under Subsection (1).

1836 (iii) Subsections (5)(f)(i) and (ii) apply to transactions subject to a tax under:

1837 (A) Subsection 59-12-103(1)(b);

1838 (B) Subsection 59-12-103(1)(c);

1839 (C) Subsection 59-12-103(1)(d);

1840 (D) Subsection 59-12-103(1)(e);

1841 (E) Subsection 59-12-103(1)(f);

1842 (F) Subsection 59-12-103(1)(g);

1843 (G) Subsection 59-12-103(1)(h);

1844 (H) Subsection 59-12-103(1)(i);

1845 (I) Subsection 59-12-103(1)(j); or

1846 (J) Subsection 59-12-103(1)(k).

1847 (g) (i) Notwithstanding Subsection (5)(e)(i), if a tax due under this chapter on a
1848 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
1849 enactment, repeal, or change in the rate of a tax described in Subsection (5)(e)(i) takes effect:

1850 (A) on the first day of a calendar quarter; and

1851 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
1852 rate of the tax under Subsection (5)(e)(i).

1853 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1854 the commission may by rule define the term "catalogue sale."

1855 (6) The commission shall:

1856 (a) except as provided in Subsection (6)(c), distribute the revenues generated by the tax

1857 under this section to the town imposing the tax;

1858 (b) administer, collect, and enforce the tax authorized under this section pursuant to:

1859 (i) the same procedures used to administer, collect, and enforce the sales and use tax

1860 under Part 1, Tax Collection; and

1861 (ii) Chapter 1, General Taxation Policies; and

1862 (c) deduct from the distribution under Subsection (6)(a) an administrative charge for

1863 collecting the tax as provided in Section 59-12-206.

1864 (7) If a town legislative body imposes a tax under this section at a tax rate that is less

1865 than 1%, the town legislative body may increase the tax rate up to 1%:

1866 (a) by ordinance of the town legislative body; and

1867 (b) if the town legislative body provides notice to the commission as required by

1868 Subsection (5).

1869 (8) (a) A town legislative body may repeal a tax imposed in accordance with this

1870 section:

1871 (i) by resolution of the town legislative body;

1872 (ii) except as provided in Subsection (8)(b), effective as provided in Subsection (5);

1873 and

1874 (iii) if the town legislative body provides notice to the commission as required by

1875 Subsection (5).

1876 (b) Notwithstanding Subsection (8)(a)(ii), if, on the day on which a town legislative

1877 body adopts a resolution in accordance with Subsection (8)(a) to repeal a tax imposed in

1878 accordance with this section, any portion of the tax is pledged to secure the payment of a bond:

1879 (i) the tax may not be pledged to secure the payment of a bond issued on or after the

1880 day on which the town legislative body adopts the resolution in accordance with Subsection

1881 (8)(a) to repeal the tax;

1882 (ii) the town legislative body shall:

1883 (A) adopt an ordinance:

1884 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary

1885 to generate revenues sufficient to satisfy the obligation to pay the bond; and

1886 (II) that takes effect as provided in Subsection (5); and

1887 (B) before the ordinance described in Subsection (8)(b)(ii)(A) takes effect, provide

1888 notice to the commission:

1889 (I) as required by Subsection (5); and

1890 (II) stating the day on which the town legislative body estimates that the obligation to
1891 pay the bond will be satisfied; and

1892 (iii) the town legislative body shall provide notice to the commission no later than 90
1893 days before the day on which the obligation to pay the bond is satisfied:

1894 (A) that meets the requirements of Subsection (5); and

1895 (B) that provides that the repeal of the tax shall take effect as provided in Subsection
1896 (5).

1897 Section 17. Section **59-12-1402 (Effective 07/01/04)** is amended to read:

1898 **59-12-1402 (Effective 07/01/04). Opinion question election -- Imposition of tax --**

1899 **Uses of tax monies -- Enactment or repeal of tax -- Change of rate -- Effective date --**

1900 **Notice requirements.**

1901 (1) (a) (i) Except as provided in Subsections (1)(a)(ii) and 59-12-207.1(7)(c), and
1902 subject to Subsection (6), beginning on January 1, 2003, a city or town legislative body subject
1903 to this part may submit an opinion question to the residents of that city or town, by majority
1904 vote of all members of the legislative body, so that each resident of the city or town has an
1905 opportunity to express the resident's opinion on the imposition of a local sales and use tax of up
1906 to .1% on the transactions described in Subsection 59-12-103(1) located within the city or
1907 town, to fund recreational and zoological facilities and botanical, cultural, and zoological
1908 organizations in that city or town.

1909 (ii) Notwithstanding Subsection (1)(a)(i), a city or town legislative body may not
1910 impose a tax under this section:

1911 (A) if the county in which the city or town is located imposes a tax under Part 7,
1912 County Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or
1913 Facilities; or

1914 (B) on the sales and uses described in Section 59-12-104 to the extent the sales and
1915 uses are exempt from taxation under Section 59-12-104.

1916 (b) For purposes of this Subsection (1), the location of a transaction shall be
1917 determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

1918 (c) The election shall follow the procedures outlined in Title 11, Chapter 14, Utah

- 1919 Municipal Bond Act, except as provided in Subsection (6).
- 1920 (d) The opinion question described in Subsection (1)(a)(i):
- 1921 (i) shall state the proposed tax rate of the tax described in Subsection (1)(a); and
- 1922 (ii) may include a provision stating the day on which a tax under this section shall be
- 1923 repealed.
- 1924 (2) If the city or town legislative body determines that a majority of the city's or town's
- 1925 registered voters voting on the imposition of the tax have voted in favor of the imposition of
- 1926 the tax as prescribed in Subsection (1)(a), the city or town legislative body may impose the tax
- 1927 by a majority vote of all members of the legislative body.
- 1928 (3) The monies generated from any tax imposed under Subsection (2) shall be used for
- 1929 financing:
- 1930 (a) recreational and zoological facilities within the city or town; and
- 1931 (b) ongoing operating expenses of botanical, cultural, and zoological organizations
- 1932 within the city or town.
- 1933 (4) (a) A tax under this part shall be:
- 1934 (i) except as provided in Subsection (4)(b), levied at the same time and collected in the
- 1935 same manner as provided in Part 2, Local Sales and Use Tax Act; and
- 1936 (ii) (A) levied for a period of five years; and
- 1937 (B) may be reauthorized at the end of the five-year period in accordance with this
- 1938 section.
- 1939 (b) Notwithstanding Subsection (4)(a)(i), a tax under this section is not subject to
- 1940 Subsections 59-12-205(2) through (5).
- 1941 (5) (a) For purposes of this Subsection (5):
- 1942 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
- 1943 4, Annexation.
- 1944 (ii) "Annexing area" means an area that is annexed into a city or town.
- 1945 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a city
- 1946 or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment [~~or~~],
- 1947 repeal, or change in rate shall take effect:
- 1948 (A) on the first day of a calendar quarter; and
- 1949 (B) after a 90-day period beginning on the date the commission receives notice meeting

1950 the requirements of Subsection (5)(b)(ii) from the city or town.

1951 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

1952 (A) that the city or town will enact [~~or~~], repeal, or change the rate of a tax under this
1953 part;

1954 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

1955 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

1956 (D) if the city or town enacts or changes the rate of the tax described in Subsection
1957 (5)(b)(ii)(A), the rate of the tax.

1958 (c) (i) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
1959 (5)(c)(iii), the enactment of a tax or tax rate increase shall take effect on the first day of the first
1960 billing period:

1961 (A) that begins after the effective date of the imposition of the tax or tax rate increase;
1962 and

1963 (B) if the billing period for the transaction begins before the effective date of the
1964 enactment of the tax or tax rate increase under this section.

1965 (ii) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
1966 (5)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

1967 (A) that began before the effective date of the repeal of the tax or tax rate decrease; and

1968 (B) if the billing period for the transaction begins before the effective date of the repeal
1969 of the tax or tax rate decrease imposed under this section.

1970 (iii) Subsections (5)(c)(i) and (ii) apply to transactions subject to a tax under:

1971 (A) Subsection 59-12-103(1)(b);

1972 (B) Subsection 59-12-103(1)(c);

1973 (C) Subsection 59-12-103(1)(d);

1974 (D) Subsection 59-12-103(1)(e);

1975 (E) Subsection 59-12-103(1)(f);

1976 (F) Subsection 59-12-103(1)(g);

1977 (G) Subsection 59-12-103(1)(h);

1978 (H) Subsection 59-12-103(1)(i);

1979 (I) Subsection 59-12-103(1)(j); or

1980 (J) Subsection 59-12-103(1)(k).

1981 (d) (i) Notwithstanding Subsection (5)(b)(i), if a tax due under this chapter on a
1982 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
1983 enactment [or], repeal, or change in rate of a tax described in Subsection (5)(b)(i) takes effect:

1984 (A) on the first day of a calendar quarter; and

1985 (B) beginning 60 days after the effective date of the enactment [or], repeal, or change
1986 in rate under Subsection (5)(b)(i).

1987 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1988 the commission may by rule define the term "catalogue sale."

1989 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
1990 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
1991 part for an annexing area, the enactment or repeal shall take effect:

1992 (A) on the first day of a calendar quarter; and

1993 (B) after a 90-day period beginning on the date the commission receives notice meeting
1994 the requirements of Subsection (5)(e)(ii) from the city or town that annexes the annexing area.

1995 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

1996 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
1997 repeal a tax under this part for the annexing area;

1998 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

1999 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

2000 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

2001 (f) (i) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection
2002 (5)(f)(iii), the enactment of a tax or tax rate increase shall take effect on the first day of the first
2003 billing period:

2004 (A) that begins after the effective date of the imposition of the tax or tax rate increase;
2005 and

2006 (B) if the billing period for the transaction begins before the effective date of the
2007 enactment of the tax or tax rate increase under this section.

2008 (ii) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection
2009 (5)(f)(iii), the repeal of a tax or tax rate decrease shall take effect on the first day of the last
2010 billing period:

2011 (A) that began before the effective date of the repeal of the tax or tax rate decrease; and

2012 (B) if the billing period for the transaction begins before the effective date of the repeal
2013 of the tax or tax rate decrease imposed under this section.

2014 (iii) Subsections (5)(f)(i) and (ii) apply to transactions subject to a tax under:

2015 (A) Subsection 59-12-103(1)(b);

2016 (B) Subsection 59-12-103(1)(c);

2017 (C) Subsection 59-12-103(1)(d);

2018 (D) Subsection 59-12-103(1)(e);

2019 (E) Subsection 59-12-103(1)(f);

2020 (F) Subsection 59-12-103(1)(g);

2021 (G) Subsection 59-12-103(1)(h);

2022 (H) Subsection 59-12-103(1)(i);

2023 (I) Subsection 59-12-103(1)(j); or

2024 (J) Subsection 59-12-103(1)(k).

2025 (g) (i) Notwithstanding Subsection (5)(e)(i), if a tax due under this chapter on a
2026 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
2027 enactment [~~or~~], repeal, or change in rate of a tax described in Subsection (5)(e)(i) takes effect:

2028 (A) on the first day of a calendar quarter; and

2029 (B) beginning 60 days after the effective date of the enactment [~~or~~], repeal, or change
2030 in rate under Subsection (5)(e)(i).

2031 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2032 the commission may by rule define the term "catalogue sale."

2033 (6) (a) Before a city or town legislative body submits an opinion question to the
2034 residents of the city or town under Subsection (1)(a)(i), the city or town legislative body shall:

2035 (i) submit to the county legislative body in which the city or town is located a written
2036 notice of the intent to submit the opinion question to the residents of the city or town; and

2037 (ii) receive from the county legislative body:

2038 (A) a written resolution passed by the county legislative body stating that the county
2039 legislative body is not seeking to impose a tax under Part 7, County Option Funding for
2040 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities; or

2041 (B) a written statement that in accordance with Subsection (6)(b) the results of a county
2042 opinion question submitted to the residents of the county under Part 7, County Option Funding

2043 for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, permit the city
2044 or town legislative body to submit the opinion question to the residents of the city or town in
2045 accordance with this part.

2046 (b) (i) Within 60 days after the day the county legislative body receives from a city or
2047 town legislative body described in Subsection (6)(a) the notice of the intent to submit an
2048 opinion question to the residents of the city or town, the county legislative body shall provide
2049 the city or town legislative body:

2050 (A) the written resolution described in Subsection (6)(a)(ii)(A); or

2051 (B) written notice that the county legislative body will submit an opinion question to
2052 the residents of the county under Part 7, County Option Funding for Botanical, Cultural,
2053 Recreational, and Zoological Organizations or Facilities, for the county to impose a tax under
2054 that part.

2055 (ii) If the county legislative body provides the city or town legislative body the written
2056 notice that the county legislative body will submit an opinion question as provided in
2057 Subsection (6)(b)(i)(B), the county legislative body shall submit the opinion question by no
2058 later than, from the date the county legislative body sends the written notice, the later of:

2059 (A) a 12-month period;

2060 (B) the next regular primary election; or

2061 (C) the next regular general election.

2062 (iii) Within 30 days of the date of the canvass of the election at which the opinion
2063 question under Subsection (6)(b)(ii) is voted on, the county legislative body shall provide the
2064 city or town legislative body described in Subsection (6)(a) written results of the opinion
2065 question submitted by the county legislative body under Part 7, County Option Funding for
2066 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, indicating that:

2067 (A) (I) the city or town legislative body may not impose a tax under this part because a
2068 majority of the county's registered voters voted in favor of the county imposing the tax and the
2069 county legislative body by a majority vote approved the imposition of the tax; or

2070 (II) for at least 12 months from the date the written results are submitted to the city or
2071 town legislative body, the city or town legislative body may not submit to the county legislative
2072 body a written notice of the intent to submit an opinion question under this part because a
2073 majority of the county's registered voters voted against the county imposing the tax and the

2074 majority of the registered voters who are residents of the city or town described in Subsection
2075 (6)(a) voted against the imposition of the county tax; or

2076 (B) the city or town legislative body may submit the opinion question to the residents
2077 of the city or town in accordance with this part because although a majority of the county's
2078 registered voters voted against the county imposing the tax, the majority of the registered voters
2079 who are residents of the city or town voted for the imposition of the county tax.

2080 (c) Notwithstanding Subsection (6)(b), at any time a county legislative body may
2081 provide a city or town legislative body described in Subsection (6)(a) a written resolution
2082 passed by the county legislative body stating that the county legislative body is not seeking to
2083 impose a tax under Part 7, County Option Funding for Botanical, Cultural, Recreational, and
2084 Zoological Organizations or Facilities, which permits the city or town legislative body to
2085 submit under Subsection (1)(a)(i) an opinion question to the city's or town's residents.

2086 (7) If a city or town legislative body imposes a tax under this section at a tax rate that is
2087 less than .1%, the city or town legislative body may increase the tax rate up to .1%:

2088 (a) by ordinance of the city or town legislative body;

2089 (b) if the city or town legislative body meets the same requirements established in
2090 Subsections (1) and (2) for obtaining voter approval to impose the tax; and

2091 (c) if the city or town legislative body provides notice to the commission as required by
2092 Subsection (5).

2093 (8) (a) A city or town legislative body may repeal a tax imposed in accordance with
2094 this section:

2095 (i) by resolution of the city or town legislative body;

2096 (ii) except as provided in Subsection (8)(b), effective as provided in Subsection (5);

2097 and

2098 (iii) if the city or town legislative body provides notice to the commission as required
2099 by Subsection (5).

2100 (b) Notwithstanding Subsection (8)(a)(ii), if, on the day on which a city or town
2101 legislative body adopts a resolution in accordance with Subsection (8)(a) to repeal a tax
2102 imposed in accordance with this section, any portion of the tax is pledged to secure the
2103 payment of a bond:

2104 (i) the tax may not be pledged to secure the payment of a bond issued on or after the

2105 day on which the city or town legislative body adopts the resolution in accordance with
 2106 Subsection (8)(a) to repeal the tax;
 2107 (ii) the city or town legislative body shall:
 2108 (A) adopt an ordinance:
 2109 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary
 2110 to generate revenues sufficient to satisfy the obligation to pay the bond; and
 2111 (II) that takes effect as provided in Subsection (5); and
 2112 (B) before the ordinance described in Subsection (8)(b)(ii)(A) takes effect, provide
 2113 notice to the commission:
 2114 (I) as required by Subsection (5); and
 2115 (II) stating the day on which the city or town legislative body estimates that the
 2116 obligation to pay the bond will be satisfied; and
 2117 (iii) the city or town legislative body shall provide notice to the commission no later
 2118 than 90 days before the day on which the obligation to pay the bond is satisfied:
 2119 (A) that meets the requirements of Subsection (5); and
 2120 (B) that provides that the repeal of the tax shall take effect as provided in Subsection
 2121 (5).
 2122 Section 18. Section **59-12-1503** is amended to read:
 2123 **59-12-1503. Opinion question election -- Imposition of tax -- Use of tax revenues**
 2124 **-- Administration, collection, and enforcement of tax by commission -- Administrative fee**
 2125 **-- Enactment or repeal of tax -- Change of rate -- Annexation -- Notice.**
 2126 (1) (a) Beginning on or after April 1, 2004, and subject to the other provisions of this
 2127 part, the county legislative body of a qualifying county may impose a sales and use tax of up to
 2128 .25%:
 2129 (i) except as provided in Subsection (1)(b), on the transactions:
 2130 (A) described in Subsection 59-12-103(1); and
 2131 (B) within the county, including the cities and towns within the county;
 2132 (ii) for the purposes determined by the county legislative body in accordance with
 2133 Subsection (2); and
 2134 (iii) in addition to any other sales and use tax authorized under this chapter.
 2135 (b) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a

2136 tax under this section on:

2137 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
2138 are exempt from taxation under Section 59-12-104; and

2139 (ii) any amount paid or charged by a vendor that collects a tax under Subsection
2140 59-12-107(1)(b).

2141 (2) (a) Subject to Subsection (2)(b), before obtaining the approval required by
2142 Subsection (3), a county legislative body shall adopt a resolution specifying the percentage of
2143 revenues the county will receive from the tax under this part that will be allocated to fund one
2144 or more of the following:

2145 (i) a project or service relating to a fixed guideway system:

2146 (A) for the portion of the project or service that is performed within the county; and

2147 (B) if the fixed guideway system is owned and operated by a public transit district
2148 organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act;

2149 (ii) a project or service relating to a system for public transit:

2150 (A) for the portion of the project or service that is performed within the county; and

2151 (B) if the system for public transit is owned and operated by a public transit district
2152 organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act; or

2153 (iii) the following relating to a state highway within the county:

2154 (A) a project beginning on or after the day on which a county legislative body imposes
2155 a tax under this part only within the county involving:

2156 (I) new construction;

2157 (II) a renovation;

2158 (III) an improvement; or

2159 (IV) an environmental study;

2160 (B) debt service on a project described in Subsections (2)(a)(iii)(A)(I) through (IV); or

2161 (C) bond issuance costs relating to a project described in Subsections (2)(a)(iii)(A)(I)
2162 through (IV).

2163 (b) (i) A county legislative body shall in the resolution required by Subsection (2)(a)
2164 allocate as required by Subsection (2)(a) 100% of the revenues the county will receive from the
2165 tax under this part.

2166 (ii) For purposes of Subsection (2)(b), the revenues a county will receive from the tax

2167 under this part do not include amounts retained by the commission in accordance with
2168 Subsection (8).

2169 (3) (a) Before imposing a tax under this part, a county legislative body shall:

2170 (i) obtain approval from a majority of the members of the county legislative body to:

2171 (A) impose the tax; and

2172 (B) allocate the revenues the county will receive from the tax in accordance with the
2173 resolution adopted in accordance with Subsection (2); and

2174 (ii) subject to Subsection (3)(b), submit an opinion question to the county's registered
2175 voters voting on the imposition of the tax so that each registered voter has the opportunity to
2176 express the registered voter's opinion on whether a tax should be imposed under this part.

2177 (b) The opinion question required by Subsection (3)(a)(ii):

2178 (i) shall state the allocations specified in the resolution:

2179 ~~(i)~~ (A) adopted in accordance with Subsection (2); and

2180 ~~(ii)~~ (B) approved by the county legislative body in accordance with Subsection

2181 (3)(a)~~[-]~~;

2182 (ii) shall state the proposed tax rate of the tax described in Subsection (1)(a); and

2183 (iii) may include a provision stating the day on which a tax under this section shall be
2184 repealed.

2185 (c) The election required by this Subsection (3) shall be held:

2186 (i) (A) at a regular general election; and

2187 (B) in accordance with the procedures and requirements of Title 20A, Election Code,
2188 governing regular general elections; or

2189 (ii) (A) at a special election called by the county legislative body;

2190 (B) only on the date of a municipal general election provided in Subsection

2191 20A-1-202(1); and

2192 (C) in accordance with the procedures and requirements of Section 20A-a-203.

2193 (4) (a) Subject to Subsection (8), if a county legislative body determines that a majority
2194 of the county's registered voters voting on the imposition of the tax have voted in favor of the
2195 imposition of the tax in accordance with Subsection (3), the county legislative body may
2196 impose the tax by a majority vote of all of the members of the county legislative body.

2197 (b) If a county legislative body imposes a tax under Subsection (4)(a), the revenues

2198 generated by the tax shall be:

2199 (i) allocated in accordance with the allocations specified in the resolution under
2200 Subsection (2); and

2201 (ii) expended as provided in this part.

2202 (5) If a county legislative body allocates revenues generated by the tax for a project
2203 described in Subsection (2)(a)(iii)(A), before beginning the project the county legislative body
2204 shall:

2205 (a) obtain approval from the Transportation Commission to complete the project; and

2206 (b) enter into an interlocal agreement:

2207 (i) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act;

2208 (ii) with the Department of Transportation; and

2209 (iii) to complete the project.

2210 (6) (a) If after a county legislative body imposes a tax under Subsection (4) the county
2211 legislative body seeks to change the allocation of the tax specified in the resolution under
2212 Subsection (2), the county legislative body may change the allocation of the tax by:

2213 (i) adopting a resolution in accordance with Subsection (2) specifying the percentage of
2214 revenues the county will receive from the tax under this part that will be allocated to fund one
2215 or more of the systems or projects described in Subsection (2);

2216 (ii) obtaining approval to change the allocation of the tax from a majority of the
2217 members of the county legislative body; and

2218 (iii) (A) submitting an opinion question to the county's registered voters voting on
2219 changing the allocation of the tax so that each registered voter has the opportunity to express
2220 the registered voter's opinion on whether the allocation of the tax should be changed; and

2221 (B) obtaining approval to change the allocation of the tax from a majority of the
2222 county's registered voters voting on changing the allocation of the tax.

2223 (b) (i) The opinion question required by Subsection (6)(a)(iii) shall state the allocations
2224 specified in the resolution:

2225 (A) adopted in accordance with Subsection (6)(a)(i); and

2226 (B) approved by the county legislative body in accordance with Subsection (6)(a)(ii).

2227 (ii) The election required by Subsection (6)(a)(iii) shall follow the procedures and
2228 requirements of Title 11, Chapter 14, Utah Municipal Bond Act.

2229 (7) (a) (i) Except as provided in Subsection (7)(a)(ii), revenues generated by a tax
2230 under this part that are allocated for a purpose described in Subsection (2)(a)(i) or (ii) shall be
2231 transmitted:

2232 (A) by the commission;

2233 (B) to the county;

2234 (C) monthly; and

2235 (D) by electronic funds transfer.

2236 (ii) Notwithstanding Subsection (7)(a)(i), a county may request that the commission
2237 transfer the revenues described in Subsection (7)(a)(i):

2238 (A) directly to a public transit district:

2239 (I) organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act; and

2240 (II) designated by the county; and

2241 (B) by providing written notice to the commission:

2242 (I) requesting the revenues to be transferred directly to a public transit district as
2243 provided in Subsection (7)(a)(ii)(A); and

2244 (II) designating the public transit district to which the revenues are requested to be
2245 transferred.

2246 (b) Revenues generated by a tax under this part that are allocated for a purpose
2247 described in Subsection (2)(a)(iii) shall be:

2248 (i) deposited into the State Highway Projects Within Counties Fund created by Section
2249 72-2-121.1; and

2250 (ii) expended as provided in Section 72-2-121.1.

2251 (8) (a) The commission shall administer, collect, and enforce the tax under this part in
2252 accordance with the procedures outlined in:

2253 (i) Part 1, Tax Collection, for the administration, collection, and enforcement of the
2254 state sales and use tax; and

2255 (ii) Chapter 1, General Taxation Policies.

2256 (b) (i) The commission may retain an amount of tax collected under this part of not to
2257 exceed the lesser of:

2258 (A) 1.5%; or

2259 (B) an amount equal to the cost to the commission of administering this part.

- 2260 (ii) Any amount the commission retains under Subsection (8)(b)(i) shall be:
- 2261 (A) placed in the Sales and Use Tax Administrative Fees Account; and
- 2262 (B) used as provided in Subsection 59-12-206(2).
- 2263 (9) (a) (i) If, on or after April 1, 2004, a county enacts ~~[or]~~, repeals, or changes the rate
- 2264 of a tax under this part, the enactment [or], repeal, or change in rate shall take effect:
- 2265 (A) on the first day of a calendar quarter; and
- 2266 (B) after a 75-day period beginning on the date the commission receives notice meeting
- 2267 the requirements of Subsection (9)(a)(ii) from the county.
- 2268 (ii) The notice described in Subsection (9)(a)(i)(B) shall state:
- 2269 (A) that the county will enact ~~[or]~~, repeal, or change the rate of a tax under this part;
- 2270 (B) the statutory authority for the tax described in Subsection (9)(a)(ii)(A);
- 2271 (C) the effective date of the tax described in Subsection (9)(a)(ii)(A); and
- 2272 (D) if the county enacts or changes the rate of the tax described in Subsection
- 2273 (9)(a)(ii)(A), the rate of the tax.
- 2274 (b) (i) If, for an annexation that occurs on or after April 1, 2004, the annexation will
- 2275 result in the enactment or repeal of a tax under this part for an annexing area, the enactment or
- 2276 repeal shall take effect:
- 2277 (A) on the first day of a calendar quarter; and
- 2278 (B) after a 75-day period beginning on the date the commission receives notice meeting
- 2279 the requirements of Subsection (9)(b)(ii) from the county that annexes the annexing area.
- 2280 (ii) The notice described in Subsection (9)(b)(i)(B) shall state:
- 2281 (A) that the annexation described in Subsection (9)(b)(i)(B) will result in an enactment
- 2282 or repeal of a tax under this part for the annexing area;
- 2283 (B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);
- 2284 (C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and
- 2285 (D) the rate of the tax described in Subsection (9)(b)(ii)(A).
- 2286 (10) If a county legislative body imposes a tax under this section at a tax rate that is
- 2287 less than .25%, the county legislative body may increase the tax rate up to .25%:
- 2288 (a) by ordinance of the county legislative body;
- 2289 (b) if the county legislative body meets the same requirements established in this
- 2290 section for obtaining voter approval to impose the tax; and

2291 (c) if the county legislative body provides notice to the commission as required by
2292 Subsection (9).

2293 (11) (a) A county legislative body may repeal a tax imposed in accordance with this
2294 section:

2295 (i) by resolution of the county legislative body;
2296 (ii) except as provided in Subsection (11)(b), effective as provided in Subsection (9);
2297 and

2298 (iii) if the county legislative body provides notice to the commission as required by
2299 Subsection (9).

2300 (b) Notwithstanding Subsection (11)(a)(ii), if, on the day on which a county legislative
2301 body adopts a resolution in accordance with Subsection (11)(a) to repeal a tax imposed in
2302 accordance with this section, any portion of the tax is pledged to secure the payment of a bond:

2303 (i) the tax may not be pledged to secure the payment of a bond issued on or after the
2304 day on which the county legislative body adopts the resolution in accordance with Subsection
2305 (11)(a) to repeal the tax;

2306 (ii) the county legislative body shall:

2307 (A) adopt an ordinance:

2308 (I) reducing the tax rate to a percentage that does not exceed the percentage necessary
2309 to generate revenues sufficient to satisfy the obligation to pay the bond; and

2310 (II) that takes effect as provided in Subsection (9); and

2311 (B) before the ordinance described in Subsection (11)(b)(ii)(A) takes effect, provide
2312 notice to the commission:

2313 (I) as required by Subsection (9); and

2314 (II) stating the day on which the county legislative body estimates that the obligation to
2315 pay the bond will be satisfied; and

2316 (iii) the county legislative body shall provide notice to the commission no later than 90
2317 days before the day on which the obligation to pay the bond is satisfied:

2318 (A) that meets the requirements of Subsection (9); and
2319 (B) that provides that the repeal of the tax shall take effect as provided in Subsection
2320 (9).

2321 Section 19. **Effective date.**

2322

This bill takes effect on July 1, 2004.

Legislative Review Note
as of 2-23-04 2:15 PM

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

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0315

Local Option Sales and Use Tax Amendments

25-Feb-04

8:37 AM

State Impact

No fiscal impact.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst