

**GRANTS TO RURAL HOSPITALS -
OVERSIGHT RESPONSIBILITIES**

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Merlynn T. Newbold

Senate Sponsor: Wayne L. Niederhauser

LONG TITLE

General Description:

This bill directs the State Tax Commission rather than the Department of Health to distribute the money from the Rural Health Care Facilities Fund to local governments.

Highlighted Provisions:

This bill:

- ▶ moves the authority to distribute funds from the Rural Health Care Facilities Fund from the Department of Health to the State Tax Commission; and
- ▶ makes conforming amendments.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

26-9-4, as enacted by Laws of Utah 2007, Chapter 288

59-1-210, as last amended by Laws of Utah 2007, Chapter 288

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

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

**26-9-4. Rural Health Care Facilities Fund -- Source of revenues -- Interest --
Distribution of revenues -- Expenditure of revenues -- Unexpended revenues lapse into**

30 **the General Fund.**

31 (1) As used in this section:

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

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

34 (c) "Fiscal year" means a one-year period beginning on July 1 of each year.

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

36 (e) "Fund" means the Rural Health Care Facilities Fund created by this section.

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

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

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

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

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

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

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

44 (2) There is created a restricted special revenue fund known as the Rural Health Care
45 Facilities Fund.

46 (3) (a) The fund shall be funded by amounts appropriated by the Legislature.

47 (b) Any interest earned on the fund shall be deposited into the General Fund.

48 (4) Subject to Subsection (5), the [~~executive director~~] State Tax Commission shall for a
49 fiscal year distribute monies deposited into the fund to each:

50 (a) county legislative body of a county that, on January 1, 2007, imposes a tax in
51 accordance with Section 59-12-802; or

52 (b) city legislative body of a city that, on January 1, 2007, imposes a tax in accordance
53 with Section 59-12-804.

54 (5) (a) For purposes of the distribution required by Subsection (4), [~~the executive~~
55 ~~director~~] the State Tax Commission shall:

56 (i) estimate for each county and city described in Subsection (4) the amount by which
57 the revenues collected from the taxes imposed under Sections 59-12-802 and 59-12-804 for

58 fiscal year 2005-06 would have been reduced had:

59 (A) the amendments made by Laws of Utah 2007, Chapter 288, Sections 25 and 26, to
60 Sections 59-12-802 and 59-12-804 been in effect for fiscal year 2005-06; and

61 (B) each county and city described in Subsection (4) imposed the tax under Sections
62 59-12-802 and 59-12-804 for the entire fiscal year 2005-06;

63 (ii) calculate a percentage for each county and city described in Subsection (4) by
64 dividing the amount estimated for each county and city in accordance with Subsection (5)(a)(i)
65 by \$555,000; and

66 (iii) distribute to each county and city described in Subsection (4) an amount equal to
67 the product of:

68 (A) the percentage calculated in accordance with Subsection (5)(a)(ii); and

69 (B) the amount appropriated by the Legislature to the fund for the fiscal year.

70 (b) The ~~[executive director]~~ State Tax Commission shall make the estimations,
71 calculations, and distributions required by Subsection (5)(a) on the basis of data ~~[provided to~~
72 ~~the executive director]~~ collected by the State Tax Commission.

73 (6) (a) Subject to Subsection (6)(b), a county legislative body shall distribute the monies
74 the county legislative body receives in accordance with Subsection (5):

75 (i) for a county of the third, fourth, or fifth class, to fund rural county health care
76 facilities in that county; and

77 (ii) for a county of the sixth class, to fund:

78 (A) emergency medical services in that county;

79 (B) federally qualified health centers in that county;

80 (C) freestanding urgent care centers in that county;

81 (D) rural county health care facilities in that county;

82 (E) rural health clinics in that county; or

83 (F) a combination of Subsections (6)(a)(ii)(A) through (E).

84 (b) A county legislative body shall distribute a percentage of the monies the county
85 legislative body receives in accordance with Subsection (5) to each center, clinic, facility, or

86 service described in Subsection (6)(a) equal to the same percentage that the county legislative
87 body distributes to that center, clinic, facility, or service in accordance with Section 59-12-803
88 for the calendar year ending on the December 31 immediately preceding the first day of the
89 fiscal year for which the county legislative body receives the distribution in accordance with
90 Subsection (5).

91 (c) A center, clinic, facility, or service that receives a distribution in accordance with
92 this Subsection (6) shall expend that distribution for the same purposes for which monies
93 generated by a tax under Section 59-12-802 may be expended.

94 (7) (a) Subject to Subsection (7)(b), a city legislative body shall distribute the monies
95 the city legislative body receives in accordance with Subsection (5) to fund rural city hospitals in
96 that city.

97 (b) A city legislative body shall distribute a percentage of the monies the city legislative
98 body receives in accordance with Subsection (5) to each rural city hospital described in
99 Subsection (7)(a) equal to the same percentage that the city legislative body distributes to that
100 rural city hospital in accordance with Section 59-12-805 for the calendar year ending on the
101 December 31 immediately preceding the first day of the fiscal year for which the city legislative
102 body receives the distribution in accordance with Subsection (5).

103 (c) A rural city hospital that receives a distribution in accordance with this Subsection
104 (7) shall expend that distribution for the same purposes for which monies generated by a tax
105 under Section 59-12-804 may be expended.

106 (8) Any monies remaining in the Rural Health Care Facilities Fund at the end of a fiscal
107 year after the [~~executive director~~] State Tax Commission makes the distributions required by
108 this section shall lapse into the General Fund.

109 Section 2. Section **59-1-210** is amended to read:

110 **59-1-210. General powers and duties.**

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

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

113 (2) to adopt rules and policies consistent with the Constitution and laws of this state to

114 govern the commission, executive director, division directors, and commission employees in the
115 performance of their duties;

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

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

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

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

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

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

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

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

142 attend shall attend at county expense;

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

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

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

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

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

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

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

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

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

169 (20) to carefully examine all cases where evasion or violation of the laws for assessment

170 and taxation of property is alleged, to ascertain whether existing laws are defective or
171 improperly administered;

172 (21) to furnish to the governor from time to time such assistance and information as the
173 governor requires;

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

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

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

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

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

191 (27) to comply with the procedures and requirements of Title 63, Chapter 46b,
192 Administrative Procedures Act, in its adjudicative proceedings; and

193 (28) to ~~[provide data to the executive director of the Department of Health for~~
194 ~~purposes of the distributions]~~ distribute the monies deposited into the Rural Health Care
195 Facilities Fund as required by Section 26-9-4.