

**SALES AND USE TAXATION OF FOOD AND
FOOD INGREDIENTS**

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Merlynn T. Newbold

Senate Sponsor: Michael G. Waddoups

Cosponsor: Greg J. Curtis

LONG TITLE

General Description:

This bill amends the Sales and Use Tax Act and the Rural Health Services chapter to provide that food and food ingredients are generally not subject to certain local sales and use taxes, to establish a fund to distribute monies to fund rural health care facilities and services that are impacted by providing that food and food ingredients are generally not subject to local sales and use taxes for rural health care facilities and services, and to increase the maximum tax rate for the resort communities tax.

Highlighted Provisions:

This bill:

- ▶ provides that food and food ingredients are not subject to certain local sales and use taxes, except with respect to certain bundled transactions;
- ▶ defines terms;
- ▶ creates a restricted special revenue fund to distribute monies to fund rural health care facilities and services that are impacted by providing that food and food ingredients are not generally subject to local sales and use taxes for rural health care facilities and services, including:
 - addressing the distribution and expenditure of fund revenues; and
 - requiring unexpended monies remaining in the fund at the end of a fiscal year to



28 be deposited into the General Fund;

29 ▶ increases the maximum tax rate for the resort communities local sales and use tax
30 from 1% to 1.1%; and

31 ▶ makes technical changes.

32 **Monies Appropriated in this Bill:**

33 This bill appropriates:

34 ▶ as an ongoing appropriation subject to future budget constraints, \$403,425 from the
35 General Fund for fiscal year 2007-08 to the Department of Health.

36 **Other Special Clauses:**

37 This bill takes effect on ~~H~~→ [July 1, 2007] January 1, 2008 ←~~H~~ .

38 **Utah Code Sections Affected:**

39 AMENDS:

- 40 **59-1-210**, as last amended by Chapter 271, Laws of Utah 1995
- 41 **59-12-401**, as last amended by Chapter 253, Laws of Utah 2006
- 42 **59-12-402**, as last amended by Chapter 253, Laws of Utah 2006
- 43 **59-12-501**, as last amended by Chapter 253, Laws of Utah 2006
- 44 **59-12-502**, as last amended by Chapters 253 and 329, Laws of Utah 2006
- 45 **59-12-703**, as last amended by Chapter 253, Laws of Utah 2006
- 46 **59-12-802**, as last amended by Chapters 253 and 302, Laws of Utah 2006
- 47 **59-12-804**, as last amended by Chapter 253, Laws of Utah 2006
- 48 **59-12-1001**, as last amended by Chapter 253, Laws of Utah 2006
- 49 **59-12-1302**, as last amended by Chapter 253, Laws of Utah 2006
- 50 **59-12-1402**, as last amended by Chapter 253, Laws of Utah 2006
- 51 **59-12-1503**, as last amended by Chapter 253, Laws of Utah 2006
- 52 **59-12-1703**, as enacted by Chapter 1, Laws of Utah 2006, Fourth Special Session

53 ENACTS:

54 **26-9-4**, Utah Code Annotated 1953



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

57 Section 1. Section **26-9-4** is enacted to read:

58 **26-9-4. Rural Health Care Facilities Fund -- Source of revenues -- Interest --**

59 **Distribution of revenues -- Expenditure of revenues -- Unexpended revenues lapse into**
60 **the General Fund.**

61 (1) As used in this section:

62 (a) "Emergency medical services" is as defined in Section 26-8a-102.

63 (b) "Federally qualified health center" is as defined in 42 U.S.C. Sec. 1395x.

64 (c) "Freestanding urgent care center" is as defined in Section 59-12-801.

65 (d) "Fund" means the Rural Health Care Facilities Fund created by this section.

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

67 (f) "Rural city hospital" is as defined in Section 59-12-801.

68 (g) "Rural county health care facility" is as defined in Section 59-12-801.

69 (h) "Rural county hospital" is as defined in Section 59-12-801.

70 (i) "Rural county nursing care facility" is as defined in Section 59-12-801.

71 (j) "Rural emergency medical services" is as defined in Section 59-12-801.

72 (k) "Rural health clinic" is as defined in 42 U.S.C. Sec. 1395x.

73 (l) "Sales and use tax revenues for rural health care facilities for the prior quarter"

74 means the total amount of revenues:

75 (i) that are:

76 (A) distributed to county legislative bodies and city legislative bodies by the State Tax

77 Commission; and

78 (B) collected from the taxes imposed in accordance with Sections 59-12-802 and

79 59-12-804:

80 (I) for the calendar quarter immediately preceding the calendar quarter for which the

81 executive director makes a quarterly distribution in accordance with Subsection (5); and

82 (II) after subtracting:

83 (Aa) any administrative fee retained by the State Tax Commission in accordance with

84 Section 59-12-802 or 59-12-804; and

85 (Bb) any amounts retained in accordance with Section 59-12-108; and

86 (ii) as determined by the executive director on the basis of data provided to the

87 executive director by the State Tax Commission.

88 (2) There is created a restricted special revenue fund known as the Rural Health Care

89 Facilities Fund.

90 (3) (a) The fund shall be funded by amounts appropriated by the Legislature.
91 (b) Any interest earned on the fund shall be deposited into the General Fund.
92 (4) Subject to Subsection (5), the executive director shall for a fiscal year distribute
93 monies deposited into the fund to each:
94 (a) county legislative body of a county that, on July 1, 2007, imposes a tax in
95 accordance with Section 59-12-802; or
96 (b) city legislative body of a city that, on July 1, 2007, imposes a tax in accordance
97 with Section 59-12-804.
98 (5) For each fiscal year for which monies are deposited into the fund, each county
99 legislative body or city legislative body described in Subsection (4) shall receive a percentage
100 of the monies deposited into the fund as provided in this Subsection (5).
101 (a) The executive director shall calculate four quarterly distributions by dividing the
102 monies deposited into the fund by four.
103 (b) Each calendar quarter, the executive director shall distribute to each county
104 legislative body and each city legislative body described in Subsection (4) a portion of the
105 quarterly distribution determined in accordance with Subsection (5)(a) by:
106 (i) calculating the percentage of sales and use tax revenues for rural health care
107 facilities for the prior quarter collected within each county and city described in Subsection (4);
108 (ii) for each county and city described in Subsection (4), calculating the product of:
109 (A) the amount of the quarterly distribution determined in accordance with Subsection
110 (5)(a); and
111 (B) the percentage calculated in accordance with Subsection (5)(b)(i); and
112 (iii) distributing the amount calculated under Subsection (5)(b)(ii) to each county
113 legislative body and each city legislative body described in Subsection (4) on or before the last
114 day of the first month of the calendar quarter for which the executive director is making the
115 quarterly distribution.
116 (6) (a) Subject to Subsection (6)(b), each calendar quarter, a county legislative body
117 shall distribute the portion of the quarterly distribution the county legislative body receives in
118 accordance with Subsection (5):
119 (i) for a county of the third, fourth, or fifth class, to fund rural county health care
120 facilities in that county; and

- 121 (ii) for a county of the sixth class, to fund:
122 (A) emergency medical services in that county;
123 (B) federally qualified health centers in that county;
124 (C) freestanding urgent care centers in that county;
125 (D) rural county health care facilities in that county;
126 (E) rural health clinics in that county; or
127 (F) a combination of Subsections (6)(a)(ii)(A) through (E).
- 128 (b) Each calendar quarter, a county legislative body shall distribute a percentage of the
129 portion of the quarterly distribution the county legislative body receives in accordance with
130 Subsection (5) to each center, clinic, facility, or service described in Subsection (6)(a) equal to
131 the same percentage that the county legislative body distributes to that center, clinic, facility, or
132 service for that same calendar quarter in accordance with Section 59-12-803.
- 133 (c) A center, clinic, facility, or service that receives a distribution in accordance with
134 this Subsection (6) shall expend that distribution for the same purposes for which monies
135 generated by a tax under Section 59-12-802 may be expended.
- 136 (7) (a) Subject to Subsection (7)(b), each calendar quarter, a city legislative body shall
137 distribute the portion of the quarterly distribution the city legislative body receives in
138 accordance with Subsection (5) to fund rural city hospitals in that city.
- 139 (b) Each calendar quarter, a city legislative body shall distribute a percentage of the
140 portion of the quarterly distribution the city legislative body receives in accordance with
141 Subsection (5) to each rural city hospital described in Subsection (7)(a) equal to the same
142 percentage that the city legislative body distributes to that rural city hospital for that same
143 calendar quarter in accordance with Section 59-12-805.
- 144 (c) A rural city hospital that receives a distribution in accordance with this Subsection
145 (7) shall expend that distribution for the same purposes for which monies generated by a tax
146 under Section 59-12-804 may be expended.
- 147 (8) Any monies remaining in the Rural Health Care Facilities Fund at the end of a
148 fiscal year after the executive director makes the distributions required by this section shall
149 lapse into the General Fund.
- 150 Section 2. Section **59-1-210** is amended to read:
151 **59-1-210. General powers and duties.**

152 The powers and duties of the commission are as follows:

153 (1) to sue and be sued in its own name;

154 (2) to adopt rules and policies consistent with the Constitution and laws of this state to
155 govern the commission, executive director, division directors, and commission employees in
156 the performance of their duties;

157 (3) to adopt rules and policies consistent with the Constitution and laws of the state, to
158 govern county boards and officers in the performance of any duty relating to assessment,
159 equalization, and collection of taxes;

160 (4) to prescribe the use of forms relating to the assessment of property for state or local
161 taxation, the equalization of those assessments, the reporting of property or income for state or
162 local taxation purposes, or for the computation of those taxes and the reporting of any
163 information, statistics, or data required by the commission;

164 (5) to administer and supervise the tax laws of the state;

165 (6) to prepare and maintain from year to year a complete record of all lands subject to
166 taxation in this state, and all machinery used in mining and all property or surface
167 improvements upon or appurtenant to mines or mining claims;

168 (7) to exercise general supervision over assessors and county boards of equalization
169 including the authority to enforce Section 59-2-303.1, and over other county officers in the
170 performance of their duties relating to the assessment of property and collection of taxes, so
171 that all assessments of property are just and equal, according to fair market value, and that the
172 tax burden is distributed without favor or discrimination;

173 (8) to reconvene any county board of equalization which, when reconvened, may only
174 address business approved by the commission and extend the time for which any county board
175 of equalization may sit for the equalization of assessments;

176 (9) to confer with, advise, and direct county treasurers, assessors, and other county
177 officers in matters relating to the assessment and equalization of property for taxation and the
178 collection of taxes;

179 (10) to provide for and hold annually at such time and place as may be convenient a
180 district or state convention of county assessors, auditors, and other county officers to consider
181 and discuss matters relative to taxation, uniformity of valuation, and changes in the law relative
182 to taxation and methods of assessment, to which county assessors and other officers called to

183 attend shall attend at county expense;

184 (11) to direct proceedings, actions, and prosecutions to enforce the laws relating to the
185 penalties, liabilities, and punishments of public officers, persons, and officers or agents of
186 corporations for failure or neglect to comply with the statutes governing the reporting,
187 assessment, and taxation of property;

188 (12) to cause complaints to be made in the proper court seeking removal from office of
189 assessors, auditors, members of county boards, and other assessing, taxing, or disbursing
190 officers, who are guilty of official misconduct or neglect of duty;

191 (13) to require county attorneys to immediately institute and prosecute actions and
192 proceedings in respect to penalties, forfeitures, removals, and punishments for violations of the
193 laws relating to the assessment and taxation of property in their respective counties;

194 (14) to require any person to furnish any information required by the commission to
195 ascertain the value and the relative burden borne by all kinds of property in the state, and to
196 require from all state and local officers any information necessary for the proper discharge of
197 the duties of the commission;

198 (15) to examine all records relating to the valuation of property of any person;

199 (16) to subpoena witnesses to appear and give testimony and produce records relating
200 to any matter before the commission;

201 (17) to cause depositions of witnesses to be taken as in civil actions at the request of
202 the commission or any party to any matter or proceeding before the commission;

203 (18) to authorize any member or employee of the commission to administer oaths and
204 affirmations in any matter or proceeding relating to the exercise of the powers and duties of the
205 commission;

206 (19) to visit periodically each county of the state, to investigate and direct the work and
207 methods of local assessors and other officials in the assessment, equalization, and taxation of
208 property, and to ascertain whether the law requiring the assessment of all property not exempt
209 from taxation, and the collection of taxes, have been properly administered and enforced;

210 (20) to carefully examine all cases where evasion or violation of the laws for
211 assessment and taxation of property is alleged, to ascertain whether existing laws are defective
212 or improperly administered;

213 (21) to furnish to the governor from time to time such assistance and information as the

214 governor requires;

215 (22) to transmit to the governor and to each member of the Legislature
216 recommendations as to legislation which will correct or eliminate defects in the operation of
217 the tax laws and will equalize the burden of taxation within the state;

218 (23) to correct any error in any assessment made by it at any time before the tax is due
219 and report the correction to the county auditor, who shall enter the corrected assessment upon
220 the assessment roll;

221 (24) to compile and publish statistics relating to taxation in the state and prepare and
222 submit an annual budget to the governor for inclusion in the state budget to be submitted to the
223 Legislature;

224 (25) to perform any further duties imposed by law, and exercise all powers necessary in
225 the performance of its duties;

226 (26) to adopt a schedule of fees assessed for services provided by the commission,
227 unless otherwise provided by statute. The fee shall be reasonable and fair, and shall reflect the
228 cost of services provided. Each fee established in this manner shall be submitted to and
229 approved by the Legislature as part of the commission's annual appropriations request. The
230 commission may not charge or collect any fee proposed in this manner without approval by the
231 Legislature; ~~and~~

232 (27) to comply with the procedures and requirements of Title 63, Chapter 46b,
233 Administrative Procedures Act, in its adjudicative proceedings~~[-]; and~~

234 (28) provide data to the executive director of the Department of Health for purposes of
235 the distribution required by Section 26-9-4.

236 Section 3. Section **59-12-401** is amended to read:

237 **59-12-401. Resort communities tax -- Base -- Rate -- Collection fees.**

238 (1) (a) In addition to other sales and use taxes, a city or town in which the transient
239 room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the
240 municipality's permanent census population may impose a sales and use tax of up to [~~1%~~] 1.1%
241 on the transactions described in Subsection 59-12-103(1) located within the city or town.

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

244 (i) the sale of:

- 245 (A) a motor vehicle;
- 246 (B) an aircraft;
- 247 (C) a watercraft;
- 248 (D) a modular home;
- 249 (E) a manufactured home; or
- 250 (F) a mobile home;

251 (ii) the sales and uses described in Section 59-12-104 to the extent the sales and uses
 252 are exempt from taxation under Section 59-12-104; ~~and~~

253 (iii) ~~any~~ amounts paid or charged by a seller that collects a tax under Subsection
 254 59-12-107(1)(b)~~;~~ and

255 (iv) except as provided in Subsection (1)(d), amounts paid or charged for food and
 256 food ingredients.

257 (c) For purposes of this Subsection (1), the location of a transaction shall be
 258 determined in accordance with Section 59-12-207.

259 (d) A city or town imposing a tax under this section shall impose the tax on amounts
 260 paid or charged for food and food ingredients if:

261 (i) the food and food ingredients are sold as part of a bundled transaction attributable to
 262 food and food ingredients and tangible personal property other than food and food ingredients;
 263 and

264 (ii) the seller collecting the tax is a seller other than a seller that collects a tax in
 265 accordance with Subsection 59-12-107(1)(b).

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

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

274 Section 4. Section **59-12-402** is amended to read:

275 **59-12-402. Additional resort communities sales and use tax -- Base -- Rate --**

276 **Collection fees -- Resolution and voter approval requirements -- Election requirements --**
277 **Notice requirements -- Ordinance requirements.**

278 (1) (a) Subject to Subsections (2) through (6), the governing body of a municipality in
279 which the transient room capacity as defined in Section 59-12-405 is greater than or equal to
280 66% of the municipality's permanent census population may, in addition to the sales tax
281 authorized under Section 59-12-401, impose an additional resort communities sales tax in an
282 amount that is less than or equal to .5% on the transactions described in Subsection
283 59-12-103(1) located within the municipality.

284 (b) Notwithstanding Subsection (1)(a), the governing body of a municipality may not
285 impose a tax under this section on:

286 (i) the sale of:

287 (A) a motor vehicle;

288 (B) an aircraft;

289 (C) a watercraft;

290 (D) a modular home;

291 (E) a manufactured home; or

292 (F) a mobile home;

293 (ii) the sales and uses described in Section 59-12-104 to the extent the sales and uses
294 are exempt from taxation under Section 59-12-104; ~~and~~

295 (iii) ~~any~~ amounts paid or charged by a seller that collects a tax under Subsection
296 59-12-107(1)(b)~~[-]; and~~

297 (iv) except as provided in Subsection (1)(d), amounts paid or charged for food and
298 food ingredients.

299 (c) For purposes of this Subsection (1), the location of a transaction shall be
300 determined in accordance with Section 59-12-207.

301 (d) A municipality imposing a tax under this section shall impose the tax on amounts
302 paid or charged for food and food ingredients if:

303 (i) the food and food ingredients are sold as part of a bundled transaction attributable to
304 food and food ingredients and tangible personal property other than food and food ingredients;
305 and

306 (ii) the seller collecting the tax is a seller other than a seller that collects a tax in

307 accordance with Subsection 59-12-107(1)(b).

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

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

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

318 (a) pass a resolution approving the tax; and

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

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

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

324 (i) a regular general election; or

325 (ii) a municipal general election; and

326 (b) publish notice of the election:

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

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

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

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

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

338 Section 5. Section 59-12-501 is amended to read:

339 **59-12-501. Public transit tax -- Base -- Rate -- Voter approval.**

340 (1) (a) (i) In addition to other sales and use taxes, any county, city, or town within a
341 transit district organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act,
342 may impose a sales and use tax of up to .25% on the transactions described in Subsection
343 59-12-103(1) located within the county, city, or town, to fund a public transportation system.

344 (ii) Notwithstanding Subsection (1)(a)(i), a county, city, or town may not impose a tax
345 under this section on:

346 (A) the sales and uses described in Section 59-12-104 to the extent the sales and uses
347 are exempt from taxation under Section 59-12-104; [~~and~~]

348 (B) [~~any~~] amounts paid or charged by a seller that collects a tax under Subsection
349 59-12-107(1)(b)[~~;~~]; and

350 (C) except as provided in Subsection (1)(c), amounts paid or charged for food and food
351 ingredients.

352 (b) For purposes of this Subsection (1), the location of a transaction shall be
353 determined in accordance with Section 59-12-207.

354 (c) A county, city, or town imposing a tax under this section shall impose the tax on
355 amounts paid or charged for food and food ingredients if:

356 (i) the food and food ingredients are sold as part of a bundled transaction attributable to
357 food and food ingredients and tangible personal property other than food and food ingredients;

358 and

359 (ii) the seller collecting the tax is a seller other than a seller that collects a tax in
360 accordance with Subsection 59-12-107(1)(b).

361 [~~(e)~~] (d) (i) A county, city, or town may impose a tax under this section only if the
362 governing body of the county, city, or town, by resolution, submits the proposal to all the
363 qualified voters within the county, city, or town for approval at a general or special election
364 conducted in the manner provided by statute.

365 (ii) An election under Subsection 17B-2-512(3)(a)(ii) approving the annexation of an
366 area to a public transit district or local district and approving for that annexed area the sales and
367 use tax authorized by this section satisfies the election requirement of Subsection (1)[~~(e)~~] (d)(i)
368 for the area to be annexed to the public transit district or local district.

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

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

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

376 (3) This section may not be construed to require an election in jurisdictions where
377 voters have previously approved a public transit sales or use tax.

378 Section 6. Section **59-12-502** is amended to read:

379 **59-12-502. Additional public transit tax for expanded system and fixed guideway**
380 **and interstate improvements -- Base -- Rate -- Voter approval.**

381 (1) (a) (i) In addition to other sales and use taxes, including the public transit district tax
382 authorized by Section 59-12-501, a county, city, or town within a transit district organized
383 under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act, may impose a sales and
384 use tax of .25% on the transactions described in Subsection 59-12-103(1) located within the
385 county, city, or town, to fund a fixed guideway and expanded public transportation system.

386 (ii) Notwithstanding Subsection (1)(a)(i), a county, city, or town may not impose a tax
387 under this section on:

388 (A) the sales and uses described in Section 59-12-104 to the extent the sales and uses
389 are exempt from taxation under Section 59-12-104; ~~and~~

390 (B) ~~any~~ amounts paid or charged by a seller that collects a tax under Subsection
391 59-12-107(1)(b)~~[-]; and~~

392 (C) except as provided in Subsection (1)(c), amounts paid or charged for food and food
393 ingredients.

394 (b) For purposes of this Subsection (1), the location of a transaction shall be
395 determined in accordance with Section 59-12-207.

396 (c) A county, city, or town imposing a tax under this section shall impose the tax on
397 amounts paid or charged for food and food ingredients if:

398 (i) the food and food ingredients are sold as part of a bundled transaction attributable to
399 food and food ingredients and tangible personal property other than food and food ingredients;

400 and

401 (ii) the seller collecting the tax is a seller other than a seller that collects a tax in
402 accordance with Subsection 59-12-107(1)(b).

403 [~~(c)~~] (d) (i) A county, city, or town may impose the tax under this section only if the
404 governing body of the county, city, or town submits, by resolution, the proposal to all the
405 qualified voters within the county, city, or town for approval at a general or special election
406 conducted in the manner provided by statute.

407 (ii) Notice of the election under Subsection (1)[~~(c)~~](d)(i) shall be given by the county,
408 city, or town governing body 15 days in advance in the manner prescribed by statute.

409 (2) If the majority of the voters voting in this election approve the proposal, it shall
410 become effective on the date provided by the county, city, or town governing body.

411 (3) (a) This section may not be construed to require an election in jurisdictions where
412 voters have previously approved a public transit sales or use tax.

413 (b) This section shall be construed to require an election to impose the sales and use
414 tax authorized by this section, including jurisdictions where the voters have previously
415 approved the sales and use tax authorized by Section 59-12-501, but this section may not be
416 construed to affect the sales and use tax authorized by Section 59-12-501.

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

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

420 (i) 75% shall be allocated to fund a fixed guideway and expanded public transportation
421 system; and

422 (ii) except as provided in Subsection (5)(b), 25% shall be allocated to fund new
423 construction, major renovations, and improvements to Interstate 15 and state highways within
424 the county and to pay any debt service and bond issuance costs related to those projects.

425 (b) Notwithstanding the designated use of revenues in Subsection (1), beginning on
426 July 1, 2006, and ending on July 1, 2007, a county of the first class may expend an amount not
427 to exceed \$3,500,000 of the revenues described in Subsection (5)(a)(ii) for expenses relating to
428 reconfiguring railroad curves within that county to reduce rail congestion.

429 (6) A county of the first class may, through an interlocal agreement, authorize the
430 deposit or transfer of the portion of the revenues described in Subsection (5)(a)(ii) to the Public

431 Transportation System Tax Highway Fund created in Section 72-2-121.

432 Section 7. Section **59-12-703** is amended to read:

433 **59-12-703. Opinion question election -- Base -- Rate -- Imposition of tax -- Uses of**
434 **tax monies -- Enactment or repeal of tax -- Effective date -- Notice requirements.**

435 (1) (a) (i) A county legislative body may submit an opinion question to the residents of
436 that county, by majority vote of all members of the legislative body, so that each resident of the
437 county, except residents in municipalities that have already imposed a sales and use tax under
438 Part 14, City or Town Option Funding For Botanical, Cultural, Recreational, and Zoological
439 Organizations or Facilities, has an opportunity to express the resident's opinion on the
440 imposition of a local sales and use tax of .1% on the transactions described in Subsection
441 59-12-103(1) located within the county, to fund recreational and zoological facilities, botanical,
442 cultural, and zoological organizations, and rural radio stations, in that county.

443 (ii) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a
444 tax under this section on:

445 (A) the sales and uses described in Section 59-12-104 to the extent the sales and uses
446 are exempt from taxation under Section 59-12-104;

447 (B) sales and uses within municipalities that have already imposed a sales and use tax
448 under Part 14, City or Town Option Funding For Botanical, Cultural, Recreational, and
449 Zoological Organizations or Facilities; [~~and~~]

450 (C) [~~any~~] amounts paid or charged by a seller that collects a tax under Subsection
451 59-12-107(1)(b)[~~;~~]; and

452 (D) except as provided in Subsection (1)(c), amounts paid or charged for food and food
453 ingredients.

454 (b) For purposes of this Subsection (1), the location of a transaction shall be
455 determined in accordance with Section 59-12-207.

456 (c) A county legislative body imposing a tax under this section shall impose the tax on
457 amounts paid or charged for food and food ingredients if:

458 (i) the food and food ingredients are sold as part of a bundled transaction attributable to
459 food and food ingredients and tangible personal property other than food and food ingredients;
460 and

461 (ii) the seller collecting the tax is a seller other than a seller that collects a tax in

462 accordance with Subsection 59-12-107(1)(b).

463 [~~(c)~~] (d) The election shall follow the procedures outlined in Title 11, Chapter 14,
464 Local Government Bonding Act.

465 (2) (a) If the county legislative body determines that a majority of the county's
466 registered voters voting on the imposition of the tax have voted in favor of the imposition of
467 the tax as prescribed in Subsection (1)(a), the county legislative body may impose the tax by a
468 majority vote of all members of the legislative body on the transactions:

469 (i) described in Subsection (1); and

470 (ii) within the county, including the cities and towns located in the county, except those
471 cities and towns that have already imposed a sales and use tax under Part 14, City or Town
472 Option Funding For Botanical, Cultural, Recreational, and Zoological Organizations or
473 Facilities.

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

477 (i) after the county legislative body submits an opinion question to residents of the
478 county in accordance with Subsection (1) giving them the opportunity to express their opinion
479 on the proposed revisions to county ordinances; and

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

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

484 (a) recreational and zoological facilities located within the county or a city or town
485 located in the county, except a city or town that has already imposed a sales and use tax under
486 Part 14, City or Town Option Funding For Botanical, Cultural, Recreational, and Zoological
487 Organizations or Facilities; and

488 (b) ongoing operating expenses of:

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

490 (ii) botanical, cultural, and zoological organizations within the county; and

491 (iii) rural radio stations within the county.

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

493 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
494 accordance with:

495 (A) the same procedures used to administer, collect, and enforce the tax under:

496 (I) Part 1, Tax Collection; or

497 (II) Part 2, Local Sales and Use Tax Act; and

498 (B) Chapter 1, General Taxation Policies; and

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

501 (b) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to
502 Subsections 59-12-205(2) through (7).

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

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

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

507 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
508 county enacts or repeals a tax under this part, the enactment or repeal shall take effect:

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

510 (B) after a 90-day period beginning on the date the commission receives notice meeting
511 the requirements of Subsection (5)(b)(ii) from the county.

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

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

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

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

516 (D) if the county enacts the tax described in Subsection (5)(b)(ii)(A), the rate of the
517 tax.

518 (c) (i) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
519 (5)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

520 (A) that begins after the effective date of the enactment of the tax; and

521 (B) if the billing period for the transaction begins before the effective date of the
522 enactment of the tax under this section.

523 (ii) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection

524 (5)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:
525 (A) that began before the effective date of the repeal of the tax; and
526 (B) if the billing period for the transaction begins before the effective date of the repeal
527 of the tax imposed under this section.

528 (iii) Subsections (5)(c)(i) and (ii) apply to transactions subject to a tax under:
529 (A) Subsection 59-12-103(1)(b);
530 (B) Subsection 59-12-103(1)(c);
531 (C) Subsection 59-12-103(1)(d);
532 (D) Subsection 59-12-103(1)(e);
533 (E) Subsection 59-12-103(1)(f);
534 (F) Subsection 59-12-103(1)(g);
535 (G) Subsection 59-12-103(1)(h);
536 (H) Subsection 59-12-103(1)(i);
537 (I) Subsection 59-12-103(1)(j); or
538 (J) Subsection 59-12-103(1)(k).

539 (d) (i) Notwithstanding Subsection (5)(b)(i), if a tax due under this chapter on a
540 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
541 enactment or repeal of a tax described in Subsection (5)(b)(i) takes effect:
542 (A) on the first day of a calendar quarter; and
543 (B) beginning 60 days after the effective date of the enactment or repeal under
544 Subsection (5)(b)(i).

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

547 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
548 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
549 part for an annexing area, the enactment or repeal shall take effect:
550 (A) on the first day of a calendar quarter; and
551 (B) after a 90-day period beginning on the date the commission receives notice meeting
552 the requirements of Subsection (5)(e)(ii) from the county that annexes the annexing area.

553 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:
554 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or

555 repeal of a tax under this part for the annexing area;

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

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

558 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

559 (f) (i) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection

560 (5)(f)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

561 (A) that begins after the effective date of the enactment of the tax; and

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

563 enactment of the tax under this section.

564 (ii) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection

565 (5)(f)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

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

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

568 of the tax imposed under this section.

569 (iii) Subsections (5)(f)(i) and (ii) apply to transactions subject to a tax under:

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

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

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

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

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

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

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

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

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

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

580 (g) (i) Notwithstanding Subsection (5)(e)(i), if a tax due under this chapter on a

581 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an

582 enactment or repeal of a tax described in Subsection (5)(e)(i) takes effect:

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

584 (B) beginning 60 days after the effective date of the enactment or repeal under

585 Subsection (5)(e)(i).

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

588 Section 8. Section **59-12-802** is amended to read:

589 **59-12-802. Imposition of rural county health care facilities tax -- Expenditure of**
590 **tax revenues -- Base -- Rate -- Administration, collection, and enforcement of tax.**

591 (1) (a) A county legislative body of a county of the third, fourth, fifth, or sixth class
592 may impose a sales and use tax of up to 1%:

593 (i) on the transactions described in Subsection 59-12-103(1) located within the county;
594 and

595 (ii) subject to Subsection (3), to fund:

596 (A) for a county of the third, fourth, or fifth class, rural county health care facilities in
597 that county; or

598 (B) for a county of the sixth class:

599 (I) emergency medical services in that county;

600 (II) federally qualified health centers in that county;

601 (III) freestanding urgent care centers in that county;

602 (IV) rural county health care facilities in that county;

603 (V) rural health clinics in that county; or

604 (VI) a combination of Subsections (1)(a)(ii)(B)(I) through (V).

605 (b) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a
606 tax under this section on:

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

609 (ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in
610 a city that imposes a tax under Section 59-12-804; ~~and~~

611 (iii) ~~any~~ amounts paid or charged by a seller that collects a tax under Subsection
612 59-12-107(1)(b)~~[-]; and~~

613 (iv) except as provided in Subsection (1)(d), amounts paid or charged for food and
614 food ingredients.

615 (c) For purposes of this Subsection (1), the location of a transaction shall be
616 determined in accordance with Section 59-12-207.

617 (d) A county legislative body imposing a tax under this section shall impose the tax on
618 amounts paid or charged for food and food ingredients if:

619 (i) the food and food ingredients are sold as part of a bundled transaction attributable to
620 food and food ingredients and tangible personal property other than food and food ingredients;

621 and

622 (ii) the seller collecting the tax is a seller other than a seller that collects a tax in
623 accordance with Subsection 59-12-107(1)(b).

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

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

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

628 (b) The county legislative body shall conduct the election according to the procedures
629 and requirements of Title 11, Chapter 14, Local Government Bonding Act.

630 (3) (a) The monies generated by a tax imposed under Subsection (1) by a county
631 legislative body of a county of the third, fourth, or fifth class may only be used for the
632 financing of:

633 (i) ongoing operating expenses of a rural county health care facility within that county;

634 (ii) the acquisition of land for a rural county health care facility within that county; or

635 (iii) the design, construction, equipping, or furnishing of a rural county health care
636 facility within that county.

637 (b) The monies generated by a tax imposed under Subsection (1) by a county of the
638 sixth class may only be used for the financing of:

639 (i) ongoing operating expenses of a center, clinic, or facility described in Subsection
640 (1)(a)(ii)(B) within that county;

641 (ii) the acquisition of land for a center, clinic, or facility described in Subsection
642 (1)(a)(ii)(B) within that county;

643 (iii) the design, construction, equipping, or furnishing of a center, clinic, or facility
644 described in Subsection (1)(a)(ii)(B) within that county; or

645 (iv) the provision of rural emergency medical services within that county.

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

647 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in

648 accordance with:

649 (A) the same procedures used to administer, collect, and enforce the tax under:

650 (I) Part 1, Tax Collection; or

651 (II) Part 2, Local Sales and Use Tax Act; and

652 (B) Chapter 1, General Taxation Policies; and

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

655 (b) Notwithstanding Subsection (4)(a)(i), a tax under this section is not subject to
656 Subsections 59-12-205(2) through (7).

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

659 Section 9. Section **59-12-804** is amended to read:

660 **59-12-804. Imposition of rural city hospital tax -- Base -- Rate -- Administration,**
661 **collection, and enforcement of tax.**

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

663 (i) on the transactions described in Subsection 59-12-103(1) located within the city;

664 and

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

666 (b) Notwithstanding Subsection (1)(a)(i), a city legislative body may not impose a tax
667 under this section on:

668 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
669 are exempt from taxation under Section 59-12-104; ~~[and]~~

670 (ii) ~~[any]~~ amounts paid or charged by a seller that collects a tax under Subsection
671 59-12-107(1)(b)~~[-]; and~~

672 (iii) except as provided in Subsection (1)(d), amounts paid or charged for food and
673 food ingredients.

674 (c) For purposes of this Subsection (1), the location of a transaction shall be
675 determined in accordance with Section 59-12-207.

676 (d) A city legislative body imposing a tax under this section shall impose the tax on
677 amounts paid or charged for food and food ingredients if:

678 (i) the food and food ingredients are sold as part of a bundled transaction attributable to

679 food and food ingredients and tangible personal property other than food and food ingredients;
680 and

681 (ii) the seller collecting the tax is a seller other than a seller that collects a tax in
682 accordance with Subsection 59-12-107(1)(b).

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

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

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

687 (b) The city legislative body shall conduct the election according to the procedures and
688 requirements of Title 11, Chapter 14, Local Government Bonding Act.

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

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

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

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

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

695 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
696 accordance with:

697 (A) the same procedures used to administer, collect, and enforce the tax under:

698 (I) Part 1, Tax Collection; or

699 (II) Part 2, Local Sales and Use Tax Act; and

700 (B) Chapter 1, General Taxation Policies; and

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

703 (b) Notwithstanding Subsection (4)(a)(i), a tax under this section is not subject to
704 Subsections 59-12-205(2) through (7).

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

707 Section 10. Section **59-12-1001** is amended to read:

708 **59-12-1001. Authority to impose tax for highways or to fund a system for public**
709 **transit -- Base -- Rate -- Ordinance requirements -- Voter approval requirements --**

710 **Election requirements -- Notice of election requirements -- Exceptions to voter approval**
711 **requirements -- Enactment or repeal of tax -- Effective date -- Notice requirements.**

712 (1) (a) A city or town in which the transactions described in Subsection 59-12-103(1)
713 are not subject to a sales and use tax under Section 59-12-501 may as provided in this part
714 impose a sales and use tax of .25% on the transactions described in Subsection 59-12-103(1)
715 located within the city or town.

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

718 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
719 are exempt from taxation under Section 59-12-104; ~~and~~

720 (ii) ~~any~~ amounts paid or charged by a seller that collects a tax under Subsection
721 59-12-107(1)(b)~~[-]; and~~

722 (iii) except as provided in Subsection (1)(d), amounts paid or charged for food and
723 food ingredients.

724 (c) For purposes of this Subsection (1), the location of a transaction shall be
725 determined in accordance with Section 59-12-207.

726 (d) A city or town imposing a tax under this section shall impose the tax on amounts
727 paid or charged for food and food ingredients if:

728 (i) the food and food ingredients are sold as part of a bundled transaction attributable to
729 food and food ingredients and tangible personal property other than food and food ingredients;

730 and

731 (ii) the seller collecting the tax is a seller other than a seller that collects a tax in
732 accordance with Subsection 59-12-107(1)(b).

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

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

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

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

739 (b) (i) For purposes of Subsection (2)(a)(ii) and except as provided in Subsection
740 (2)(b)(ii), "public transit" is as defined in Section 17A-2-1004.

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

743 (3) To impose a tax under this part, the governing body of the city or town shall:

744 (a) pass an ordinance approving the tax; and

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

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

748 (a) hold an election during:

749 (i) a regular general election; or

750 (ii) a municipal general election; and

751 (b) publish notice of the election:

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

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

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

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

757 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
758 4, Annexation.

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

760 (b) (i) Except as provided in Subsection (6)(c) or (d), if, on or after July 1, 2004, a city
761 or town enacts or repeals a tax under this part, the enactment or repeal shall take effect:

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

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

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

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

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

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

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

771 (c) (i) Notwithstanding Subsection (6)(b)(i), for a transaction described in Subsection

772 (6)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

773 (A) that begins after the effective date of the enactment of the tax; and

774 (B) if the billing period for the transaction begins before the effective date of the
775 enactment of the tax under Subsection (1).

776 (ii) Notwithstanding Subsection (6)(b)(i), for a transaction described in Subsection
777 (6)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

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

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

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

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

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

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

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

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

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

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

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

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

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

792 (d) (i) Notwithstanding Subsection (6)(b)(i), if a tax due under this chapter on a
793 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
794 enactment or repeal of a tax described in Subsection (6)(b)(i) takes effect:

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

796 (B) beginning 60 days after the effective date of the enactment or repeal under
797 Subsection (6)(b)(i).

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

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

- 803 (A) on the first day of a calendar quarter; and
- 804 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 805 the requirements of Subsection (6)(e)(ii) from the city or town that annexes the annexing area.
- 806 (ii) The notice described in Subsection (6)(e)(i)(B) shall state:
- 807 (A) that the annexation described in Subsection (6)(e)(i) will result in an enactment or
- 808 repeal of a tax under this part for the annexing area;
- 809 (B) the statutory authority for the tax described in Subsection (6)(e)(ii)(A);
- 810 (C) the effective date of the tax described in Subsection (6)(e)(ii)(A); and
- 811 (D) the rate of the tax described in Subsection (6)(e)(ii)(A).
- 812 (f) (i) Notwithstanding Subsection (6)(e)(i), for a transaction described in Subsection
- 813 (6)(f)(iii), the enactment of a tax shall take effect on the first day of the first billing period:
- 814 (A) that begins after the effective date of the enactment of the tax; and
- 815 (B) if the billing period for the transaction begins before the effective date of the
- 816 enactment of the tax under Subsection (1).
- 817 (ii) Notwithstanding Subsection (6)(e)(i), for a transaction described in Subsection
- 818 (6)(f)(iii), the repeal of a tax shall take effect on the first day of the last billing period:
- 819 (A) that began before the effective date of the repeal of the tax; and
- 820 (B) if the billing period for the transaction begins before the effective date of the repeal
- 821 of the tax imposed under Subsection (1).
- 822 (iii) Subsections (6)(f)(i) and (ii) apply to transactions subject to a tax under:
- 823 (A) Subsection 59-12-103(1)(b);
- 824 (B) Subsection 59-12-103(1)(c);
- 825 (C) Subsection 59-12-103(1)(d);
- 826 (D) Subsection 59-12-103(1)(e);
- 827 (E) Subsection 59-12-103(1)(f);
- 828 (F) Subsection 59-12-103(1)(g);
- 829 (G) Subsection 59-12-103(1)(h);
- 830 (H) Subsection 59-12-103(1)(i);
- 831 (I) Subsection 59-12-103(1)(j); or
- 832 (J) Subsection 59-12-103(1)(k).
- 833 (g) (i) Notwithstanding Subsection (6)(e)(i), if a tax due under this chapter on a

834 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
835 enactment or repeal of a tax described in Subsection (6)(e)(i) takes effect:

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

837 (B) beginning 60 days after the effective date of the enactment or repeal under

838 Subsection (6)(e)(i).

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

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

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

845 (ii) the city or town:

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

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

850 (b) Notwithstanding Subsection (7)(a), the exception from the voter approval
851 requirements in Subsection (7)(a)(i) does not apply to a city or town that, on or before January
852 1, 1996, imposed a license fee or tax on only one class of businesses based on gross receipts
853 pursuant to Section 10-1-203.

854 Section 11. Section **59-12-1302** is amended to read:

855 **59-12-1302. Authority to impose -- Base -- Rate -- Enactment or repeal of tax --**

856 **Tax rate change -- Effective date -- Notice requirements.**

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

859 (2) A town may impose a tax as provided in this part if the town imposed a license fee
860 or tax on businesses based on gross receipts under Section 10-1-203 on or before January 1,
861 1996.

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

863 (a) except as provided in Subsection (4), impose the tax on the transactions described
864 in Subsection 59-12-103(1) located within the town; and

865 (b) provide an effective date for the tax as provided in Subsection (5).

866 (4) (a) Notwithstanding Subsection (3)(a), a town may not impose a tax under this
867 section on:

868 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
869 are exempt from taxation under Section 59-12-104; [~~and~~]

870 (ii) [~~any~~] amounts paid or charged by a seller that collects a tax under Subsection
871 59-12-107(1)(b)[~~;~~]; and

872 (iii) except as provided in Subsection (4)(c), amounts paid or charged for food and
873 food ingredients.

874 (b) For purposes of this Subsection (4), the location of a transaction shall be
875 determined in accordance with Section 59-12-207.

876 (c) A town imposing a tax under this section shall impose the tax on amounts paid or
877 charged for food and food ingredients if:

878 (i) the food and food ingredients are sold as part of a bundled transaction attributable to
879 food and food ingredients and tangible personal property other than food and food ingredients;
880 and

881 (ii) the seller collecting the tax is a seller other than a seller that collects a tax in
882 accordance with Subsection 59-12-107(1)(b).

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

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

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

887 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
888 town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal,
889 or change shall take effect:

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

891 (B) after a 90-day period beginning on the date the commission receives notice meeting
892 the requirements of Subsection (5)(b)(ii) from the town.

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

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

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

896 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and
897 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
898 (5)(b)(ii)(A), the rate of the tax.

899 (c) (i) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
900 (5)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
901 first billing period:

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

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

906 (ii) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
907 (5)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
908 billing period:

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

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

913 (iii) Subsections (5)(c)(i) and (ii) apply to transactions subject to a tax under:

914 (A) Subsection 59-12-103(1)(b);
915 (B) Subsection 59-12-103(1)(c);
916 (C) Subsection 59-12-103(1)(d);
917 (D) Subsection 59-12-103(1)(e);
918 (E) Subsection 59-12-103(1)(f);
919 (F) Subsection 59-12-103(1)(g);
920 (G) Subsection 59-12-103(1)(h);
921 (H) Subsection 59-12-103(1)(i);
922 (I) Subsection 59-12-103(1)(j); or
923 (J) Subsection 59-12-103(1)(k).

924 (d) (i) Notwithstanding Subsection (5)(b)(i), if a tax due under this chapter on a
925 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
926 enactment, repeal, or change in the rate of a tax described in Subsection (5)(b)(i) takes effect:

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

928 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
929 rate of the tax under Subsection (5)(b)(i).

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

932 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
933 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
934 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
935 effect:

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

937 (B) after a 90-day period beginning on the date the commission receives notice meeting
938 the requirements of Subsection (5)(e)(ii) from the town that annexes the annexing area.

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

940 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment,
941 repeal, or change in the rate of a tax under this part for the annexing area;

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

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

944 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
945 (5)(e)(ii)(A), the rate of the tax.

946 (f) (i) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection
947 (5)(f)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
948 first billing period:

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

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

953 (ii) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection
954 (5)(f)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
955 billing period:

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

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

960 (iii) Subsections (5)(f)(i) and (ii) apply to transactions subject to a tax under:

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

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

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

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

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

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

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

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

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

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

971 (g) (i) Notwithstanding Subsection (5)(e)(i), if a tax due under this chapter on a
972 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
973 enactment, repeal, or change in the rate of a tax described in Subsection (5)(e)(i) takes effect:

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

975 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
976 rate of the tax under Subsection (5)(e)(i).

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

979 (6) The commission shall:

980 (a) except as provided in Subsection (6)(c), distribute the revenues generated by the tax
981 under this section to the town imposing the tax;

982 (b) except as provided in Subsection (7), administer, collect, and enforce the tax
983 authorized under this section in accordance with:

984 (i) the same procedures used to administer, collect, and enforce the tax under:

985 (A) Part 1, Tax Collection; or

986 (B) Part 2, Local Sales and Use Tax Act; and

987 (ii) Chapter 1, General Taxation Policies; and

988 (c) deduct from the distribution under Subsection (6)(a) an administrative charge for

989 collecting the tax as provided in Section 59-12-206.

990 (7) Notwithstanding Subsection (6)(b), a tax under this section is not subject to
991 Subsections 59-12-205(2) through (7).

992 Section 12. Section **59-12-1402** is amended to read:

993 **59-12-1402. Opinion question election -- Base -- Rate -- Imposition of tax -- Uses**
994 **of tax monies -- Enactment or repeal of tax -- Effective date -- Notice requirements.**

995 (1) (a) (i) Subject to Subsection (6), beginning on January 1, 2003, a city or town
996 legislative body subject to this part may submit an opinion question to the residents of that city
997 or town, by majority vote of all members of the legislative body, so that each resident of the
998 city or town has an opportunity to express the resident's opinion on the imposition of a local
999 sales and use tax of .1% on the transactions described in Subsection 59-12-103(1) located
1000 within the city or town, to fund recreational and zoological facilities and botanical, cultural,
1001 and zoological organizations in that city or town.

1002 (ii) Notwithstanding Subsection (1)(a)(i), a city or town legislative body may not
1003 impose a tax under this section:

1004 (A) if the county in which the city or town is located imposes a tax under Part 7,
1005 County Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or
1006 Facilities;

1007 (B) on the sales and uses described in Section 59-12-104 to the extent the sales and
1008 uses are exempt from taxation under Section 59-12-104; ~~and~~

1009 (C) on ~~any~~ amounts paid or charged by a seller that collects a tax under Subsection
1010 59-12-107(1)(b)~~[-]; and~~

1011 (D) except as provided in Subsection (1)(c), on amounts paid or charged for food and
1012 food ingredients.

1013 (b) For purposes of this Subsection (1), the location of a transaction shall be
1014 determined in accordance with Section 59-12-207.

1015 (c) A city or town legislative body imposing a tax under this section shall impose the
1016 tax on amounts paid or charged for food and food ingredients if:

1017 (i) the food and food ingredients are sold as part of a bundled transaction attributable to
1018 food and food ingredients and tangible personal property other than food and food ingredients;
1019 and

1020 (ii) the seller collecting the tax is a seller other than a seller that collects a tax in
1021 accordance with Subsection 59-12-107(1)(b).

1022 [~~(c)~~] (d) The election shall be held at a regular general election or a municipal general
1023 election, as those terms are defined in Section 20A-1-102, and shall follow the procedures
1024 outlined in Title 11, Chapter 14, Local Government Bonding Act, except as provided in
1025 Subsection (6).

1026 (2) If the city or town legislative body determines that a majority of the city's or town's
1027 registered voters voting on the imposition of the tax have voted in favor of the imposition of
1028 the tax as prescribed in Subsection (1)(a), the city or town legislative body may impose the tax
1029 by a majority vote of all members of the legislative body.

1030 (3) The monies generated from any tax imposed under Subsection (2) shall be used for
1031 financing:

1032 (a) recreational and zoological facilities within the city or town or within the
1033 geographic area of entities that are parties to an interlocal agreement, to which the city or town
1034 is a party, providing for recreational or zoological facilities; and

1035 (b) ongoing operating expenses of botanical, cultural, and zoological organizations
1036 within the city or town or within the geographic area of entities that are parties to an interlocal
1037 agreement, to which the city or town is a party, providing for the support of botanical, cultural,
1038 or zoological organizations.

1039 (4) (a) A tax authorized under this part shall be:

1040 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
1041 accordance with:

1042 (A) the same procedures used to administer, collect, and enforce the tax under:

1043 (I) Part 1, Tax Collection; or

1044 (II) Part 2, Local Sales and Use Tax Act; and

1045 (B) Chapter 1, General Taxation Policies; and

1046 (ii) (A) levied for a period of eight years; and

1047 (B) may be reauthorized at the end of the eight-year period in accordance with this
1048 section.

1049 (b) Notwithstanding Subsection (4)(a)(i), a tax under this section is not subject to
1050 Subsections 59-12-205(2) through (7).

- 1051 (5) (a) For purposes of this Subsection (5):
- 1052 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
- 1053 4, Annexation.
- 1054 (ii) "Annexing area" means an area that is annexed into a city or town.
- 1055 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a city
- 1056 or town enacts or repeals a tax under this part, the enactment or repeal shall take effect:
- 1057 (A) on the first day of a calendar quarter; and
- 1058 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 1059 the requirements of Subsection (5)(b)(ii) from the city or town.
- 1060 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:
- 1061 (A) that the city or town will enact or repeal a tax under this part;
- 1062 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);
- 1063 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and
- 1064 (D) if the city or town enacts the tax described in Subsection (5)(b)(ii)(A), the rate of
- 1065 the tax.
- 1066 (c) (i) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
- 1067 (5)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing period:
- 1068 (A) that begins after the effective date of the enactment of the tax; and
- 1069 (B) if the billing period for the transaction begins before the effective date of the
- 1070 enactment of the tax under this section.
- 1071 (ii) Notwithstanding Subsection (5)(b)(i), for a transaction described in Subsection
- 1072 (5)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:
- 1073 (A) that began before the effective date of the repeal of the tax; and
- 1074 (B) if the billing period for the transaction begins before the effective date of the repeal
- 1075 of the tax imposed under this section.
- 1076 (iii) Subsections (5)(c)(i) and (ii) apply to transactions subject to a tax under:
- 1077 (A) Subsection 59-12-103(1)(b);
- 1078 (B) Subsection 59-12-103(1)(c);
- 1079 (C) Subsection 59-12-103(1)(d);
- 1080 (D) Subsection 59-12-103(1)(e);
- 1081 (E) Subsection 59-12-103(1)(f);

- 1082 (F) Subsection 59-12-103(1)(g);
- 1083 (G) Subsection 59-12-103(1)(h);
- 1084 (H) Subsection 59-12-103(1)(i);
- 1085 (I) Subsection 59-12-103(1)(j); or
- 1086 (J) Subsection 59-12-103(1)(k).

1087 (d) (i) Notwithstanding Subsection (5)(b)(i), if a tax due under this chapter on a
1088 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
1089 enactment or repeal of a tax described in Subsection (5)(b)(i) takes effect:

1090 (A) on the first day of a calendar quarter; and

1091 (B) beginning 60 days after the effective date of the enactment or repeal under
1092 Subsection (5)(b)(i).

1093 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1094 the commission may by rule define the term "catalogue sale."

1095 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
1096 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
1097 part for an annexing area, the enactment or repeal shall take effect:

1098 (A) on the first day of a calendar quarter; and

1099 (B) after a 90-day period beginning on the date the commission receives notice meeting
1100 the requirements of Subsection (5)(e)(ii) from the city or town that annexes the annexing area.

1101 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

1102 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
1103 repeal a tax under this part for the annexing area;

1104 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

1105 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

1106 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

1107 (f) (i) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection
1108 (5)(f)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

1109 (A) that begins after the effective date of the enactment of the tax; and

1110 (B) if the billing period for the transaction begins before the effective date of the
1111 enactment of the tax under this section.

1112 (ii) Notwithstanding Subsection (5)(e)(i), for a transaction described in Subsection

- 1113 (5)(f)(iii), the repeal of a tax shall take effect on the first day of the last billing period:
- 1114 (A) that began before the effective date of the repeal of the tax; and
- 1115 (B) if the billing period for the transaction begins before the effective date of the repeal
- 1116 of the tax imposed under this section.
- 1117 (iii) Subsections (5)(f)(i) and (ii) apply to transactions subject to a tax under:
- 1118 (A) Subsection 59-12-103(1)(b);
- 1119 (B) Subsection 59-12-103(1)(c);
- 1120 (C) Subsection 59-12-103(1)(d);
- 1121 (D) Subsection 59-12-103(1)(e);
- 1122 (E) Subsection 59-12-103(1)(f);
- 1123 (F) Subsection 59-12-103(1)(g);
- 1124 (G) Subsection 59-12-103(1)(h);
- 1125 (H) Subsection 59-12-103(1)(i);
- 1126 (I) Subsection 59-12-103(1)(j); or
- 1127 (J) Subsection 59-12-103(1)(k).
- 1128 (g) (i) Notwithstanding Subsection (5)(e)(i), if a tax due under this chapter on a
- 1129 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
- 1130 enactment or repeal of a tax described in Subsection (5)(e)(i) takes effect:
- 1131 (A) on the first day of a calendar quarter; and
- 1132 (B) beginning 60 days after the effective date of the enactment or repeal under
- 1133 Subsection (5)(e)(i).
- 1134 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
- 1135 the commission may by rule define the term "catalogue sale."
- 1136 (6) (a) Before a city or town legislative body submits an opinion question to the
- 1137 residents of the city or town under Subsection (1)(a)(i), the city or town legislative body shall:
- 1138 (i) submit to the county legislative body in which the city or town is located a written
- 1139 notice of the intent to submit the opinion question to the residents of the city or town; and
- 1140 (ii) receive from the county legislative body:
- 1141 (A) a written resolution passed by the county legislative body stating that the county
- 1142 legislative body is not seeking to impose a tax under Part 7, County Option Funding for
- 1143 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities; or

1144 (B) a written statement that in accordance with Subsection (6)(b) the results of a county
1145 opinion question submitted to the residents of the county under Part 7, County Option Funding
1146 for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, permit the city
1147 or town legislative body to submit the opinion question to the residents of the city or town in
1148 accordance with this part.

1149 (b) (i) Within 60 days after the day the county legislative body receives from a city or
1150 town legislative body described in Subsection (6)(a) the notice of the intent to submit an
1151 opinion question to the residents of the city or town, the county legislative body shall provide
1152 the city or town legislative body:

1153 (A) the written resolution described in Subsection (6)(a)(ii)(A); or

1154 (B) written notice that the county legislative body will submit an opinion question to
1155 the residents of the county under Part 7, County Option Funding for Botanical, Cultural,
1156 Recreational, and Zoological Organizations or Facilities, for the county to impose a tax under
1157 that part.

1158 (ii) If the county legislative body provides the city or town legislative body the written
1159 notice that the county legislative body will submit an opinion question as provided in
1160 Subsection (6)(b)(i)(B), the county legislative body shall submit the opinion question by no
1161 later than, from the date the county legislative body sends the written notice, the later of:

1162 (A) a 12-month period;

1163 (B) the next regular primary election; or

1164 (C) the next regular general election.

1165 (iii) Within 30 days of the date of the canvass of the election at which the opinion
1166 question under Subsection (6)(b)(ii) is voted on, the county legislative body shall provide the
1167 city or town legislative body described in Subsection (6)(a) written results of the opinion
1168 question submitted by the county legislative body under Part 7, County Option Funding for
1169 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, indicating that:

1170 (A) (I) the city or town legislative body may not impose a tax under this part because a
1171 majority of the county's registered voters voted in favor of the county imposing the tax and the
1172 county legislative body by a majority vote approved the imposition of the tax; or

1173 (II) for at least 12 months from the date the written results are submitted to the city or
1174 town legislative body, the city or town legislative body may not submit to the county legislative

1175 body a written notice of the intent to submit an opinion question under this part because a
 1176 majority of the county's registered voters voted against the county imposing the tax and the
 1177 majority of the registered voters who are residents of the city or town described in Subsection
 1178 (6)(a) voted against the imposition of the county tax; or

1179 (B) the city or town legislative body may submit the opinion question to the residents
 1180 of the city or town in accordance with this part because although a majority of the county's
 1181 registered voters voted against the county imposing the tax, the majority of the registered voters
 1182 who are residents of the city or town voted for the imposition of the county tax.

1183 (c) Notwithstanding Subsection (6)(b), at any time a county legislative body may
 1184 provide a city or town legislative body described in Subsection (6)(a) a written resolution
 1185 passed by the county legislative body stating that the county legislative body is not seeking to
 1186 impose a tax under Part 7, County Option Funding for Botanical, Cultural, Recreational, and
 1187 Zoological Organizations or Facilities, which permits the city or town legislative body to
 1188 submit under Subsection (1)(a)(i) an opinion question to the city's or town's residents.

1189 Section 13. Section **59-12-1503** is amended to read:

1190 **59-12-1503. Opinion question election -- Base -- Rate -- Imposition of tax -- Use of**
 1191 **tax revenues -- Administration, collection, and enforcement of tax by commission --**
 1192 **Administrative fee -- Enactment or repeal of tax -- Annexation -- Notice.**

1193 (1) (a) Beginning on or after April 1, 2004, and subject to the other provisions of this
 1194 part, the county legislative body of a qualifying county may impose a sales and use tax of .25%:

1195 (i) on the transactions:

1196 (A) described in Subsection 59-12-103(1); and

1197 (B) within the county, including the cities and towns within the county;

1198 (ii) for the purposes determined by the county legislative body in accordance with

1199 Subsection (2); and

1200 (iii) in addition to any other sales and use tax authorized under this chapter.

1201 (b) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a
 1202 tax under this section on:

1203 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
 1204 are exempt from taxation under Section 59-12-104; [or]

1205 (ii) [any] amounts paid or charged by a seller that collects a tax under Subsection

1206 59-12-107(1)(b)[-]; and

1207 (iii) except as provided in Subsection (1)(d), amounts paid or charged for food and
1208 food ingredients.

1209 (c) For purposes of this Subsection (1), the location of a transaction shall be
1210 determined in accordance with Section 59-12-207.

1211 (d) A county legislative body imposing a tax under this section shall impose the tax on
1212 amounts paid or charged for food and food ingredients if:

1213 (i) the food and food ingredients are sold as part of a bundled transaction attributable to
1214 food and food ingredients and tangible personal property other than food and food ingredients;
1215 and

1216 (ii) the seller collecting the tax is a seller other than a seller that collects a tax in
1217 accordance with Subsection 59-12-107(1)(b).

1218 (2) (a) Subject to Subsection (2)(b), before obtaining the approval required by
1219 Subsection (3), a county legislative body shall adopt a resolution specifying the percentage of
1220 revenues the county will receive from the tax under this part that will be allocated to fund one
1221 or more of the following:

1222 (i) a project or service relating to a fixed guideway system:

1223 (A) for the portion of the project or service that is performed within the county; and

1224 (B) if the fixed guideway system is owned and operated by a public transit district
1225 organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act;

1226 (ii) a project or service relating to a system for public transit:

1227 (A) for the portion of the project or service that is performed within the county; and

1228 (B) if the system for public transit is owned and operated by a public transit district
1229 organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act; or

1230 (iii) the following relating to a state highway within the county:

1231 (A) a project beginning on or after the day on which a county legislative body imposes
1232 a tax under this part only within the county involving:

1233 (I) new construction;

1234 (II) a renovation;

1235 (III) an improvement; or

1236 (IV) an environmental study;

1237 (B) debt service on a project described in Subsections (2)(a)(iii)(A)(I) through (IV); or
1238 (C) bond issuance costs relating to a project described in Subsections (2)(a)(iii)(A)(I)
1239 through (IV).

1240 (b) (i) A county legislative body shall in the resolution required by Subsection (2)(a)
1241 allocate as required by Subsection (2)(a) 100% of the revenues the county will receive from the
1242 tax under this part.

1243 (ii) For purposes of this Subsection (2)(b), the revenues a county will receive from the
1244 tax under this part do not include amounts retained by the commission in accordance with
1245 Subsection (8).

1246 (3) (a) Before imposing a tax under this part, a county legislative body shall:

1247 (i) obtain approval from a majority of the members of the county legislative body to:

1248 (A) impose the tax; and

1249 (B) allocate the revenues the county will receive from the tax in accordance with the
1250 resolution adopted in accordance with Subsection (2); and

1251 (ii) subject to Subsection (3)(b), submit an opinion question to the county's registered
1252 voters voting on the imposition of the tax so that each registered voter has the opportunity to
1253 express the registered voter's opinion on whether a tax should be imposed under this part.

1254 (b) The opinion question required by Subsection (3)(a)(ii) shall state the allocations
1255 specified in the resolution:

1256 (i) adopted in accordance with Subsection (2); and

1257 (ii) approved by the county legislative body in accordance with Subsection (3)(a).

1258 (c) The election required by this Subsection (3) shall be held:

1259 (i) (A) at a regular general election; and

1260 (B) in accordance with the procedures and requirements of Title 20A, Election Code,
1261 governing regular general elections; or

1262 (ii) (A) at a special election called by the county legislative body;

1263 (B) only on the date of a municipal general election provided in Subsection
1264 20A-1-202(1); and

1265 (C) in accordance with the procedures and requirements of Section 20A-1-203.

1266 (4) (a) Subject to Subsection (8), if a county legislative body determines that a majority
1267 of the county's registered voters voting on the imposition of the tax have voted in favor of the

1268 imposition of the tax in accordance with Subsection (3), the county legislative body may
1269 impose the tax by a majority vote of all of the members of the county legislative body.

1270 (b) If a county legislative body imposes a tax under Subsection (4)(a), the revenues
1271 generated by the tax shall be:

1272 (i) allocated in accordance with the allocations specified in the resolution under
1273 Subsection (2); and

1274 (ii) expended as provided in this part.

1275 (5) If a county legislative body allocates revenues generated by the tax for a project
1276 described in Subsection (2)(a)(iii)(A), before beginning the project the county legislative body
1277 shall:

1278 (a) obtain approval from the Transportation Commission to complete the project; and

1279 (b) enter into an interlocal agreement:

1280 (i) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act;

1281 (ii) with the Department of Transportation; and

1282 (iii) to complete the project.

1283 (6) (a) If after a county legislative body imposes a tax under Subsection (4) the county
1284 legislative body seeks to change the allocation of the tax specified in the resolution under
1285 Subsection (2), the county legislative body may change the allocation of the tax by:

1286 (i) adopting a resolution in accordance with Subsection (2) specifying the percentage of
1287 revenues the county will receive from the tax under this part that will be allocated to fund one
1288 or more of the systems or projects described in Subsection (2);

1289 (ii) obtaining approval to change the allocation of the tax from a majority of the
1290 members of the county legislative body; and

1291 (iii) (A) submitting an opinion question to the county's registered voters voting on
1292 changing the allocation of the tax so that each registered voter has the opportunity to express
1293 the registered voter's opinion on whether the allocation of the tax should be changed; and

1294 (B) obtaining approval to change the allocation of the tax from a majority of the
1295 county's registered voters voting on changing the allocation of the tax.

1296 (b) (i) The opinion question required by Subsection (6)(a)(iii) shall state the allocations
1297 specified in the resolution:

1298 (A) adopted in accordance with Subsection (6)(a)(i); and

1299 (B) approved by the county legislative body in accordance with Subsection (6)(a)(ii).

1300 (ii) The election required by Subsection (6)(a)(iii) shall follow the procedures and
1301 requirements of Title 11, Chapter 14, Local Government Bonding Act.

1302 (7) (a) (i) Except as provided in Subsection (7)(a)(ii), revenues generated by a tax
1303 under this part that are allocated for a purpose described in Subsection (2)(a)(i) or (ii) shall be
1304 transmitted:

1305 (A) by the commission;

1306 (B) to the county;

1307 (C) monthly; and

1308 (D) by electronic funds transfer.

1309 (ii) Notwithstanding Subsection (7)(a)(i), a county may request that the commission
1310 transfer the revenues described in Subsection (7)(a)(i):

1311 (A) directly to a public transit district:

1312 (I) organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act; and

1313 (II) designated by the county; and

1314 (B) by providing written notice to the commission:

1315 (I) requesting the revenues to be transferred directly to a public transit district as
1316 provided in Subsection (7)(a)(ii)(A); and

1317 (II) designating the public transit district to which the revenues are requested to be
1318 transferred.

1319 (b) Revenues generated by a tax under this part that are allocated for a purpose
1320 described in Subsection (2)(a)(iii) shall be:

1321 (i) deposited into the State Highway Projects Within Counties Fund created by Section
1322 72-2-121.1; and

1323 (ii) expended as provided in Section 72-2-121.1.

1324 (8) (a) (i) Except as provided in Subsection (8)(a)(ii), the tax authorized under this part
1325 shall be administered, collected, and enforced in accordance with:

1326 (A) the same procedures used to administer, collect, and enforce the tax under:

1327 (I) Part 1, Tax Collection; or

1328 (II) Part 2, Local Sales and Use Tax Act; and

1329 (B) Chapter 1, General Taxation Policies.

- 1330 (ii) Notwithstanding Subsection (8)(a)(i), a tax under this part is not subject to
- 1331 Subsections 59-12-205(2) through (7).
- 1332 (b) (i) The commission may retain an amount of tax collected under this part of not to
- 1333 exceed the lesser of:
- 1334 (A) 1.5%; or
- 1335 (B) an amount equal to the cost to the commission of administering this part.
- 1336 (ii) Any amount the commission retains under Subsection (8)(b)(i) shall be:
- 1337 (A) placed in the Sales and Use Tax Administrative Fees Account; and
- 1338 (B) used as provided in Subsection 59-12-206(2).
- 1339 (9) (a) (i) Except as provided in Subsection (9)(b) or (c), if, on or after July 1, 2004, a
- 1340 county enacts or repeals a tax under this part, the enactment or repeal shall take effect:
- 1341 (A) on the first day of a calendar quarter; and
- 1342 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 1343 the requirements of Subsection (9)(a)(ii) from the county.
- 1344 (ii) The notice described in Subsection (9)(a)(i)(B) shall state:
- 1345 (A) that the county will enact or repeal a tax under this part;
- 1346 (B) the statutory authority for the tax described in Subsection (9)(a)(ii)(A);
- 1347 (C) the effective date of the tax described in Subsection (9)(a)(ii)(A); and
- 1348 (D) if the county enacts the tax described in Subsection (9)(a)(ii)(A), the rate of the tax.
- 1349 (b) (i) Notwithstanding Subsection (9)(a)(i), for a transaction described in Subsection
- 1350 (9)(b)(iii), the enactment of a tax shall take effect on the first day of the first billing period:
- 1351 (A) that begins after the effective date of the enactment of the tax; and
- 1352 (B) if the billing period for the transaction begins before the effective date of the
- 1353 enactment of the tax under Subsection (1).
- 1354 (ii) Notwithstanding Subsection (9)(a)(i), for a transaction described in Subsection
- 1355 (9)(b)(iii), the repeal of a tax shall take effect on the first day of the last billing period:
- 1356 (A) that began before the effective date of the repeal of the tax; and
- 1357 (B) if the billing period for the transaction begins before the effective date of the repeal
- 1358 of the tax imposed under Subsection (1).
- 1359 (iii) Subsections (9)(b)(i) and (ii) apply to transactions subject to a tax under:
- 1360 (A) Subsection 59-12-103(1)(b);

- 1361 (B) Subsection 59-12-103(1)(c);
1362 (C) Subsection 59-12-103(1)(d);
1363 (D) Subsection 59-12-103(1)(e);
1364 (E) Subsection 59-12-103(1)(f);
1365 (F) Subsection 59-12-103(1)(g);
1366 (G) Subsection 59-12-103(1)(h);
1367 (H) Subsection 59-12-103(1)(i);
1368 (I) Subsection 59-12-103(1)(j); or
1369 (J) Subsection 59-12-103(1)(k).
- 1370 (c) (i) Notwithstanding Subsection (9)(a)(i), if a tax due under this chapter on a
1371 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
1372 enactment or repeal of a tax described in Subsection (9)(a)(i) takes effect:
- 1373 (A) on the first day of a calendar quarter; and
1374 (B) beginning 60 days after the effective date of the enactment or repeal under
1375 Subsection (9)(a)(i).
- 1376 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1377 the commission may by rule define the term "catalogue sale."
- 1378 (d) (i) Except as provided in Subsection (9)(e) or (f), if, for an annexation that occurs
1379 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
1380 part for an annexing area, the enactment or repeal shall take effect:
- 1381 (A) on the first day of a calendar quarter; and
1382 (B) after a 90-day period beginning on the date the commission receives notice meeting
1383 the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.
- 1384 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:
- 1385 (A) that the annexation described in Subsection (9)(d)(i)(B) will result in an enactment
1386 or repeal of a tax under this part for the annexing area;
1387 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);
1388 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and
1389 (D) the rate of the tax described in Subsection (9)(d)(ii)(A).
- 1390 (e) (i) Notwithstanding Subsection (9)(d)(i), for a transaction described in Subsection
1391 (9)(e)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

1392 (A) that begins after the effective date of the enactment of the tax; and
1393 (B) if the billing period for the transaction begins before the effective date of the
1394 enactment of the tax under Subsection (1).
1395 (ii) Notwithstanding Subsection (9)(d)(i), for a transaction described in Subsection
1396 (9)(e)(iii), the repeal of a tax shall take effect on the first day of the last billing period:
1397 (A) that began before the effective date of the repeal of the tax; and
1398 (B) if the billing period for the transaction begins before the effective date of the repeal
1399 of the tax imposed under Subsection (1).
1400 (iii) Subsections (9)(e)(i) and (ii) apply to transactions subject to a tax under:
1401 (A) Subsection 59-12-103(1)(b);
1402 (B) Subsection 59-12-103(1)(c);
1403 (C) Subsection 59-12-103(1)(d);
1404 (D) Subsection 59-12-103(1)(e);
1405 (E) Subsection 59-12-103(1)(f);
1406 (F) Subsection 59-12-103(1)(g);
1407 (G) Subsection 59-12-103(1)(h);
1408 (H) Subsection 59-12-103(1)(i);
1409 (I) Subsection 59-12-103(1)(j); or
1410 (J) Subsection 59-12-103(1)(k).
1411 (f) (i) Notwithstanding Subsection (9)(d)(i), if a tax due under this chapter on a
1412 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
1413 enactment or repeal of a tax described in Subsection (9)(d)(i) takes effect:
1414 (A) on the first day of a calendar quarter; and
1415 (B) beginning 60 days after the effective date of the enactment or repeal under
1416 Subsection (9)(d)(i).
1417 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1418 the commission may by rule define the term "catalogue sale."
1419 Section 14. Section **59-12-1703** is amended to read:
1420 **59-12-1703. Opinion question election -- Base -- Rate -- Imposition of tax -- Use of**
1421 **tax revenues -- Administration, collection, and enforcement of tax by commission --**
1422 **Administrative fee -- Enactment or repeal of tax -- Annexation -- Notice.**

1423 (1) (a) Beginning on or after April 1, 2007, and subject to the other provisions of this
1424 part, a county legislative body may impose a sales and use tax of up to .25%:

1425 (i) on the transactions:

1426 (A) described in Subsection 59-12-103(1); and

1427 (B) within the county, including the cities and towns within the county;

1428 (ii) for the purposes described in Subsection (4); and

1429 (iii) in addition to any other sales and use tax authorized under this chapter.

1430 (b) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a
1431 tax under this section on:

1432 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
1433 are exempt from taxation under Section 59-12-104; [~~or~~]

1434 (ii) [~~any~~] amounts paid or charged by a seller that collects a tax under Subsection
1435 59-12-107(1)(b)[~~;~~]; and

1436 (iii) except as provided in Subsection (1)(d), amounts paid or charged for food and
1437 food ingredients.

1438 (c) For purposes of this Subsection (1), the location of a transaction shall be
1439 determined in accordance with Section 59-12-207.

1440 (d) A county legislative body imposing a tax under this section shall impose the tax on
1441 amounts paid or charged for food and food ingredients if:

1442 (i) the food and food ingredients are sold as part of a bundled transaction attributable to
1443 food and food ingredients and tangible personal property other than food and food ingredients;
1444 and

1445 (ii) the seller collecting the tax is a seller other than a seller that collects a tax in
1446 accordance with Subsection 59-12-107(1)(b).

1447 (2) (a) Except as provided in Subsection (2)(d), before imposing a tax under this part, a
1448 county legislative body shall:

1449 (i) obtain approval from a majority of the members of the county legislative body to
1450 impose the tax; and

1451 (ii) submit an opinion question to the county's registered voters voting on the
1452 imposition of the tax so that each registered voter has the opportunity to express the registered
1453 voter's opinion on whether a tax should be imposed under this part.

1454 (b) (i) In a county of the first or second class, the opinion question required by
1455 Subsection (2)(a)(ii) shall state the following:
1456 "Shall (insert the name of the county), Utah, be authorized to impose a (insert the
1457 amount of the sales and use tax up to .25%) sales and use tax for corridor preservation,
1458 congestion mitigation, or to expand capacity for regionally significant transportation facilities?"
1459 (ii) In a county of the third, fourth, fifth, or sixth class, the opinion question required by
1460 Subsection (2)(a)(ii) shall state the following:
1461 "Shall (insert the name of the county), Utah, be authorized to impose a (insert the
1462 amount of the sales and use tax up to .25%) sales and use tax for transportation projects,
1463 corridor preservation, congestion mitigation, or to expand capacity for regionally significant
1464 transportation facilities?"
1465 (c) Except as provided in Subsection (2)(d), the election required by this Subsection (2)
1466 shall be held:
1467 (i) at a regular general election conducted in accordance with the procedures and
1468 requirements of Title 20A, Election Code, governing regular elections; or
1469 (ii) at a special election called by the county legislative body that is:
1470 (A) held only on the date of a municipal general election as provided in Subsection
1471 20A-1-202(1); and
1472 (B) authorized in accordance with the procedures and requirements of Section
1473 20A-1-203.
1474 (d) Notwithstanding Subsection (2)(a) or (c), if a county seeks to impose a tax under
1475 this part on or after April 1, 2007, but on or before December 31, 2007, the county legislative
1476 body shall:
1477 (i) obtain the approval required by Subsection (2)(a)(i) within five calendar days of
1478 September 20, 2006;
1479 (ii) direct the county clerk to submit the opinion question required by Subsection
1480 (2)(a)(ii) during the November 7, 2006 general election; and
1481 (iii) hold the election required by this section on November 7, 2006.
1482 (3) If a county legislative body determines that a majority of the county's registered
1483 voters voting on the imposition of the tax have voted in favor of the imposition of the tax in
1484 accordance with Subsection (2), the county legislative body shall impose the tax in accordance

1485 with this section.

1486 (4) (a) Subject to Subsections (5) and (6), the revenues generated by a tax under this
1487 part may only be expended for:

1488 (i) a project or service:

1489 (A) relating to a regionally significant transportation facility;

1490 (B) for the portion of the project or service that is performed within the county;

1491 (C) for new capacity or congestion mitigation if the project or service is performed

1492 within a county:

1493 (I) of the first class;

1494 (II) of the second class; or

1495 (III) that is part of an area metropolitan planning organization;

1496 (D) (I) if the project or service is a principal arterial highway or a minor arterial

1497 highway in a county of the first or second class, that is part of the county and municipal master
1498 plan and part of:

1499 (Aa) the statewide long-range plan; or

1500 (Bb) the regional transportation plan of the area metropolitan planning organization if a
1501 metropolitan planning organization exists for the area; or

1502 (II) if the project or service is for a fixed guideway or an airport, that is part of the
1503 regional transportation plan of the area metropolitan planning organization if a metropolitan
1504 planning organization exists for the area; and

1505 (E) that is on a priority list:

1506 (I) created by the county's council of governments in accordance with Subsection (5);

1507 and

1508 (II) approved by the county legislative body in accordance with Subsection (6);

1509 (ii) corridor preservation for a project described in Subsection (4)(a)(i) as provided in
1510 Subsection (7)(b); or

1511 (iii) any debt service and bond issuance costs related to a project described in
1512 Subsection (4)(a)(i) or (ii).

1513 (b) In a county of the first or second class, a regionally significant transportation
1514 facility project or service described in Subsection (4)(a)(i)(A) must have a funded year priority
1515 designation on a Statewide Transportation Improvement Program and Transportation

1516 Improvement Program if the project or service described in Subsection (4)(a)(i) is:
1517 (i) a principal arterial highway as defined in Section 72-4-102.5;
1518 (ii) a minor arterial highway as defined in Section 72-4-102.5; or
1519 (iii) a major collector highway:
1520 (A) as defined in Section 72-4-102.5; and
1521 (B) in a rural area.
1522 (c) Notwithstanding the designated use of revenues in Subsection (4)(a), of the
1523 revenues generated by the tax imposed under this section by any county of the first or second
1524 class, 25% or more shall be expended for the purpose described in Subsection (4)(a)(ii).
1525 (d) For purposes of this Subsection (4), the revenues a county will receive from a tax
1526 under this part do not include amounts retained by the commission in accordance with
1527 Subsection (8).
1528 (5) (a) The county's council of governments shall create a priority list of regionally
1529 significant transportation facility projects described in Subsection (4)(a) using the process
1530 described in Subsection (5)(b) and present the priority list to the county's legislative body for
1531 approval as described in Subsection (6).
1532 (b) Subject to Sections 59-12-1704 and 59-12-1705, a council of governments shall
1533 establish a council of governments' endorsement process which includes prioritization and
1534 application procedures for use of the revenues a county will receive from a tax under this part.
1535 (6) (a) The council of governments shall submit the priority list described in
1536 Subsection (5) to the county's legislative body and obtain approval of the list from a majority of
1537 the members of the county legislative body.
1538 (b) A county's council of governments may only submit one priority list per calendar
1539 year.
1540 (c) A county legislative body may only consider and approve one priority list per
1541 calendar year.
1542 (7) (a) (i) Except as provided in Subsections (7)(a)(ii) and (7)(b), revenues described in
1543 Subsection (4) shall be transmitted:
1544 (A) by the commission;
1545 (B) to the county;
1546 (C) monthly; and

1547 (D) by electronic funds transfer.

1548 (ii) A county may request that the commission transfer a portion of the revenues

1549 described in Subsection (4):

1550 (A) directly to a public transit district:

1551 (I) organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act; and

1552 (II) designated by the county; and

1553 (B) by providing written notice to the commission:

1554 (I) requesting the revenues to be transferred directly to a public transit district as

1555 provided in Subsection (7)(a)(ii)(A); and

1556 (II) designating the public transit district to which the revenues are requested to be

1557 transferred.

1558 (b) (i) Except as provided in Subsection (7)(b)(ii), revenues generated by a tax under

1559 this part that are allocated for a purpose described in Subsection (4)(a)(ii) shall be:

1560 (A) deposited in or transferred to the Local Transportation Corridor Preservation Fund

1561 created by Section 72-2-117.5; and

1562 (B) expended as provided in Section 72-2-117.5.

1563 (ii) In a county of the first class, revenues generated by a tax under this part that are

1564 allocated for a purpose described in Subsection (4)(a)(ii) shall be:

1565 (A) deposited in or transferred to the Public Transportation System Tax Highway Fund

1566 created by Section 72-2-121; and

1567 (B) expended as provided in Section 72-2-121.

1568 (8) (a) (i) Except as provided in Subsection (8)(b), the tax authorized under this part

1569 shall be administered, collected, and enforced in accordance with:

1570 (A) the same procedures used to administer, collect, and enforce the tax under:

1571 (I) Part 1, Tax Collection; or

1572 (II) Part 2, Local Sales and Use Tax Act; and

1573 (B) Chapter 1, General Taxation Policies.

1574 (ii) A tax under this part is not subject to Subsections 59-12-205(2) through (7).

1575 (b) (i) The commission may retain an amount of tax collected under this part of not to

1576 exceed the lesser of:

1577 (A) 1.5%; or

- 1578 (B) an amount equal to the cost to the commission of administering this part.
- 1579 (ii) Any amount the commission retains under Subsection (8)(b)(i) shall be:
- 1580 (A) placed in the Sales and Use Tax Administrative Fees Account; and
- 1581 (B) used as provided in Subsection 59-12-206(2).
- 1582 (9) (a) (i) Except as provided in Subsection (9)(b) or (c), if, on or after April 1, 2007, a
- 1583 county enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal,
- 1584 or change shall take effect:
- 1585 (A) on the first day of a calendar quarter; and
- 1586 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 1587 the requirements of Subsection (9)(a)(ii) from the county.
- 1588 (ii) The notice described in Subsection (9)(a)(i)(B) shall state:
- 1589 (A) that the county will enact, repeal, or change the rate of a tax under this part;
- 1590 (B) the statutory authority for the tax described in Subsection (9)(a)(ii)(A);
- 1591 (C) the effective date of the tax described in Subsection (9)(a)(ii)(A); and
- 1592 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
- 1593 (9)(a)(ii)(A), the rate of the tax.
- 1594 (b) (i) For a transaction described in Subsection (9)(b)(iii), if the billing period for the
- 1595 transaction begins before the effective date of the enactment of the tax or tax rate increase
- 1596 under Subsection (1), the enactment of a tax or a tax rate increase shall take effect on the first
- 1597 day of the first billing period that begins after the effective date of the enactment of the tax or
- 1598 the tax rate increase.
- 1599 (ii) For a transaction described in Subsection (9)(b)(iii), if the billing period for the
- 1600 transaction begins before the effective date of the repeal of the tax or the tax rate decrease
- 1601 imposed under Subsection (1), the repeal of a tax or a tax rate decrease shall take effect on the
- 1602 first day of the last billing period that began before the effective date of the repeal of the tax or
- 1603 the tax rate decrease.
- 1604 (iii) Subsections (9)(b)(i) and (ii) apply to transactions subject to a tax under:
- 1605 (A) Subsection 59-12-103(1)(b);
- 1606 (B) Subsection 59-12-103(1)(c);
- 1607 (C) Subsection 59-12-103(1)(d);
- 1608 (D) Subsection 59-12-103(1)(e);

1609 (E) Subsection 59-12-103(1)(f);

1610 (F) Subsection 59-12-103(1)(g);

1611 (G) Subsection 59-12-103(1)(h);

1612 (H) Subsection 59-12-103(1)(i);

1613 (I) Subsection 59-12-103(1)(j); or

1614 (J) Subsection 59-12-103(1)(k).

1615 (c) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
1616 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
1617 a tax described in Subsection (9)(a)(i) takes effect:

1618 (A) on the first day of a calendar quarter; and

1619 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
1620 rate of the tax under Subsection (9)(a)(i).

1621 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1622 the commission may by rule define the term "catalogue sale."

1623 (d) (i) Except as provided in Subsection (9)(e) or (f), if, for an annexation that occurs
1624 on or after April 1, 2007, the annexation will result in the enactment, repeal, or change in the
1625 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
1626 effect:

1627 (A) on the first day of a calendar quarter; and

1628 (B) after a 90-day period beginning on the date the commission receives notice meeting
1629 the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

1630 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:

1631 (A) that the annexation described in Subsection (9)(d)(i)(B) will result in an enactment,
1632 repeal, or change in the rate of a tax under this part for the annexing area;

1633 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

1634 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

1635 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
1636 (9)(d)(ii)(A), the rate of the tax.

1637 (e) (i) For a transaction described in Subsection (9)(e)(iii), if the billing period for the
1638 transaction begins before the effective date of the enactment of the tax or a tax rate increase
1639 under Subsection (1), the enactment of a tax or a tax rate increase shall take effect on the first

1640 day of the first billing period that begins after the effective date of the enactment of the tax or
1641 the tax rate increase.

1642 (ii) For a transaction described in Subsection (9)(e)(iii), if the billing period for the
1643 transaction begins before the effective date of the repeal of the tax or the tax rate decrease
1644 imposed under Subsection (1), the repeal of a tax or a tax rate decrease shall take effect on the
1645 first day of the last billing period that began before the effective date of the repeal of the tax or
1646 the tax rate decrease.

1647 (iii) Subsections (9)(e)(i) and (ii) apply to transactions subject to a tax under:

1648 (A) Subsection 59-12-103(1)(b);

1649 (B) Subsection 59-12-103(1)(c);

1650 (C) Subsection 59-12-103(1)(d);

1651 (D) Subsection 59-12-103(1)(e);

1652 (E) Subsection 59-12-103(1)(f);

1653 (F) Subsection 59-12-103(1)(g);

1654 (G) Subsection 59-12-103(1)(h);

1655 (H) Subsection 59-12-103(1)(i);

1656 (I) Subsection 59-12-103(1)(j); or

1657 (J) Subsection 59-12-103(1)(k).

1658 (f) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
1659 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
1660 a tax described in Subsection (9)(d)(i) takes effect:

1661 (A) on the first day of a calendar quarter; and

1662 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
1663 rate under Subsection (9)(d)(i).

1664 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
1665 the commission may by rule define the term "catalogue sale."

1666 **Section 15. Appropriation.**

1667 As an ongoing appropriation subject to future budget constraints, there is appropriated
1668 from the General Fund for fiscal year 2007-08, \$403,425 to the Department of Health to fund
1669 the distributions required by Section 26-9-4.

1670 **Section 16. Effective date.**

1671

This bill takes effect on ~~H→ [July 1, 2007]~~ January 1, 2008 ←H .

Legislative Review Note
as of 1-17-07 12:45 PM

Office of Legislative Research and General Counsel

H.B. 282 - Sales and Use Taxation of Food and Food Ingredients

Fiscal Note

2007 General Session
State of Utah

State Impact

Enactment of this bill will appropriate \$403,425 from the General Fund to the Department of Health. The Tax Commission would require a one-time appropriation of \$250,000 for programming changes to implement the provisions of the bill.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>
General Fund	\$0	\$403,425	\$403,425	\$0	\$0	\$0
General Fund, One-Time	\$0	\$250,000	\$0	\$0	\$0	\$0
Total	\$0	\$653,425	\$403,425	\$0	\$0	\$0

Individual, Business and/or Local Impact

Enactment of this bill could reduce local restricted revenues by \$17,100,000 in FY 2008 and by \$17,700,000 in FY 2009.
