

Senator Howard A. Stephenson proposes the following substitute bill:

1 **SPORTS DEVELOPMENT AND TOURISM,**
2 **RECREATION, CULTURAL, CONVENTION,**
3 **AND SPORTS FACILITIES TAX**
4 **AMENDMENTS**

5 2004 GENERAL SESSION

6 STATE OF UTAH

7 **Sponsor: Michael G. Waddoups**

8
9 **LONG TITLE**

10 **General Description:**

11 This bill amends the Community and Economic Development title and the Sales and
12 Use Tax Act.

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ creates the Sports Development chapter within the Community and Economic
16 Development title;
- 17 ▶ creates the Amateur Sports Competition Development Act part within the Sports
18 Development chapter;
- 19 ▶ provides definitions;
- 20 ▶ authorizes counties to impose an additional tax on certain accommodations and
21 services under the Tourism, Recreation, Cultural, Convention, and Sports Facilities
22 Tax and provides for the expenditure of revenues generated by this additional tax;
- 23 ▶ provides that a proportionate share of the revenues generated by the additional taxes
24 shall be deposited into the General Fund as dedicated credits to be distributed by the
25 Department of Community and Economic Development to certain sports facilities;



- 26 ▶ provides that the funding for the sports facilities is nonlapsing;
- 27 ▶ changes the part name of the Tourism, Recreation, Cultural, and Convention
- 28 Facilities Tax to the Tourism, Recreation, Cultural, Convention, and Sports
- 29 Facilities Tax;
- 30 ▶ repeals references to certain tax names;
- 31 ▶ repeals a purpose statement relating to the Tourism, Recreation, Cultural,
- 32 Convention, and Sports Facilities Tax;
- 33 ▶ addresses the ability of a county legislative body to pledge Tourism, Recreation,
- 34 Cultural, Convention, and Sports Facilities Tax revenues as security for bonds,
- 35 notes, or other evidences of indebtedness; and
- 36 ▶ makes technical changes.

37 **Monies Appropriated in this Bill:**

38 None

39 **Other Special Clauses:**

40 This bill takes effect on July 1, 2004.

41 **Utah Code Sections Affected:**

42 AMENDS:

- 43 **17-31-8**, as enacted by Chapter 159, Laws of Utah 2001
- 44 **59-1-302**, as last amended by Chapter 107, Laws of Utah 1994
- 45 **59-12-301 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003
- 46 **59-12-602**, as last amended by Chapter 248, Laws of Utah 1995
- 47 **59-12-603 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

48 ENACTS:

- 49 **9-16-101**, Utah Code Annotated 1953
- 50 **9-16-201**, Utah Code Annotated 1953
- 51 **9-16-202**, Utah Code Annotated 1953
- 52 **9-16-203**, Utah Code Annotated 1953

53 REPEALS:

- 54 **59-12-601**, as last amended by Chapter 265, Laws of Utah 1991



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

57 Section 1. Section 9-16-101 is enacted to read:

58 **CHAPTER 16. SPORTS DEVELOPMENT ACT**

59 **Part 1. General Provisions**

60 **9-16-101. Title.**

61 This chapter is known as the "Sports Development Act."

62 Section 2. Section 9-16-201 is enacted to read:

63 **Part 2. Amateur Sports Competition Development Act**

64 **9-16-201. Title.**

65 This part is known as the "Amateur Sports Competition Development Act."

66 Section 3. Section 9-16-202 is enacted to read:

67 **9-16-202. Definition.**

68 As used in this part, "sports facility" means an organization that is:

69 (1) exempt from federal income taxation in accordance with Section 501(c)(3), Internal
70 Revenue Code; and

71 (2) created to foster national and international amateur sports competitions to be held
72 in the state.

73 Section 4. Section 9-16-203 is enacted to read:

74 **9-16-203. Distribution of certain dedicated credits to sports facilities --**
75 **Rulemaking authority -- Revenues nonlapsing.**

76 (1) The department shall distribute the total amount of the revenues deposited into the
77 General Fund as dedicated credits in accordance with Subsection 59-12-603(3) to one or more
78 sports facilities as determined by the department by rule made in accordance with Title 63,
79 Chapter 46a, Utah Administrative Rulemaking Act.

80 (2) Revenues dedicated for distribution to one or more sports facilities as provided in
81 this section are nonlapsing.

82 Section 5. Section 17-31-8 is amended to read:

83 **17-31-8. Tourism tax advisory boards.**

84 (1) (a) Except as provided in Subsection (1)(b), any county that collects the following
85 taxes shall operate a tourism tax advisory board:

86 (i) the [transient room] tax allowed under Section 59-12-301; or

87 (ii) the [tourism, recreation, cultural, and convention facilities] tax allowed under

88 Section 59-12-603.

89 (b) Notwithstanding Subsection (1)(a), a county is exempt from Subsection (1)(a) if the
90 county has an existing board, council, committee, convention visitor's bureau, or body that
91 substantially conforms with Subsections (2), (3), and (4).

92 (2) A tourism tax advisory board created under Subsection (1) shall consist of at least
93 five members.

94 (3) A tourism tax advisory board shall be composed of any of the following members
95 that:

96 (a) are residents of the county; and

97 (b) represent the local:

98 (i) hotel and lodging industry;

99 (ii) restaurant industry;

100 (iii) recreational facilities;

101 (iv) convention facilities;

102 (v) museums;

103 (vi) cultural attractions; or

104 (vii) other tourism-related industries.

105 (4) A tourism tax advisory board shall advise the county legislative body on the best
106 use of revenues collected from:

107 (a) the ~~[transient room]~~ tax allowed under Section 59-12-301; and

108 (b) the ~~[tourism, recreation, cultural, and convention facilities]~~ tax allowed under
109 Section 59-12-603.

110 (5) A member of any county tourism tax advisory board:

111 (a) may not receive compensation or benefits for the member's services; and

112 (b) may receive per diem and expenses incurred in the performance of the member's
113 official duties.

114 Section 6. Section **59-1-302** is amended to read:

115 **59-1-302. Penalty for nonpayment of sales, use, withholding, or fuels taxes --**

116 **Jeopardy proceedings.**

117 (1) The provisions of this section apply to the following taxes in this title:

118 (a) ~~[state and local sales and use]~~ a tax under Chapter 12, ~~[Parts 1 and 2]~~ Part 1, Tax

119 Collection;

120 (b) a tax under Chapter 12, Part 2, Local Sales and Use Tax Act;

121 ~~[(b) transient room]~~ (c) a tax under Chapter 12, Part 3, Transient Room Tax;

122 ~~[(c) resort communities]~~ (d) a tax under Chapter 12, Part 4, Resort Communities Tax;

123 ~~[(d) public transit]~~ (e) a tax under Chapter 12, Part 5, Public Transit Tax;

124 ~~[(e) tourism, recreation, cultural, and convention facilities]~~

125 (f) a tax under Chapter 12, Part 6, Tourism, Recreation, Cultural, Convention, and

126 Sports Facilities Tax;

127 ~~[(f) motor fuel, clean fuel, special fuel, and aviation fuel taxes under Chapter 13, Parts~~
128 ~~2, 3, and 4; and]~~

129 ~~[(g) withholding tax under Chapter 10, Part 4.]~~

130 (g) a tax under Chapter 13, Part 2, Motor Fuel;

131 (h) a tax under Chapter 13, Part 3, Special Fuel;

132 (i) a tax under Chapter 13, Part 4, Aviation Fuel; and

133 (j) a tax under Chapter 10, Part 4, Withholding of Tax.

134 (2) Any person required to collect, truthfully account for, and pay over any tax listed in
135 Subsection (1) who willfully fails to collect the tax, fails to truthfully account for and pay over
136 the tax, or attempts in any manner to evade or defeat any tax or the payment of the tax, shall be
137 liable for a penalty equal to the total amount of the tax evaded, not collected, not accounted for,
138 or not paid over. This penalty is in addition to other penalties provided by law.

139 (3) (a) If the commission determines in accordance with Subsection (2) that a person is
140 liable for the penalty, the commission shall notify the taxpayer of the proposed penalty.

141 (b) The notice of proposed penalty shall:

142 (i) set forth the basis of the assessment; and

143 (ii) be mailed by registered mail, postage prepaid, to the person's last-known address.

144 (4) Upon receipt of the notice of proposed penalty, the person against whom the
145 penalty is proposed may:

146 (a) pay the amount of the proposed penalty at the place and time stated in the notice; or

147 (b) proceed in accordance with the review procedures of Subsection (5).

148 (5) Any person against whom a penalty has been proposed in accordance with

149 Subsections (2) and (3) may contest the proposed penalty by filing a petition for an adjudicative

150 proceeding with the commission.

151 (6) If the commission determines that the collection of the penalty is in jeopardy,
152 nothing in this section may prevent the immediate collection of the penalty in accordance with
153 the procedures and requirements for emergency proceedings in Title 63, Chapter 46b,
154 Administrative Procedures Act.

155 (7) (a) In any hearing before the commission and in any judicial review of the hearing,
156 the commission and the court shall consider any inference and evidence that a person has
157 willfully failed to collect, truthfully account for, or pay over any tax listed in Subsection (1).

158 (b) It is prima facie evidence that a person has willfully failed to collect, truthfully
159 account for, or pay over any of the taxes listed in Subsection (1) if the commission or a court
160 finds that the person charged with the responsibility of collecting, accounting for, or paying
161 over the taxes:

162 (i) made a voluntary, conscious, and intentional decision to prefer other creditors over
163 the state government or utilize the tax money for personal purposes;

164 (ii) recklessly disregarded obvious or known risks, which resulted in the failure to
165 collect, account for, or pay over the tax; or

166 (iii) failed to investigate or to correct mismanagement, having notice that the tax was
167 not or is not being collected, accounted for, or paid over as provided by law.

168 (c) The commission or court need not find a bad motive or specific intent to defraud
169 the government or deprive it of revenue to establish willfulness under this section.

170 (d) If the commission determines that a person is liable for the penalty under
171 Subsection (2), the commission shall assess the penalty and give notice and demand for
172 payment. The notice and demand for payment shall be mailed by registered mail, postage
173 prepaid, to the person's last-known address.

174 Section 7. Section **59-12-301 (Effective 07/01/04)** is amended to read:

175 **59-12-301 (Effective 07/01/04). Transient room tax -- Rate -- Enactment or repeal**
176 **of tax -- Tax rate change -- Effective date -- Notice requirements.**

177 (1) (a) Any county legislative body may impose a transient room tax not to exceed 3%
178 of the rent for every occupancy of a suite or room:

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

- 181 (A) a person;
- 182 (B) a company;
- 183 (C) a corporation; or
- 184 (D) a person, group, or organization similar to Subsections (1)(a)(i)(A) through (C);
- 185 and
- 186 (ii) if the suite or room is regularly rented for less than 30 consecutive days.
- 187 (b) The revenues raised from the tax imposed under Subsection (1)(a) shall be used for
- 188 the purposes listed in Section 17-31-2.
- 189 (c) The tax imposed under Subsection (1)(a) shall be in addition to the [~~tourism;~~
- 190 ~~recreation, cultural, and convention~~] tax imposed under Part 6, Tourism, Recreation, Cultural,
- 191 [~~and~~] Convention, and Sports Facilities Tax.
- 192 (d) A county legislative body imposing a tax under this part shall impose the tax on the
- 193 rents described in Subsection (1)(a) relating to the Olympic Winter Games of 2002 made to or
- 194 by an organization exempt from federal income taxation under Section 501(c)(3), Internal
- 195 Revenue Code, except for rents described in Subsection (1)(a):
- 196 (i) paid for in full by the Salt Lake Organizing Committee for the Olympic Winter
- 197 Games of 2002;
- 198 (ii) exclusively used by:
- 199 (A) an officer, a trustee, or an employee of the Salt Lake Organizing Committee for the
- 200 Olympic Winter Games of 2002; or
- 201 (B) a volunteer supervised by the Salt Lake Organizing Committee for the Olympic
- 202 Winter Games of 2002; and
- 203 (iii) for which the Salt Lake Organizing Committee for the Olympic Winter Games of
- 204 2002 does not receive reimbursement.
- 205 (2) Subject to Subsection (3), a county legislative body:
- 206 (a) may increase or decrease the transient room tax; and
- 207 (b) shall regulate the transient room tax by ordinance.
- 208 (3) (a) For purposes of this Subsection (3):
- 209 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2,
- 210 Annexation to County.
- 211 (ii) "Annexing area" means an area that is annexed into a county.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

243 (A) on the first day of a calendar quarter; and
244 (B) after a 90-day period beginning on the date the commission receives notice meeting
245 the requirements of Subsection (3)(d)(ii) from the county that annexes the annexing area.
246 (ii) The notice described in Subsection (3)(d)(i)(B) shall state:
247 (A) that the annexation described in Subsection (3)(d)(i) will result in an enactment,
248 repeal, or change in the rate of a tax under this part for the annexing area;
249 (B) the statutory authority for the tax described in Subsection (3)(d)(ii)(A);
250 (C) the effective date of the tax described in Subsection (3)(d)(ii)(A); and
251 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
252 (3)(d)(ii)(A), the rate of the tax.
253 (e) (i) Notwithstanding Subsection (3)(d)(i), for a transaction described in Subsection
254 (3)(e)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
255 first billing period:
256 (A) that begins after the effective date of the enactment of the tax or the tax rate
257 increase; and
258 (B) if the billing period for the transaction begins before the effective date of the
259 enactment of the tax or the tax rate increase imposed under this section.
260 (ii) Notwithstanding Subsection (3)(d)(i), for a transaction described in Subsection
261 (3)(e)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
262 billing period:
263 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
264 and
265 (B) if the billing period for the transaction begins before the effective date of the repeal
266 of the tax or the tax rate decrease imposed under this section.
267 (iii) Subsections (3)(e)(i) and (ii) apply to transactions subject to a tax under
268 Subsection 59-12-103(1)(i).
269 Section 8. Section **59-12-602** is amended to read:
270 **59-12-602. Definitions.**
271 As used in this part:
272 (1) "Convention facility" means any publicly owned or operated convention center,
273 sports arena, or other facility at which conventions, conferences, and other gatherings are held

274 and whose primary business or function is to host such conventions, conferences, and other
275 gatherings.

276 (2) "Cultural facility" means any publicly owned or operated museum, theater, art
277 center, music hall, or other cultural or arts facility.

278 (3) "Recreation facility" or "tourist facility" means any publicly owned or operated
279 park, campground, marina, dock, golf course, water park, historic park, monument,
280 planetarium, zoo, bicycle trails, and other recreation or tourism-related facility.

281 (4) (a) "Restaurant" includes any coffee shop, cafeteria, luncheonette, soda fountain, or
282 fast-food service where food is prepared for immediate consumption.

283 (b) "Restaurant" does not include:

284 (i) any retail establishment whose primary business or function is the sale of fuel or
285 food items for off-premise, but not immediate, consumption; and

286 (ii) a theater that sells food items, but not a dinner theater.

287 (5) "Sports facility" is as defined in Section 9-16-202.

288 Section 9. Section **59-12-603 (Effective 07/01/04)** is amended to read:

289 **59-12-603 (Effective 07/01/04). County tax -- Bases -- Rates -- Use of revenues --**
290 **Collection -- Adoption of ordinance required -- Administration -- Distribution --**
291 **Enactment or repeal of tax or tax rate change -- Effective date -- Notice requirements.**

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

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

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

304 (b) a county legislative body of any county may impose a tax of not to exceed 1% [of]

305 on all sales of prepared foods and beverages that are sold by restaurants; and

306 (c) ~~(i) a county legislative body of [any] a county of the first class may impose a tax of~~
307 ~~not to exceed [1/2% of the rent for every occupancy of a suite or room:] .5% on charges for the~~
308 accommodations and services described in Subsection 59-12-103(1)(i); and

309 ~~[(i) on the following entities doing business as motor courts, motels, hotels, inns, or~~
310 ~~providing similar public accommodations:]~~

311 ~~[(A) a person;]~~

312 ~~[(B) a company;]~~

313 ~~[(C) a corporation; or]~~

314 ~~[(D) a person, group, or organization similar to Subsections (1)(c)(i)(A) through (C);~~
315 ~~and]~~

316 ~~[(ii) if the suite or room is regularly rented for less than 30 consecutive days.]~~

317 ~~[(2) The revenue from the imposition of the taxes provided for in]~~

318 (ii) (A) beginning on or after July 1, 2004, a county legislative body of any county may
319 impose a tax of not to exceed .5% on charges for the accommodations and services described
320 in Subsection 59-12-103(1)(i); and

321 (B) the revenues generated by a tax authorized under Subsection (1)(c)(ii)(A) shall be
322 expended as provided in Subsection (3).

323 (2) The revenues generated by a tax authorized under Subsections (1)(a) through (c)
324 [may] shall be used for the purposes of financing:

325 (a) tourism promotion[; and];

326 (b) the development, operation, and maintenance of tourist, recreation, cultural, and
327 convention facilities [as defined in Section 59-12-602.]; and

328 (c) sports facilities from revenues deposited into the General Fund as dedicated credits
329 as provided in Subsection (3).

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

333 (3) (a) (i) The revenues generated by the tax authorized under Subsection (1)(c)(ii)(A)
334 within a county of the first class shall be expended as provided in this Subsection (3)(a).

335 (ii) The commission shall for each month:

336 (A) deduct from the revenues described in Subsection (3)(a)(i) the administrative
337 charge described in Subsection (7)(c);

338 (B) after deducting the administrative charge as provided in Subsection (3)(a)(ii)(A),
339 deposit the county's proportionate share of \$62,500 into the General Fund as dedicated credits
340 as provided in Subsection (3)(c); and

341 (C) after making the deposit required by Subsection (3)(a)(ii)(B), distribute any
342 remaining revenues to the county within which the revenues were generated to be expended in
343 accordance with Subsection (3)(a)(iii).

344 (iii) A county described in Subsection (3)(a)(i) shall expend the revenues distributed to
345 that county in accordance with Subsection (3)(a)(ii)(C) as follows:

346 (A) the following shall be expended to fund a marketing and ticketing system designed
347 for tourism promotion for ski areas within the county:

348 (I) if the county received a distribution of at least \$750,000, at least \$750,000; or

349 (II) if the county received a distribution of less than \$750,000, the amount of the
350 distribution; and

351 (B) if there are revenues remaining after making the expenditure required by
352 Subsection (3)(a)(iii)(A), the county shall expend those revenues for one or more of the
353 purposes described in:

354 (I) Subsection (2)(a); or

355 (II) Subsection (2)(b).

356 (b) (i) The revenues generated by the tax authorized under Subsection (1)(c)(ii)(A)
357 within a county other than a county of the first class shall be expended as provided in this
358 Subsection (3)(b).

359 (ii) The commission shall for each month:

360 (A) deduct from the revenues described in Subsection (3)(b)(i) the administrative
361 charge described in Subsection (7)(c);

362 (B) after deducting the administrative charge as provided in Subsection (3)(b)(ii)(A),
363 deposit the county's proportionate share of \$62,500 into the General Fund as dedicated credits
364 as provided in Subsection (3)(c); and

365 (C) after making the deposit required by Subsection (3)(b)(ii)(B), distribute any
366 remaining revenues to the county within which the revenues were generated to be expended in

367 accordance with Subsection (3)(b)(iii).

368 (iii) A county described in Subsection (3)(b)(i) shall expend the revenues distributed to
369 that county in accordance with Subsection (3)(b)(ii)(C) for one or more of the following
370 purposes:

371 (A) a purpose described in:

372 (I) Subsection (2)(a); or

373 (II) Subsection (2)(b); or

374 (B) to fund a marketing and ticketing system designed for tourism promotion for ski
375 areas within the county.

376 (c) (i) For a county within which a tax is imposed under Subsection (1)(c)(ii)(A), the
377 commission shall for each month:

378 (A) calculate the county's proportionate share of \$62,500 as provided in this Subsection
379 (3)(c); and

380 (B) deposit the proportionate share described in Subsection (3)(c)(i)(A) into the
381 General Fund as dedicated credits to be distributed to one or more sports facilities as provided
382 in Section 9-16-203.

383 (ii) The commission shall calculate a county's proportionate share of \$62,500 as
384 follows:

385 (A) the commission shall calculate the total amount of revenues generated by the tax
386 authorized under Subsection (1)(c)(ii)(A) for:

387 (I) a calendar month; and

388 (II) all counties imposing the tax authorized under Subsection (1)(c)(ii)(A);

389 (B) after making the calculation required by Subsection (3)(c)(ii)(A), the commission
390 shall determine the percentage of revenues generated by the tax authorized under Subsection
391 (1)(c)(ii)(A) within the county for the calendar month described in Subsection (3)(c)(ii)(A) as
392 compared to the total amount of revenues calculated under Subsection (3)(c)(ii)(A); and

393 (C) the commission shall determine the county's proportionate share by calculating the
394 product of:

395 (I) the percentage calculated under Subsection (3)(c)(ii)(B); and

396 (II) \$62,500.

397 (4) (a) (i) Except as provided in Subsection (4)(a)(ii), a tax imposed under this part

398 shall be levied at the same time and collected in the same manner as provided in Part 2, Local
399 Sales and Use Tax Act.

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

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

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

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

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

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

418 (B) exclusively used by:

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

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

423 (C) for which the Salt Lake Organizing Committee for the Olympic Winter Games of
424 2002 does not receive reimbursement.

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

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

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

432 (7) The commission shall:

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

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

436 (ii) Chapter 1, General Taxation Policies;

437 (b) (i) except as provided in Subsection (3) or (7)(c), for a tax under this part other than
438 the tax under Subsection (1)(a)(ii), distribute the revenues to the county imposing the tax; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

491 the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

517 **Section 10. Repealer.**

518 This bill repeals:

519 **Section 59-12-601, Purpose statement.**

520 **Section 11. Effective date.**

521 This bill takes effect on July 1, 2004.