

SALES AND USE TAX AMENDMENTS

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends the Sales and Use Tax Act, the Rural Health Services chapter, the Transportation Finances Act, and related provisions.

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;
- ▶ enacts the Rural Health Care Compensation Fund and provides for deposits of certain state sales and use tax revenues into that fund;
- ▶ requires adjustments to the property tax certified tax rate under certain circumstances;
- ▶ enacts and modifies definitions;
- ▶ modifies state and local sales and use tax rates;
- ▶ modifies the distribution of revenues collected from certain local option sales and use taxes;
- ▶ addresses the amount of a refund allowed to a qualified emergency food agency;
- ▶ repeals certain local option sales and use taxes;
- ▶ enacts additional state sales and use taxes and provides for the expenditure of revenues collected from those taxes;
- ▶ modifies the sales and use tax revenues required to be deposited into certain funds



28 relating to transportation;

29 ▶ provides for the distribution of revenues and interest in the State Projects Within
30 Counties Fund and provides for the repeal of that fund;

31 ▶ creates the Transportation Corridor Preservation Fund for Counties of the First or
32 Second Class and provides for the expenditure of revenues deposited into that fund;

33 ▶ creates the Fixed Guideway Fund for Transit Districts Operating in a County of the
34 First Class and provides for the expenditure of revenues deposited into that fund;

35 ▶ creates the Regionally Significant Transportation Facilities Fund for Counties of the
36 Second Class and provides for the expenditure of revenues deposited into that fund;

37 ▶ grants rulemaking authority to the Transportation Commission;

38 ▶ repeals obsolete language; and

39 ▶ makes technical changes.

40 **Monies Appropriated in this Bill:**

41 None

42 **Other Special Clauses:**

43 This bill provides an effective date.

44 This bill provides revisor instructions.

45 **Utah Code Sections Affected:**

46 **AMENDS:**

47 **17-34-3**, as last amended by Laws of Utah 2005, First Special Session, Chapter 9

48 **17-50-322**, as enacted by Laws of Utah 2006, Fourth Special Session, Chapter 1

49 **26-9-4**, as enacted by Laws of Utah 2007, Chapter 288

50 **59-1-210**, as last amended by Laws of Utah 2007, Chapter 288

51 **59-2-924**, as last amended by Laws of Utah 2007, Chapters 107 and 329

52 **59-12-102**, as last amended by Laws of Utah 2007, Chapters 9, 214, 224, and 288

53 **59-12-103**, as last amended by Laws of Utah 2007, Chapters 9, 101, 126, 206, and 288

54 **59-12-108**, as last amended by Laws of Utah 2007, Chapter 9

55 **59-12-205**, as last amended by Laws of Utah 2007, Chapter 228

56 **59-12-501**, as last amended by Laws of Utah 2007, Chapters 202, 288, and 329

57 **59-12-502**, as last amended by Laws of Utah 2007, Chapters 201, 202, 288, and 329

58 **59-12-503**, as enacted by Laws of Utah 1997, Chapter 131

- 59 **59-12-504**, as last amended by Laws of Utah 2007, Chapter 288
- 60 **59-12-703**, as last amended by Laws of Utah 2007, Chapter 288
- 61 **59-12-704**, as last amended by Laws of Utah 2003, Chapter 296
- 62 **59-12-902**, as last amended by Laws of Utah 2004, Chapter 18
- 63 **59-12-1802**, as enacted by Laws of Utah 2007, Chapter 288
- 64 **63-55b-172**, as last amended by Laws of Utah 2005, Second Special Session, Chapter 1
- 65 **72-2-117.5**, as last amended by Laws of Utah 2007, Chapters 181 and 201
- 66 **72-2-121**, as last amended by Laws of Utah 2007, Chapter 201
- 67 **72-2-121.1**, as last amended by Laws of Utah 2007, Chapter 10
- 68 **72-2-124**, as last amended by Laws of Utah 2006, Chapters 11 and 135

69 ENACTS:

- 70 **26-9-5**, Utah Code Annotated 1953
- 71 **59-12-1901**, Utah Code Annotated 1953
- 72 **59-12-1902**, Utah Code Annotated 1953
- 73 **59-12-1903**, Utah Code Annotated 1953
- 74 **59-12-2001**, Utah Code Annotated 1953
- 75 **59-12-2002**, Utah Code Annotated 1953
- 76 **59-12-2003**, Utah Code Annotated 1953
- 77 **72-2-126**, Utah Code Annotated 1953
- 78 **72-2-127**, Utah Code Annotated 1953
- 79 **72-2-128**, Utah Code Annotated 1953

80 REPEALS:

- 81 **59-12-701**, as last amended by Laws of Utah 2003, Chapter 296
- 82 **59-12-801**, as last amended by Laws of Utah 2006, Chapter 302
- 83 **59-12-802**, as last amended by Laws of Utah 2007, Chapter 288
- 84 **59-12-803**, as last amended by Laws of Utah 2000, Chapter 253
- 85 **59-12-804**, as last amended by Laws of Utah 2007, Chapter 288
- 86 **59-12-805**, as enacted by Laws of Utah 2000, Chapter 253
- 87 **59-12-806**, as last amended by Laws of Utah 2004, Chapter 255
- 88 **59-12-1001**, as last amended by Laws of Utah 2007, Chapters 288 and 329
- 89 **59-12-1002**, as last amended by Laws of Utah 2006, Chapter 253

- 90 **59-12-1301**, as enacted by Laws of Utah 1998, Chapter 243
- 91 **59-12-1302**, as last amended by Laws of Utah 2007, Chapter 288
- 92 **59-12-1401**, as last amended by Laws of Utah 2004, Chapter 317
- 93 **59-12-1402**, as last amended by Laws of Utah 2007, Chapter 288
- 94 **59-12-1403**, as enacted by Laws of Utah 2001, Chapter 192
- 95 **59-12-1501**, as enacted by Laws of Utah 2003, Chapter 282
- 96 **59-12-1502**, as last amended by Laws of Utah 2007, Chapters 10 and 329
- 97 **59-12-1503**, as last amended by Laws of Utah 2007, Chapters 10, 202, 288, and 329
- 98 **59-12-1701**, as enacted by Laws of Utah 2006, Fourth Special Session, Chapter 1
- 99 **59-12-1702**, as enacted by Laws of Utah 2006, Fourth Special Session, Chapter 1
- 100 **59-12-1703**, as last amended by Laws of Utah 2007, Chapters 201, 288, and 329
- 101 **59-12-1704**, as enacted by Laws of Utah 2006, Fourth Special Session, Chapter 1
- 102 **59-12-1705**, as enacted by Laws of Utah 2006, Fourth Special Session, Chapter 1

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

105 Section 1. Section **17-34-3** is amended to read:

106 **17-34-3. Taxes or service charges.**

107 (1) (a) If a county furnishes the municipal-type services and functions described in
 108 Section 17-34-1 to areas of the county outside the limits of incorporated cities or towns, the
 109 entire cost of the services or functions so furnished shall be defrayed from funds that the county
 110 has derived from:

111 (i) taxes that the county may lawfully levy or impose outside the limits of incorporated
 112 towns or cities;

113 (ii) service charges or fees the county may impose upon the persons benefited in any
 114 way by the services or functions; or

115 (iii) a combination of these sources.

116 (b) As the taxes or service charges or fees are levied and collected, they shall be placed
 117 in a special revenue fund of the county and shall be disbursed only for the rendering of the
 118 services or functions established in Section 17-34-1 within the unincorporated areas of the
 119 county or as provided in Subsection 10-2-121(2).

120 (2) For the purpose of levying taxes, service charges, or fees provided in this section,

121 the county legislative body may establish a district or districts in the unincorporated areas of
 122 the county.

123 (3) Nothing contained in this chapter may be construed to authorize counties to impose
 124 or levy taxes not otherwise allowed by law.

125 (4) (a) A county required under Subsection 17-34-1(4) to provide advanced life support
 126 and paramedic services to the unincorporated area of the county and that previously paid for
 127 those services through a countywide levy may increase its levy under Subsection (1)(a)(i) to
 128 generate in the unincorporated area of the county the same amount of revenue as the county
 129 loses from that area due to the required decrease in the countywide certified tax rate under
 130 Subsection 59-2-924(2)~~(k)~~ (f)(i).

131 (b) An increase in tax rate under Subsection (4)(a) is exempt from the notice and
 132 hearing requirements of Sections 59-2-918 and 59-2-919.

133 (5) Notwithstanding any other provision of this chapter, a county providing fire,
 134 paramedic, and police protection services in a designated recreational area, as provided in
 135 Subsection 17-34-1(5), may fund those services from the county general fund with revenues
 136 derived from both inside and outside the limits of cities and towns, and the funding of those
 137 services is not limited to unincorporated area revenues.

138 Section 2. Section **17-50-322** is amended to read:

139 **17-50-322. County funding for a fixed guideway.**

140 (1) For purposes of this section, "fixed guideway" means a public transit facility that
 141 uses and occupies:

142 (a) rail for the use of public transit; or

143 (b) a separate right-of-way for the use of public transit.

144 (2) (a) Except as provided in Subsection (2)(b), a county legislative body may not levy
 145 a property tax or expend revenues from uniform fees or any tax or fee imposed in lieu of a
 146 property tax, to purchase, erect, repair, rebuild, maintain, or otherwise fund a fixed guideway.

147 (b) Subsection (2)(a) does not apply to a property tax levy imposed by a county for the
 148 purpose of paying for bonds if~~(i)~~ before January 1, 2007, the bonds were issued or approved
 149 by voters for issuance to fund a fixed guideway~~;~~ and~~].~~

150 ~~[(ii) the county does not impose a sales and use tax authorized by Section 59-12-1703.]~~

151 Section 3. Section **26-9-4** is amended to read:

152 **26-9-4. Definitions -- Rural Health Care Facilities Fund -- Source of revenues --**
153 **Interest -- Distribution of revenues -- Expenditure of revenues -- Unexpended revenues**
154 **lapse into the General Fund.**

155 (1) As used in this section:

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

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

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

159 (d) "Freestanding urgent care center" [~~is as defined in Section 59-12-801.~~] means a
160 facility that provides outpatient health care service:

161 (i) on an as-needed basis, without an appointment;

162 (ii) to the public;

163 (iii) for the diagnosis and treatment of a medical condition if that medical condition
164 does not require hospitalization or emergency intervention for a life threatening or potentially
165 permanently disabling condition; and

166 (iv) including one or more of the following services:

167 (A) a medical history physical examination;

168 (B) an assessment of health status; or

169 (C) treatment;

170 (I) for a variety of medical conditions; and

171 (II) that is commonly offered in a physician's office.

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

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

174 (g) "Qualified expense" means:

175 (i) an ongoing operating expense;

176 (ii) the acquisition of land;

177 (iii) an expense for design, construction, equipping, or furnishing; or

178 (iv) a combination of Subsections (1)(g)(i) through (iii).

179 (h) "Qualifying tax" means a sales and use tax that:

180 (i) a county legislative body or city legislative body imposes to fund rural health care;

181 and

182 (ii) is repealed by this bill.

183 ~~[(g)]~~ (i) "Rural city hospital" ~~[is as defined in Section 59-12-801.]~~ means a hospital
184 owned by a city that is located within a county:

- 185 (i) of the third class, as classified in Section 17-50-501;
- 186 (ii) of the fourth class, as classified in Section 17-50-501;
- 187 (iii) of the fifth class, as classified in Section 17-50-501; or
- 188 (iv) of the sixth class, as classified in Section 17-50-501.

189 ~~[(h)]~~ (j) "Rural county health care facility" ~~[is as defined in Section 59-12-801.]~~ means
190 a:

- 191 (i) rural county hospital; or
- 192 (ii) rural county nursing care facility.

193 ~~[(i)]~~ (k) "Rural county hospital" ~~[is as defined in Section 59-12-801.]~~ means a hospital
194 owned by a county:

- 195 (i) (A) of the third class, as classified in Section 17-50-501;
- 196 (B) of the fourth class, as classified in Section 17-50-501;
- 197 (C) of the fifth class, as classified in Section 17-50-501; or
- 198 (D) of the sixth class, as classified in Section 17-50-501; and
- 199 (ii) if that county is located outside of a standard metropolitan statistical area, as
200 designated by the United States Census Bureau.

201 ~~[(j)]~~ (l) "Rural county nursing care facility" ~~[is as defined in Section 59-12-801.]~~ means
202 a nursing care facility owned by a county:

- 203 (i) (A) of the third class, as classified in Section 17-50-501;
- 204 (B) of the fourth class, as classified in Section 17-50-501;
- 205 (C) of the fifth class, as classified in Section 17-50-501; or
- 206 (D) of the sixth class, as classified in Section 17-50-501; and
- 207 (ii) if that county is located outside of a standard metropolitan statistical area, as
208 designated by the United States Census Bureau.

209 ~~[(k)]~~ (m) "Rural emergency medical services" ~~[is as defined in Section 59-12-801.]~~
210 means emergency medical services that are provided by a county:

- 211 (i) (A) of the third class, as classified in Section 17-50-501;
- 212 (B) of the fourth class, as classified in Section 17-50-501;
- 213 (C) of the fifth class, as classified in Section 17-50-501; or

214 (D) of the sixth class, as classified in Section 17-50-501; and
215 (ii) if that county is located outside of a standard metropolitan statistical area, as
216 designated by the United States Census Bureau.

217 ~~[(†)]~~ (n) "Rural health clinic" is as defined in 42 U.S.C. Sec. 1395x.

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

220 (3) (a) The fund shall be funded by amounts appropriated by the Legislature.
221 (b) Any interest earned on the fund shall be deposited into the General Fund.

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

224 (a) county legislative body of a county that, on January 1, 2007, imposes a qualifying
225 tax ~~[in accordance with Section 59-12-802]~~; or

226 (b) city legislative body of a city that, on January 1, 2007, imposes a qualifying tax ~~[in~~
227 ~~accordance with Section 59-12-804]~~.

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

230 (i) estimate for each county and city described in Subsection (4) the amount by which
231 the revenues collected from ~~[the taxes imposed under Sections 59-12-802 and 59-12-804]~~ a
232 qualifying tax for fiscal year 2005-06 would have been reduced ~~[had]~~ if:

233 (A) the amendments made by Laws of Utah 2007, Chapter 288, Sections 25 and 26, to
234 ~~[Sections 59-12-802 and 59-12-804]~~ the qualifying tax had been in effect for fiscal year
235 2005-06; and

236 (B) each county and city described in Subsection (4) had imposed ~~[the tax under~~
237 ~~Sections 59-12-802 and 59-12-804]~~ the qualifying tax for the entire fiscal year 2005-06;

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

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

243 (A) the percentage calculated in accordance with Subsection (5)(a)(ii); and
244 (B) the amount appropriated by the Legislature to the fund for the fiscal year.

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

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

250 (i) for a county of the third, fourth, or fifth class, to ~~[fund rural county health care~~
251 ~~facilities in that county; and]~~ finance a qualified expense for one or more rural county health
252 care facilities within the county; or

253 (ii) for a county of the sixth class, to ~~[fund]~~ finance:

254 (A) a qualified expense for one or more rural emergency medical services in that
255 county;

256 (B) a qualified expense for one or more federally qualified health centers in that
257 county;

258 (C) a qualified expense for one or more freestanding urgent care centers in that county;

259 (D) a qualified expense for one or more rural county health care facilities in that
260 county;

261 (E) a qualified expense for one or more rural health clinics in that county; or

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

263 (b) A county legislative body shall distribute a percentage of the monies the county
264 legislative body receives in accordance with Subsection (5) to each center, clinic, facility, or
265 service described in Subsection (6)(a) equal to the same percentage that the county legislative
266 body distributes to that center, clinic, facility, or service ~~[in accordance with Section 59-12-803~~
267 ~~for the calendar year ending on the December 31 immediately preceding the first day of the~~
268 ~~fiscal year for which the county legislative body receives the distribution in accordance with~~
269 ~~Subsection (5).];~~

270 (i) for the calendar year ending on December 31, 2008; and

271 (ii) from revenues collected from a qualifying tax.

272 (c) (i) A ~~[center, clinic, facility, or service]~~ rural county health care facility within a
273 county of the third, fourth, or fifth class that receives a distribution in accordance with this
274 Subsection (6) shall expend that distribution ~~[for the same purposes for which monies~~
275 ~~generated by a tax under Section 59-12-802 may be expended]~~ to finance a qualified expense

276 for that rural health care facility.

277 (ii) A center, clinic, facility, or service within a county of the sixth class that receives a
278 distribution in accordance with this Subsection (6) shall expend that distribution to finance a
279 qualified expense for that center, clinic, facility, or service.

280 (7) (a) Subject to Subsection (7)(b), a city legislative body shall distribute the monies
281 the city legislative body receives in accordance with Subsection (5) to fund one or more rural
282 city hospitals in that city.

283 (b) A city legislative body shall distribute a percentage of the monies the city
284 legislative body receives in accordance with Subsection (5) to each rural city hospital described
285 in Subsection (7)(a) equal to the same percentage that the city legislative body distributes to
286 that rural city hospital [~~in accordance with Section 59-12-805 for the calendar year ending on~~
287 ~~the December 31 immediately preceding the first day of the fiscal year for which the city~~
288 ~~legislative body receives the distribution in accordance with Subsection (5).];~~

289 (i) for the calendar year ending on December 31, 2008; and

290 (ii) from revenues collected from a qualifying tax.

291 (c) A rural city hospital that receives a distribution in accordance with this Subsection
292 (7) shall expend that distribution [~~for the same purposes for which monies generated by a tax~~
293 ~~under Section 59-12-804 may be expended] to finance a qualified expense for that rural city
294 hospital.~~

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

298 Section 4. Section **26-9-5** is enacted to read:

299 **26-9-5. Definitions -- Rural Health Care Compensation Fund -- Source of**
300 **revenues -- Interest -- Distribution of revenues -- Expenditure of revenues -- Unexpended**
301 **revenues lapse into the General Fund.**

302 (1) As used in this section:

303 (a) "Emergency medical services" is as defined in Section 26-9-4.

304 (b) "Federally qualified health center" is as defined in Section 26-9-4.

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

306 (d) "Freestanding urgent care center" is as defined in Section 26-9-4.

307 (e) "Fund" means the Rural Health Care Compensation Fund created by this section.

308 (f) "Nursing care facility" is as defined in Section 26-9-4.

309 (g) "Qualified expense" is as defined in Section 26-9-4.

310 (h) "Qualifying tax" is as defined in Section 26-9-4.

311 (i) "Rural city hospital" is as defined in Section 26-9-4.

312 (j) "Rural county health care facility" is as defined in Section 26-9-4.

313 (k) "Rural county hospital" is as defined in Section 26-9-4.

314 (l) "Rural county nursing care facility" is as defined in Section 26-9-4.

315 (m) "Rural emergency medical services" is as defined in Section 26-9-4.

316 (n) "Rural health clinic" is as defined in Section 26-9-4.

317 (2) There is created a restricted special revenue fund known as the Rural Health Care
318 Compensation Fund.

319 (3) (a) The fund shall be funded by amounts deposited in accordance with Subsection
320 59-12-103(11).

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

322 (4) Subject to Subsection (5), the executive director shall within a 30-day period after
323 the last day of a fiscal year distribute monies deposited into the fund to each:

324 (a) county legislative body of a county that, on December 31, 2008, imposes a
325 qualifying tax; or

326 (b) city legislative body of a city that, on December 31, 2008, imposes a qualifying tax.

327 (5) (a) For purposes of the distribution required by Subsection (4), the executive
328 director shall:

329 (i) estimate for each county and city described in Subsection (4) the amount of
330 revenues collected from a qualifying tax for fiscal year 2006-07 had the county or city imposed
331 the qualifying tax for the entire fiscal year 2006-07;

332 (ii) calculate a percentage for each county and city described in Subsection (4) by
333 dividing the amount estimated for each county and city in accordance with Subsection (5)(a)(i)
334 by the total amount deposited in accordance with Subsection 59-12-103(11):

335 (A) for the time period beginning on January 1, 2009, and ending on June 30, 2009, for
336 that time period; or

337 (B) for a fiscal year beginning with fiscal year 2009-10, for that fiscal year; and

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

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

341 (B) the total amount deposited in accordance with Subsection 59-12-103(11):

342 (I) for the time period beginning on January 1, 2009, and ending on June 30, 2009, for
343 that time period; or

344 (II) for a fiscal year beginning with fiscal year 2009-10, for that fiscal year.

345 (b) The executive director shall make the estimations, calculations, and distributions
346 required by Subsection (5)(a) on the basis of data provided to the executive director by the
347 State Tax Commission.

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

350 (i) for a county of the third, fourth, or fifth class, to finance a qualified expense for one
351 or more rural county health care facilities within the county; or

352 (ii) for a county of the sixth class, to finance:

353 (A) a qualified expense for one or more rural emergency medical services in that
354 county;

355 (B) a qualified expense for one or more federally qualified health centers in that
356 county;

357 (C) a qualified expense for one or more freestanding urgent care centers in that county;

358 (D) a qualified expense for one or more rural county health care facilities in that
359 county;

360 (E) a qualified expense for one or more rural health clinics in that county; or

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

362 (b) A county legislative body shall distribute a percentage of the monies the county
363 legislative body receives in accordance with Subsection (5) to each center, clinic, facility, or
364 service described in Subsection (6)(a) equal to the same percentage that the county legislative
365 body distributes to that center, clinic, facility, or service:

366 (i) for the calendar year ending on December 31, 2008; and

367 (ii) from revenues collected from a qualifying tax.

368 (c) (i) A rural county health care facility within a county of the third, fourth, or fifth

369 class that receives a distribution in accordance with this Subsection (6) shall expend that
370 distribution to finance a qualified expense for that rural health care facility.

371 (ii) A center, clinic, facility, or service within a county of the sixth class that receives a
372 distribution in accordance with this Subsection (6) shall expend that distribution to finance a
373 qualified expense for that center, clinic, facility, or service.

374 (7) (a) Subject to Subsection (7)(b), a city legislative body shall distribute the monies
375 the city legislative body receives in accordance with Subsection (5) to fund one or more rural
376 city hospitals in that city.

377 (b) A city legislative body shall distribute a percentage of the monies the city
378 legislative body receives in accordance with Subsection (5) to each rural city hospital described
379 in Subsection (7)(a) equal to the same percentage that the city legislative body distributes to
380 that rural city hospital:

381 (i) for the calendar year ending on December 31, 2008; and

382 (ii) from revenues collected from a qualifying tax.

383 (c) A rural city hospital that receives a distribution in accordance with this Subsection
384 (7) shall expend that distribution to finance a qualified expense for that rural city hospital.

385 (8) Any monies remaining in the Rural Health Care Compensation Fund at the end of a
386 fiscal year after the executive director makes the distributions required by this section shall
387 lapse into the General Fund.

388 Section 5. Section **59-1-210** is amended to read:

389 **59-1-210. General powers and duties.**

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

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

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

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

398 (4) to prescribe the use of forms relating to the assessment of property for state or local
399 taxation, the equalization of those assessments, the reporting of property or income for state or

400 local taxation purposes, or for the computation of those taxes and the reporting of any
401 information, statistics, or data required by the commission;

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

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

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

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

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

417 (10) to provide for and hold annually at such time and place as may be convenient a
418 district or state convention of county assessors, auditors, and other county officers to consider
419 and discuss matters relative to taxation, uniformity of valuation, and changes in the law relative
420 to taxation and methods of assessment, to which county assessors and other officers called to
421 attend shall attend at county expense;

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

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

429 (13) to require county attorneys to immediately institute and prosecute actions and
430 proceedings in respect to penalties, forfeitures, removals, and punishments for violations of the

431 laws relating to the assessment and taxation of property in their respective counties;
432 (14) to require any person to furnish any information required by the commission to
433 ascertain the value and the relative burden borne by all kinds of property in the state, and to
434 require from all state and local officers any information necessary for the proper discharge of
435 the duties of the commission;
436 (15) to examine all records relating to the valuation of property of any person;
437 (16) to subpoena witnesses to appear and give testimony and produce records relating
438 to any matter before the commission;
439 (17) to cause depositions of witnesses to be taken as in civil actions at the request of
440 the commission or any party to any matter or proceeding before the commission;
441 (18) to authorize any member or employee of the commission to administer oaths and
442 affirmations in any matter or proceeding relating to the exercise of the powers and duties of the
443 commission;
444 (19) to visit periodically each county of the state, to investigate and direct the work and
445 methods of local assessors and other officials in the assessment, equalization, and taxation of
446 property, and to ascertain whether the law requiring the assessment of all property not exempt
447 from taxation, and the collection of taxes, have been properly administered and enforced;
448 (20) to carefully examine all cases where evasion or violation of the laws for
449 assessment and taxation of property is alleged, to ascertain whether existing laws are defective
450 or improperly administered;
451 (21) to furnish to the governor from time to time such assistance and information as the
452 governor requires;
453 (22) to transmit to the governor and to each member of the Legislature
454 recommendations as to legislation which will correct or eliminate defects in the operation of
455 the tax laws and will equalize the burden of taxation within the state;
456 (23) to correct any error in any assessment made by it at any time before the tax is due
457 and report the correction to the county auditor, who shall enter the corrected assessment upon
458 the assessment roll;
459 (24) to compile and publish statistics relating to taxation in the state and prepare and
460 submit an annual budget to the governor for inclusion in the state budget to be submitted to the
461 Legislature;

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

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

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

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

475 Section 6. Section **59-2-924** is amended to read:

476 **59-2-924. Report of valuation of property to county auditor and commission --**
477 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**
478 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

479 (1) (a) Before June 1 of each year, the county assessor of each county shall deliver to
480 the county auditor and the commission the following statements:

481 (i) a statement containing the aggregate valuation of all taxable property in each taxing
482 entity; and

483 (ii) a statement containing the taxable value of any additional personal property
484 estimated by the county assessor to be subject to taxation in the current year.

485 (b) The county auditor shall, on or before June 8, transmit to the governing body of
486 each taxing entity:

487 (i) the statements described in Subsections (1)(a)(i) and (ii);

488 (ii) an estimate of the revenue from personal property;

489 (iii) the certified tax rate; and

490 (iv) all forms necessary to submit a tax levy request.

491 (2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad
492 valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the

493 prior year.

494 (ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not
495 include:

496 (A) collections from redemptions;

497 (B) interest;

498 (C) penalties; and

499 (D) revenue received by a taxing entity from personal property that is:

500 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

501 (II) semiconductor manufacturing equipment.

502 (iii) (A) Except as otherwise provided in this section, the certified tax rate shall be
503 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the
504 taxing entity by the amount calculated under Subsection (2)(a)(iii)(B).

505 (B) For purposes of Subsection (2)(a)(iii)(A), the legislative body of a taxing entity
506 shall calculate an amount as follows:

507 (I) calculate for the taxing entity the difference between:

508 (Aa) the aggregate taxable value of all property taxed; and

509 (Bb) any redevelopment adjustments for the current calendar year;

510 (II) after making the calculation required by Subsection (2)(a)(iii)(B)(I), calculate an
511 amount determined by increasing or decreasing the amount calculated under Subsection
512 (2)(a)(iii)(B)(I) by the average of the percentage net change in the value of taxable property for
513 the equalization period for the three calendar years immediately preceding the current calendar
514 year;

515 (III) after making the calculation required by Subsection (2)(a)(iii)(B)(II), calculate the
516 product of:

517 (Aa) the amount calculated under Subsection (2)(a)(iii)(B)(II); and

518 (Bb) the percentage of property taxes collected for the five calendar years immediately
519 preceding the current calendar year; and

520 (IV) after making the calculation required by Subsection (2)(a)(iii)(B)(III), calculate an
521 amount determined by subtracting from the amount calculated under Subsection
522 (2)(a)(iii)(B)(III) any new growth as defined in this section:

523 (Aa) within the taxing entity; and

524 (Bb) for the current calendar year.

525 (C) For purposes of Subsection (2)(a)(iii)(B)(I), the aggregate taxable value of all
526 property taxed:

527 (I) except as provided in Subsection (2)(a)(iii)(C)(II), includes the total taxable value of
528 the real and personal property contained on the tax rolls of the taxing entity; and

529 (II) does not include the total taxable value of personal property contained on the tax
530 rolls of the taxing entity that is:

531 (Aa) assessed by a county assessor in accordance with Part 3, County Assessment; and

532 (Bb) semiconductor manufacturing equipment.

533 (D) For purposes of Subsection (2)(a)(iii)(B)(II), for calendar years beginning on or
534 after January 1, 2007, the value of taxable property does not include the value of personal
535 property that is:

536 (I) within the taxing entity assessed by a county assessor in accordance with Part 3,
537 County Assessment; and

538 (II) semiconductor manufacturing equipment.

539 (E) For purposes of Subsection (2)(a)(iii)(B)(III)(Bb), for calendar years beginning on
540 or after January 1, 2007, the percentage of property taxes collected does not include property
541 taxes collected from personal property that is:

542 (I) within the taxing entity assessed by a county assessor in accordance with Part 3,
543 County Assessment; and

544 (II) semiconductor manufacturing equipment.

545 (F) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
546 the commission may prescribe rules for calculating redevelopment adjustments for a calendar
547 year.

548 (iv) (A) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking
549 Act, the commission shall make rules determining the calculation of ad valorem property tax
550 revenues budgeted by a taxing entity.

551 (B) For purposes of Subsection (2)(a)(iv)(A), ad valorem property tax revenues
552 budgeted by a taxing entity shall be calculated in the same manner as budgeted property tax
553 revenues are calculated for purposes of Section 59-2-913.

554 (v) The certified tax rates for the taxing entities described in this Subsection (2)(a)(v)

555 shall be calculated as follows:

556 (A) except as provided in Subsection (2)(a)(v)(B), for new taxing entities the certified
557 tax rate is zero;

558 (B) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

559 (I) in a county of the first, second, or third class, the levy imposed for municipal-type
560 services under Sections 17-34-1 and 17-36-9; and

561 (II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
562 purposes and such other levies imposed solely for the municipal-type services identified in
563 Section 17-34-1 and Subsection 17-36-3(22); and

564 (C) for debt service voted on by the public, the certified tax rate shall be the actual levy
565 imposed by that section, except that the certified tax rates for the following levies shall be
566 calculated in accordance with Section 59-2-913 and this section:

567 (I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125,
568 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and

569 (II) levies to pay for the costs of state legislative mandates or judicial or administrative
570 orders under Section 59-2-906.3.

571 (vi) (A) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be
572 established at that rate which is sufficient to generate only the revenue required to satisfy one
573 or more eligible judgments, as defined in Section 59-2-102.

574 (B) The ad valorem property tax revenue generated by the judgment levy shall not be
575 considered in establishing the taxing entity's aggregate certified tax rate.

576 (b) (i) For the purpose of calculating the certified tax rate, the county auditor shall use
577 the taxable value of property on the assessment roll.

578 (ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the
579 assessment roll does not include:

580 (A) new growth as defined in Subsection (2)(b)(iii); or

581 (B) the total taxable value of personal property contained on the tax rolls of the taxing
582 entity that is:

583 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

584 (II) semiconductor manufacturing equipment.

585 (iii) "New growth" means:

586 (A) the difference between the increase in taxable value of the taxing entity from the
587 previous calendar year to the current year; minus

588 (B) the amount of an increase in taxable value described in Subsection (2)(b)(v).

589 (iv) For purposes of Subsection (2)(b)(iii), the taxable value of the taxing entity does
590 not include the taxable value of personal property that is:

591 (A) contained on the tax rolls of the taxing entity if that property is assessed by a
592 county assessor in accordance with Part 3, County Assessment; and

593 (B) semiconductor manufacturing equipment.

594 (v) Subsection (2)(b)(iii)(B) applies to the following increases in taxable value:

595 (A) the amount of increase to locally assessed real property taxable values resulting
596 from factoring, reappraisal, or any other adjustments; or

597 (B) the amount of an increase in the taxable value of property assessed by the
598 commission under Section 59-2-201 resulting from a change in the method of apportioning the
599 taxable value prescribed by:

600 (I) the Legislature;

601 (II) a court;

602 (III) the commission in an administrative rule; or

603 (IV) the commission in an administrative order.

604 (c) (i) Beginning January 1, 1997, if a taxing entity receives increased revenues from
605 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
606 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter
607 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax
608 rate to offset the increased revenues.

609 (ii) (A) Except as provided in Subsection (2)(c)(ii)(B), a taxing entity shall decrease its
610 certified tax rate to offset increased revenues from uniform fees on tangible personal property
611 under Section 59-2-404, 59-2-405, 59-2-405.1, 59-2-405.2, or 59-2-405.3 if:

612 (I) the county, city, or town within which the taxing entity is located:

613 (Aa) on December 31, 2008, does not impose a tax in accordance with Section
614 59-12-502; and

615 (Bb) on or after January 1, 2009, imposes a tax in accordance with Section 59-12-502;
616 and

617 (II) the taxing entity receives increased revenues from uniform fees on tangible
618 personal property under Section 59-2-404, 59-2-405, 59-2-405.1, 59-2-405.2, or 59-2-405.3 as
619 a result of the county, city, or town imposing a sales and use tax under Section 59-12-502.

620 (B) The requirement of Subsection (2)(c)(ii)(A) for a taxing entity to decrease its
621 certified tax rate does not apply to a taxing entity within a county if that county:

622 (I) on December 31, 2008, imposes a county option sales and use tax for highways,
623 fixed guideways, or systems for public transit that is repealed by this bill;

624 (II) on December 31, 2008, does not impose a tax in accordance with Section
625 59-12-502; and

626 (III) on January 1, 2009, imposes a tax in accordance with Section 59-12-502.

627 (iii) A taxing entity shall decrease its certified tax rate to offset increased revenues
628 from uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
629 59-2-405.2, or 59-2-405.3 if:

630 (I) the county within which the taxing entity is located:

631 (Aa) on December 31, 2008, does not impose a tax in accordance with Section
632 59-12-703; and

633 (Bb) on or after January 1, 2009, imposes a tax in accordance with Section 59-12-703;
634 and

635 (II) the taxing entity receives increased revenues from uniform fees on tangible
636 personal property under Section 59-2-404, 59-2-405, 59-2-405.1, 59-2-405.2, or 59-2-405.3 as
637 a result of the county imposing a sales and use tax under Section 59-12-703.

638 (d) (i) ~~[Beginning]~~ Subject to Subsection (2)(d)(iv), beginning on July 1, 1997, if a
639 county has imposed a sales and use tax under Chapter 12, Part 11, County Option Sales and
640 Use Tax, the county's certified tax rate shall be:

641 (A) decreased on a one-time basis by the amount of the estimated sales and use tax
642 revenue to be distributed to the county under Subsection 59-12-1102(3); and

643 (B) increased by the amount necessary to offset the county's reduction in revenue from
644 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
645 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection
646 (2)(d)(i)(A).

647 ~~[(ii) The commission shall determine estimates of sales and use tax distributions for~~

648 ~~purposes of Subsection (2)(d)(i):]~~

649 (ii) (A) Except as provided in Subsection (2)(d)(ii)(B) and subject to Subsections
650 (2)(d)(iv) and (v), if a county, city, or town that, on December 31, 2008, does not impose a tax
651 in accordance with Section 59-12-502, imposes a sales and use tax in accordance with Section
652 59-12-502 on or after January 1, 2009, the county's, city's, or town's certified tax rate shall be:

653 (I) decreased on a one-time basis by the amount of the estimated sales and use tax
654 revenue under Section 59-12-502 to be distributed to the county, city, or town for the first year
655 that the county, city, or town imposes the tax; and

656 (II) increased by the amount necessary to offset the county's, city's, or town's reduction
657 in revenue from uniform fees on tangible personal property under Section 59-2-404, 59-2-405,
658 59-2-405.1, 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under
659 Subsection (2)(d)(ii)(A)(I).

660 (B) The requirement of Subsection (2)(d)(ii)(A) for a county's, city's, or town's certified
661 tax rate to be increased or decreased does not apply to a city, town, or unincorporated area
662 within a county if that county:

663 (I) on December 31, 2008, imposes a county option sales and use tax for highways,
664 fixed guideways, or systems for public transit that is repealed by this bill;

665 (II) on December 31, 2008, does not impose a tax under Section 59-12-502; and

666 (III) on January 1, 2009, imposes a tax for the first time in accordance with Section
667 59-12-502.

668 (iii) Subject to Subsections (2)(d)(iv) and (v), if a county that, on December 31, 2008,
669 does not impose a tax in accordance with Section 59-12-703 imposes a tax in accordance with
670 Section 59-12-703 on or after January 1, 2009, the county's certified tax rate shall be:

671 (A) decreased on a one-time basis by the amount of the estimated sales and use tax
672 revenue under Section 59-12-703 to be distributed to the county for the first year that the
673 county imposes the tax; and

674 (B) increased by the amount necessary to offset the county's reduction in revenue from
675 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
676 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection
677 (2)(d)(iii)(A).

678 (iv) The commission shall determine estimates of sales and use tax distributions for

679 purposes of Subsections (2)(d)(i)(A), (2)(d)(ii)(A)(I), and (2)(d)(iii)(A).

680 (v) A certified tax rate increase or decrease required by Subsection (2)(d)(ii) or (iii)
681 shall be made:

682 (A) for the calendar year beginning on the January 1 of the year in which the sales and
683 use tax is imposed that requires the certified tax rate to be increased or decreased in accordance
684 with Subsection (2)(d)(ii) or (iii) if that sales and use tax is imposed for the first time on
685 January 1 or April 1; or

686 (B) for the calendar year beginning on the January 1 of the year immediately following
687 the year in which the sales and use tax is imposed that requires the certified tax rate to be
688 increased or decreased in accordance with Subsection (2)(d)(ii) or (iii) if that sales and use tax
689 is imposed for the first time on July 1 or October 1.

690 (e) Beginning January 1, 1998, if a municipality has imposed an additional resort
691 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be
692 decreased on a one-time basis by the amount necessary to offset the first 12 months of
693 estimated revenue from the additional resort communities sales and use tax imposed under
694 Section 59-12-402.

695 (f) (i) (A) For fiscal year 2000, the certified tax rate of each county required under
696 Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the
697 unincorporated area of the county shall be decreased by the amount necessary to reduce
698 revenues in that fiscal year by an amount equal to the difference between the amount the county
699 budgeted in its 2000 fiscal year budget for advanced life support and paramedic services
700 countywide and the amount the county spent during fiscal year 2000 for those services,
701 excluding amounts spent from a municipal services fund for those services.

702 (B) For fiscal year 2001, the certified tax rate of each county to which Subsection
703 (2)(f)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal
704 year by the amount that the county spent during fiscal year 2000 for advanced life support and
705 paramedic services countywide, excluding amounts spent from a municipal services fund for
706 those services.

707 (ii) (A) A city or town located within a county of the first class to which Subsection
708 (2)(f)(i) applies may increase its certified tax rate by the amount necessary to generate within
709 the city or town the same amount of revenues as the county would collect from that city or

710 town if the decrease under Subsection (2)(f)(i) did not occur.

711 (B) An increase under Subsection (2)(f)(ii)(A), whether occurring in a single fiscal year
712 or spread over multiple fiscal years, is not subject to the notice and hearing requirements of
713 Sections 59-2-918 and 59-2-919.

714 (g) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to
715 provide detective investigative services to the unincorporated area of the county shall be
716 decreased:

717 (A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year
718 by at least \$4,400,000; and

719 (B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year
720 by an amount equal to the difference between \$9,258,412 and the amount of the reduction in
721 revenues under Subsection (2)(g)(i)(A).

722 (ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a
723 county to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate
724 within the city or town the same amount of revenue as the county would have collected during
725 county fiscal year 2001 from within the city or town except for Subsection (2)(g)(i)(A).

726 (II) Beginning with municipal fiscal year 2003, a city or town located within a county
727 to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate within the
728 city or town the same amount of revenue as the county would have collected during county
729 fiscal year 2002 from within the city or town except for Subsection (2)(g)(i)(B).

730 (B) (I) Except as provided in Subsection (2)(g)(ii)(B)(II), an increase in the city or
731 town's certified tax rate under Subsection (2)(g)(ii)(A), whether occurring in a single fiscal year
732 or spread over multiple fiscal years, is subject to the notice and hearing requirements of
733 Sections 59-2-918 and 59-2-919.

734 (II) For an increase under this Subsection (2)(g)(ii) that generates revenue that does not
735 exceed the same amount of revenue as the county would have collected except for Subsection
736 (2)(g)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the city or town:

737 (Aa) publishes a notice that meets the size, type, placement, and frequency
738 requirements of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed
739 by the county to one imposed by the city or town, and explains how the revenues from the tax
740 increase will be used; and

741 (Bb) holds a public hearing on the tax shift that may be held in conjunction with the
742 city or town's regular budget hearing.

743 (h) (i) This Subsection (2)(h) applies to each county that:

744 (A) establishes a countywide special service district under Title 17A, Chapter 2, Part
745 13, Utah Special Service District Act, to provide jail service, as provided in Subsection
746 17A-2-1304(1)(a)(x); and

747 (B) levies a property tax on behalf of the special service district under Section
748 17A-2-1322.

749 (ii) (A) The certified tax rate of each county to which this Subsection (2)(h) applies
750 shall be decreased by the amount necessary to reduce county revenues by the same amount of
751 revenues that will be generated by the property tax imposed on behalf of the special service
752 district.

753 (B) Each decrease under Subsection (2)(h)(ii)(A) shall occur contemporaneously with
754 the levy on behalf of the special service district under Section 17A-2-1322.

755 (i) (i) As used in this Subsection (2)(i):

756 (A) "Annexing county" means a county whose unincorporated area is included within a
757 fire district by annexation.

758 (B) "Annexing municipality" means a municipality whose area is included within a fire
759 district by annexation.

760 (C) "Equalized fire protection tax rate" means the tax rate that results from:

761 (I) calculating, for each participating county and each participating municipality, the
762 property tax revenue necessary to cover all of the costs associated with providing fire
763 protection, paramedic, and emergency services:

764 (Aa) for a participating county, in the unincorporated area of the county; and

765 (Bb) for a participating municipality, in the municipality; and

766 (II) adding all the amounts calculated under Subsection (2)(i)(i)(C)(I) for all
767 participating counties and all participating municipalities and then dividing that sum by the
768 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

769 (Aa) for participating counties, in the unincorporated area of all participating counties;
770 and

771 (Bb) for participating municipalities, in all the participating municipalities.

772 (D) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service
773 Area Act, in the creation of which an election was not required under Subsection
774 17B-1-214(3)(c).

775 (E) "Fire protection tax rate" means:

776 (I) for an annexing county, the property tax rate that, when applied to taxable property
777 in the unincorporated area of the county, generates enough property tax revenue to cover all the
778 costs associated with providing fire protection, paramedic, and emergency services in the
779 unincorporated area of the county; and

780 (II) for an annexing municipality, the property tax rate that generates enough property
781 tax revenue in the municipality to cover all the costs associated with providing fire protection,
782 paramedic, and emergency services in the municipality.

783 (F) "Participating county" means a county whose unincorporated area is included
784 within a fire district at the time of the creation of the fire district.

785 (G) "Participating municipality" means a municipality whose area is included within a
786 fire district at the time of the creation of the fire district.

787 (ii) In the first year following creation of a fire district, the certified tax rate of each
788 participating county and each participating municipality shall be decreased by the amount of
789 the equalized fire protection tax rate.

790 (iii) In the first year following annexation to a fire district, the certified tax rate of each
791 annexing county and each annexing municipality shall be decreased by the fire protection tax
792 rate.

793 (iv) Each tax levied under this section by a fire district shall be considered to be levied
794 by:

795 (A) each participating county and each annexing county for purposes of the county's
796 tax limitation under Section 59-2-908; and

797 (B) each participating municipality and each annexing municipality for purposes of the
798 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a
799 city.

800 (j) For the calendar year beginning on January 1, 2007, the calculation of a taxing
801 entity's certified tax rate shall be adjusted by the amount necessary to offset any change in the
802 certified tax rate that may result from excluding the following from the certified tax rate under

803 Subsection (2)(a) enacted by the Legislature during the 2007 General Session:

804 (i) personal property tax revenue:

805 (A) received by a taxing entity;

806 (B) assessed by a county assessor in accordance with Part 3, County Assessment; and

807 (C) for personal property that is semiconductor manufacturing equipment; or

808 (ii) the taxable value of personal property:

809 (A) contained on the tax rolls of a taxing entity;

810 (B) assessed by a county assessor in accordance with Part 3, County Assessment; and

811 (C) that is semiconductor manufacturing equipment.

812 (3) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

813 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
814 auditor of:

815 (i) its intent to exceed the certified tax rate; and

816 (ii) the amount by which it proposes to exceed the certified tax rate.

817 (c) The county auditor shall notify all property owners of any intent to exceed the
818 certified tax rate in accordance with Subsection 59-2-919(2).

819 (4) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be
820 reduced for any year to the extent necessary to provide a community development and renewal
821 agency established under Title 17C, Limited Purpose Local Government Entities - Community
822 Development and Renewal Agencies, with approximately the same amount of money the
823 agency would have received without a reduction in the county's certified tax rate if:

824 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or
825 (2)(d)(i);

826 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
827 previous year; and

828 (iii) the decrease results in a reduction of the amount to be paid to the agency under
829 Section 17C-1-403 or 17C-1-404.

830 (b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any
831 year to the extent necessary to provide a community development and renewal agency with
832 approximately the same amount of money as the agency would have received without an
833 increase in the certified tax rate that year if:

834 (i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to
835 a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and

836 (ii) The certified tax rate of a city, school district, local district, or special service
837 district increases independent of the adjustment to the taxable value of the base year.

838 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or
839 (2)(d)(i), the amount of money allocated and, when collected, paid each year to a community
840 development and renewal agency established under Title 17C, Limited Purpose Local
841 Government Entities - Community Development and Renewal Agencies, for the payment of
842 bonds or other contract indebtedness, but not for administrative costs, may not be less than that
843 amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or
844 (2)(d)(i).

845 Section 7. Section **59-12-102** is amended to read:

846 **59-12-102. Definitions.**

847 As used in this chapter:

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

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

851 (2) "Agreement" means the Streamlined Sales and Use Tax Agreement described in
852 Section 59-12-102.1.

853 (3) "Agreement combined tax rate" means the sum of the tax rates:

854 (a) listed under Subsection (4); and

855 (b) that are imposed within a local taxing jurisdiction.

856 (4) "Agreement sales and use tax" means a tax imposed under:

857 (a) Subsection 59-12-103(2)(a)(i);

858 (b) Subsection 59-12-103(2)(b)(i);

859 (c) Subsection 59-12-103(2)(c)(i);

860 (d) Subsection 59-12-103(2)(d)(i);

861 (e) Subsection 59-12-103(2)(e)(ii)(A);

862 (f) Subsection 59-12-103(2)(e)(iii)(A);

863 (g) Section 59-12-204;

864 (h) Section 59-12-401;

- 865 (i) Section 59-12-402;
- 866 (j) Section 59-12-501;
- 867 (k) Section 59-12-502;
- 868 (l) Section 59-12-703;
- 869 [~~(m) Section 59-12-802;~~]
- 870 [~~(n) Section 59-12-804;~~]
- 871 [~~(o) Section 59-12-1001;~~]
- 872 [~~(p)~~ (m) Section 59-12-1102;
- 873 [~~(q) Section 59-12-1302;~~]
- 874 [~~(r) Section 59-12-1402;~~]
- 875 [~~(s) Section 59-12-1503; or~~]
- 876 [~~(t) Section 59-12-1703.~~]
- 877 (n) Section 59-12-1802;
- 878 (o) Section 59-12-1902; or
- 879 (p) Section 59-12-2002.
- 880 (5) "Aircraft" is as defined in Section 72-10-102.
- 881 (6) "Alcoholic beverage" means a beverage that:
 - 882 (a) is suitable for human consumption; and
 - 883 (b) contains .5% or more alcohol by volume.
- 884 (7) "Area agency on aging" is as defined in Section 62A-3-101.
- 885 (8) "Assisted amusement device" means an amusement device, skill device, or ride
- 886 device that is started and stopped by an individual:
 - 887 (a) who is not the purchaser or renter of the right to use or operate the amusement
 - 888 device, skill device, or ride device; and
 - 889 (b) at the direction of the seller of the right to use the amusement device, skill device,
 - 890 or ride device.
- 891 (9) "Assisted cleaning or washing of tangible personal property" means cleaning or
- 892 washing of tangible personal property if the cleaning or washing labor is primarily performed
- 893 by an individual:
 - 894 (a) who is not the purchaser of the cleaning or washing of the tangible personal
 - 895 property; and

896 (b) at the direction of the seller of the cleaning or washing of the tangible personal
897 property.

898 (10) "Authorized carrier" means:

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

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

904 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling
905 stock, the holder of a certificate issued by the United States Surface Transportation Board.

906 (11) (a) Except as provided in Subsection (11)(b), "biomass energy" means any of the
907 following that is used as the primary source of energy to produce fuel or electricity:

908 (i) material from a plant or tree; or

909 (ii) other organic matter that is available on a renewable basis, including:

910 (A) slash and brush from forests and woodlands;

911 (B) animal waste;

912 (C) methane produced:

913 (I) at landfills; or

914 (II) as a byproduct of the treatment of wastewater residuals;

915 (D) aquatic plants; and

916 (E) agricultural products.

917 (b) "Biomass energy" does not include:

918 (i) black liquor;

919 (ii) treated woods; or

920 (iii) biomass from municipal solid waste other than methane produced:

921 (A) at landfills; or

922 (B) as a byproduct of the treatment of wastewater residuals.

923 (12) (a) "Bundled transaction" means the sale of two or more items of tangible personal
924 property if:

925 (i) one or more of the items of tangible personal property is food and food ingredients;

926 and

927 (ii) the items of tangible personal property are:

928 (A) distinct and identifiable; and

929 (B) sold for one price that is not itemized.

930 (b) "Bundled transaction" does not include the sale of tangible personal property if the
931 sales price varies, or is negotiable, on the basis of the selection by the purchaser of the items of
932 tangible personal property included in the transaction.

933 (c) For purposes of Subsection (12)(a)(ii)(A), tangible personal property that is distinct
934 and identifiable does not include:

935 (i) packaging that:

936 (A) accompanies the sale of the tangible personal property; and

937 (B) is incidental or immaterial to the sale of the tangible personal property;

938 (ii) tangible personal property provided free of charge with the purchase of another
939 item of tangible personal property; or

940 (iii) an item of tangible personal property included in the definition of "purchase
941 price."

942 (d) For purposes of Subsection (12)(c)(ii), an item of tangible personal property is
943 provided free of charge with the purchase of another item of tangible personal property if the
944 sales price of the purchased item of tangible personal property does not vary depending on the
945 inclusion of the tangible personal property provided free of charge.

946 (13) "Certified automated system" means software certified by the governing board of
947 the agreement in accordance with Section 59-12-102.1 that:

948 (a) calculates the agreement sales and use tax imposed within a local taxing
949 jurisdiction:

950 (i) on a transaction; and

951 (ii) in the states that are members of the agreement;

952 (b) determines the amount of agreement sales and use tax to remit to a state that is a
953 member of the agreement; and

954 (c) maintains a record of the transaction described in Subsection (13)(a)(i).

955 (14) "Certified service provider" means an agent certified:

956 (a) by the governing board of the agreement in accordance with Section 59-12-102.1;

957 and

958 (b) to perform all of a seller's sales and use tax functions for an agreement sales and
959 use tax other than the seller's obligation under Section 59-12-107.4 to remit a tax on the seller's
960 own purchases.

961 (15) (a) Subject to Subsection (15)(b), "clothing" means all human wearing apparel
962 suitable for general use.

963 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
964 commission shall make rules:

965 (i) listing the items that constitute "clothing"; and

966 (ii) that are consistent with the list of items that constitute "clothing" under the
967 agreement.

968 (16) "Coal-to-liquid" means the process of converting coal into a liquid synthetic fuel.

969 (17) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other
970 fuels that does not constitute industrial use under Subsection (42) or residential use under
971 Subsection (80).

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

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

977 (ii) For purposes of Subsection (18)(b)(i), in accordance with Title 63, Chapter 46a,
978 Utah Administrative Rulemaking Act, the commission may make rules defining what
979 constitutes a person's place of employment.

980 (19) "Component part" includes:

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

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

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

986 (d) feed, seeds, and seedlings.

987 (20) "Computer" means an electronic device that accepts information:

988 (a) (i) in digital form; or

- 989 (ii) in a form similar to digital form; and
- 990 (b) manipulates that information for a result based on a sequence of instructions.
- 991 (21) "Computer software" means a set of coded instructions designed to cause:
- 992 (a) a computer to perform a task; or
- 993 (b) automatic data processing equipment to perform a task.
- 994 (22) "Construction materials" means any tangible personal property that will be
- 995 converted into real property.
- 996 (23) "Delivered electronically" means delivered to a purchaser by means other than
- 997 tangible storage media.
- 998 (24) (a) "Delivery charge" means a charge:
- 999 (i) by a seller of:
- 1000 (A) tangible personal property; or
- 1001 (B) services; and
- 1002 (ii) for preparation and delivery of the tangible personal property or services described
- 1003 in Subsection (24)(a)(i) to a location designated by the purchaser.
- 1004 (b) "Delivery charge" includes a charge for the following:
- 1005 (i) transportation;
- 1006 (ii) shipping;
- 1007 (iii) postage;
- 1008 (iv) handling;
- 1009 (v) crating; or
- 1010 (vi) packing.
- 1011 (25) (a) "Dental prosthesis" means the following if fabricated in a laboratory:
- 1012 (i) a bridge;
- 1013 (ii) a crown if that crown covers at least 75% of a tooth structure;
- 1014 (iii) a denture;
- 1015 (iv) an implant;
- 1016 (v) an orthodontic device designed to:
- 1017 (A) retain the position or spacing of teeth; and
- 1018 (B) replace a missing tooth;
- 1019 (vi) a partial denture; or

- 1020 (vii) a device similar to Subsections (25)(a)(i) through (vi).
- 1021 (b) "Dental prosthesis" does not include an appliance or device, other than a device
- 1022 described in Subsection (25)(a), if that appliance or device is used in orthodontic therapy to
- 1023 apply force to the teeth and their supporting structures to:
 - 1024 (i) produce changes in their relationship to each other; and
 - 1025 (ii) control their growth and development.
- 1026 (26) "Dietary supplement" means a product, other than tobacco, that:
 - 1027 (a) is intended to supplement the diet;
 - 1028 (b) contains one or more of the following dietary ingredients:
 - 1029 (i) a vitamin;
 - 1030 (ii) a mineral;
 - 1031 (iii) an herb or other botanical;
 - 1032 (iv) an amino acid;
 - 1033 (v) a dietary substance for use by humans to supplement the diet by increasing the total
 - 1034 dietary intake; or
 - 1035 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient
 - 1036 described in Subsections (26)(b)(i) through (v);
 - 1037 (c) (i) except as provided in Subsection (26)(c)(ii), is intended for ingestion in:
 - 1038 (A) tablet form;
 - 1039 (B) capsule form;
 - 1040 (C) powder form;
 - 1041 (D) softgel form;
 - 1042 (E) gelcap form; or
 - 1043 (F) liquid form; or
 - 1044 (ii) notwithstanding Subsection (26)(c)(i), if the product is not intended for ingestion in
 - 1045 a form described in Subsections (26)(c)(i)(A) through (F), is not represented:
 - 1046 (A) as conventional food; and
 - 1047 (B) for use as a sole item of:
 - 1048 (I) a meal; or
 - 1049 (II) the diet; and
 - 1050 (d) is required to be labeled as a dietary supplement:

- 1051 (i) identifiable by the "Supplemental Facts" box found on the label; and
- 1052 (ii) as required by 21 C.F.R. Sec. 101.36.
- 1053 (27) (a) "Direct mail" means printed material delivered or distributed by United States
- 1054 mail or other delivery service:
- 1055 (i) to:
- 1056 (A) a mass audience; or
- 1057 (B) addressees on a mailing list provided by a purchaser of the mailing list; and
- 1058 (ii) if the cost of the printed material is not billed directly to the recipients.
- 1059 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a
- 1060 purchaser to a seller of direct mail for inclusion in a package containing the printed material.
- 1061 (c) "Direct mail" does not include multiple items of printed material delivered to a
- 1062 single address.
- 1063 (28) (a) "Disposable home medical equipment or supplies" means medical equipment
- 1064 or supplies that:
- 1065 (i) cannot withstand repeated use; and
- 1066 (ii) are purchased by, for, or on behalf of a person other than:
- 1067 (A) a health care facility as defined in Section 26-21-2;
- 1068 (B) a health care provider as defined in Section 78-14-3;
- 1069 (C) an office of a health care provider described in Subsection (28)(a)(ii)(B); or
- 1070 (D) a person similar to a person described in Subsections (28)(a)(ii)(A) through (C).
- 1071 (b) "Disposable home medical equipment or supplies" does not include:
- 1072 (i) a drug;
- 1073 (ii) durable medical equipment;
- 1074 (iii) a hearing aid;
- 1075 (iv) a hearing aid accessory;
- 1076 (v) mobility enhancing equipment; or
- 1077 (vi) tangible personal property used to correct impaired vision, including:
- 1078 (A) eyeglasses; or
- 1079 (B) contact lenses.
- 1080 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
- 1081 commission may by rule define what constitutes medical equipment or supplies.

1082 (29) (a) "Drug" means a compound, substance, or preparation, or a component of a
1083 compound, substance, or preparation that is:

1084 (i) recognized in:

1085 (A) the official United States Pharmacopoeia;

1086 (B) the official Homeopathic Pharmacopoeia of the United States;

1087 (C) the official National Formulary; or

1088 (D) a supplement to a publication listed in Subsections (29)(a)(i)(A) through (C);

1089 (ii) intended for use in the:

1090 (A) diagnosis of disease;

1091 (B) cure of disease;

1092 (C) mitigation of disease;

1093 (D) treatment of disease; or

1094 (E) prevention of disease; or

1095 (iii) intended to affect:

1096 (A) the structure of the body; or

1097 (B) any function of the body.

1098 (b) "Drug" does not include:

1099 (i) food and food ingredients;

1100 (ii) a dietary supplement;

1101 (iii) an alcoholic beverage; or

1102 (iv) a prosthetic device.

1103 (30) (a) Except as provided in Subsection (30)(c), "durable medical equipment" means
1104 equipment that:

1105 (i) can withstand repeated use;

1106 (ii) is primarily and customarily used to serve a medical purpose;

1107 (iii) generally is not useful to a person in the absence of illness or injury; and

1108 (iv) is not worn in or on the body.

1109 (b) "Durable medical equipment" includes parts used in the repair or replacement of the
1110 equipment described in Subsection (30)(a).

1111 (c) Notwithstanding Subsection (30)(a), "durable medical equipment" does not include
1112 mobility enhancing equipment.

- 1113 (31) "Electronic" means:
- 1114 (a) relating to technology; and
- 1115 (b) having:
- 1116 (i) electrical capabilities;
- 1117 (ii) digital capabilities;
- 1118 (iii) magnetic capabilities;
- 1119 (iv) wireless capabilities;
- 1120 (v) optical capabilities;
- 1121 (vi) electromagnetic capabilities; or
- 1122 (vii) capabilities similar to Subsections (31)(b)(i) through (vi).
- 1123 (32) "Employee" is as defined in Section 59-10-401.
- 1124 (33) "Fixed guideway" means a public transit facility that uses and occupies:
- 1125 (a) rail for the use of public transit; or
- 1126 (b) a separate right-of-way for the use of public transit.
- 1127 (34) (a) "Food and food ingredients" means substances:
- 1128 (i) regardless of whether the substances are in:
- 1129 (A) liquid form;
- 1130 (B) concentrated form;
- 1131 (C) solid form;
- 1132 (D) frozen form;
- 1133 (E) dried form; or
- 1134 (F) dehydrated form; and
- 1135 (ii) that are:
- 1136 (A) sold for:
- 1137 (I) ingestion by humans; or
- 1138 (II) chewing by humans; and
- 1139 (B) consumed for the substance's:
- 1140 (I) taste; or
- 1141 (II) nutritional value.
- 1142 (b) "Food and food ingredients" includes an item described in Subsection (66)(b)(iii).
- 1143 (c) "Food and food ingredients" does not include:

1144 (i) an alcoholic beverage;
1145 (ii) tobacco; or
1146 (iii) prepared food.
1147 (35) (a) "Fundraising sales" means sales:
1148 (i) (A) made by a school; or
1149 (B) made by a school student;
1150 (ii) that are for the purpose of raising funds for the school to purchase equipment,
1151 materials, or provide transportation; and
1152 (iii) that are part of an officially sanctioned school activity.
1153 (b) For purposes of Subsection (35)(a)(iii), "officially sanctioned school activity"
1154 means a school activity:
1155 (i) that is conducted in accordance with a formal policy adopted by the school or school
1156 district governing the authorization and supervision of fundraising activities;
1157 (ii) that does not directly or indirectly compensate an individual teacher or other
1158 educational personnel by direct payment, commissions, or payment in kind; and
1159 (iii) the net or gross revenues from which are deposited in a dedicated account
1160 controlled by the school or school district.
1161 (36) "Geothermal energy" means energy contained in heat that continuously flows
1162 outward from the earth that is used as the sole source of energy to produce electricity.
1163 (37) "Governing board of the agreement" means the governing board of the agreement
1164 that is:
1165 (a) authorized to administer the agreement; and
1166 (b) established in accordance with the agreement.
1167 (38) (a) For purposes of Subsection 59-12-104(41), "governmental entity" means:
1168 (i) the executive branch of the state, including all departments, institutions, boards,
1169 divisions, bureaus, offices, commissions, and committees;
1170 (ii) the judicial branch of the state, including the courts, the Judicial Council, the
1171 Office of the Court Administrator, and similar administrative units in the judicial branch;
1172 (iii) the legislative branch of the state, including the House of Representatives, the
1173 Senate, the Legislative Printing Office, the Office of Legislative Research and General
1174 Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal

1175 Analyst;

1176 (iv) the National Guard;

1177 (v) an independent entity as defined in Section 63E-1-102; or

1178 (vi) a political subdivision as defined in Section 17B-1-102.

1179 (b) "Governmental entity" does not include the state systems of public and higher

1180 education, including:

1181 (i) a college campus of the Utah College of Applied Technology;

1182 (ii) a school;

1183 (iii) the State Board of Education;

1184 (iv) the State Board of Regents; or

1185 (v) a state institution of higher education as defined in Section 53B-3-102.

1186 (39) (a) "Hearing aid" means:

1187 (i) an instrument or device having an electronic component that is designed to:

1188 (A) (I) improve impaired human hearing; or

1189 (II) correct impaired human hearing; and

1190 (B) (I) be worn in the human ear; or

1191 (II) affixed behind the human ear;

1192 (ii) an instrument or device that is surgically implanted into the cochlea; or

1193 (iii) a telephone amplifying device.

1194 (b) "Hearing aid" does not include:

1195 (i) except as provided in Subsection (39)(a)(i)(B) or (39)(a)(ii), an instrument or device

1196 having an electronic component that is designed to be worn on the body;

1197 (ii) except as provided in Subsection (39)(a)(iii), an assistive listening device or system

1198 designed to be used by one individual, including:

1199 (A) a personal amplifying system;

1200 (B) a personal FM system;

1201 (C) a television listening system; or

1202 (D) a device or system similar to a device or system described in Subsections

1203 (39)(b)(ii)(A) through (C); or

1204 (iii) an assistive listening device or system designed to be used by more than one

1205 individual, including:

- 1206 (A) a device or system installed in:
- 1207 (I) an auditorium;
- 1208 (II) a church;
- 1209 (III) a conference room;
- 1210 (IV) a synagogue; or
- 1211 (V) a theater; or
- 1212 (B) a device or system similar to a device or system described in Subsections
- 1213 (39)(b)(iii)(A)(I) through (V).
- 1214 (40) (a) "Hearing aid accessory" means a hearing aid:
- 1215 (i) component;
- 1216 (ii) attachment; or
- 1217 (iii) accessory.
- 1218 (b) "Hearing aid accessory" includes:
- 1219 (i) a hearing aid neck loop;
- 1220 (ii) a hearing aid cord;
- 1221 (iii) a hearing aid ear mold;
- 1222 (iv) hearing aid tubing;
- 1223 (v) a hearing aid ear hook; or
- 1224 (vi) a hearing aid remote control.
- 1225 (c) "Hearing aid accessory" does not include:
- 1226 (i) a component, attachment, or accessory designed to be used only with an:
- 1227 (A) instrument or device described in Subsection (39)(b)(i); or
- 1228 (B) assistive listening device or system described in Subsection (39)(b)(ii) or (iii); or
- 1229 (ii) a hearing aid battery.
- 1230 (41) "Hydroelectric energy" means water used as the sole source of energy to produce
- 1231 electricity.
- 1232 (42) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil, or
- 1233 other fuels:
- 1234 (a) in mining or extraction of minerals;
- 1235 (b) in agricultural operations to produce an agricultural product up to the time of
- 1236 harvest or placing the agricultural product into a storage facility, including:

- 1237 (i) commercial greenhouses;
- 1238 (ii) irrigation pumps;
- 1239 (iii) farm machinery;
- 1240 (iv) implements of husbandry as defined in Subsection 41-1a-102(23) that are not
- 1241 registered under Title 41, Chapter 1a, Part 2, Registration; and
- 1242 (v) other farming activities;
- 1243 (c) in manufacturing tangible personal property at an establishment described in SIC
- 1244 Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of the federal
- 1245 Executive Office of the President, Office of Management and Budget;
- 1246 (d) by a scrap recycler if:
- 1247 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
- 1248 one or more of the following items into prepared grades of processed materials for use in new
- 1249 products:
- 1250 (A) iron;
- 1251 (B) steel;
- 1252 (C) nonferrous metal;
- 1253 (D) paper;
- 1254 (E) glass;
- 1255 (F) plastic;
- 1256 (G) textile; or
- 1257 (H) rubber; and
- 1258 (ii) the new products under Subsection (42)(d)(i) would otherwise be made with
- 1259 nonrecycled materials; or
- 1260 (e) in producing a form of energy or steam described in Subsection 54-2-1(2)(a) by a
- 1261 cogeneration facility as defined in Section 54-2-1.
- 1262 (43) (a) Except as provided in Subsection (43)(b), "installation charge" means a charge
- 1263 for installing tangible personal property.
- 1264 (b) Notwithstanding Subsection (43)(a), "installation charge" does not include a charge
- 1265 for repairs or renovations of tangible personal property.
- 1266 (44) (a) "Lease" or "rental" means a transfer of possession or control of tangible
- 1267 personal property for:

- 1268 (i) (A) a fixed term; or
- 1269 (B) an indeterminate term; and
- 1270 (ii) consideration.
- 1271 (b) "Lease" or "rental" includes an agreement covering a motor vehicle and trailer if the
- 1272 amount of consideration may be increased or decreased by reference to the amount realized
- 1273 upon sale or disposition of the property as defined in Section 7701(h)(1), Internal Revenue
- 1274 Code.
- 1275 (c) "Lease" or "rental" does not include:
- 1276 (i) a transfer of possession or control of property under a security agreement or
- 1277 deferred payment plan that requires the transfer of title upon completion of the required
- 1278 payments;
- 1279 (ii) a transfer of possession or control of property under an agreement that requires the
- 1280 transfer of title:
- 1281 (A) upon completion of required payments; and
- 1282 (B) if the payment of an option price does not exceed the greater of:
- 1283 (I) \$100; or
- 1284 (II) 1% of the total required payments; or
- 1285 (iii) providing tangible personal property along with an operator for a fixed period of
- 1286 time or an indeterminate period of time if the operator is necessary for equipment to perform as
- 1287 designed.
- 1288 (d) For purposes of Subsection (44)(c)(iii), an operator is necessary for equipment to
- 1289 perform as designed if the operator's duties exceed the:
- 1290 (i) set-up of tangible personal property;
- 1291 (ii) maintenance of tangible personal property; or
- 1292 (iii) inspection of tangible personal property.
- 1293 (45) "Load and leave" means delivery to a purchaser by use of a tangible storage media
- 1294 if the tangible storage media is not physically transferred to the purchaser.
- 1295 (46) "Local taxing jurisdiction" means a:
- 1296 (a) county that is authorized to impose an agreement sales and use tax;
- 1297 (b) city that is authorized to impose an agreement sales and use tax; or
- 1298 (c) town that is authorized to impose an agreement sales and use tax.

- 1299 (47) "Manufactured home" is as defined in Section 58-56-3.
- 1300 (48) For purposes of Section 59-12-104, "manufacturing facility" means:
- 1301 (a) an establishment described in SIC Codes 2000 to 3999 of the 1987 Standard
- 1302 Industrial Classification Manual of the federal Executive Office of the President, Office of
- 1303 Management and Budget;
- 1304 (b) a scrap recycler if:
- 1305 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
- 1306 one or more of the following items into prepared grades of processed materials for use in new
- 1307 products:
- 1308 (A) iron;
- 1309 (B) steel;
- 1310 (C) nonferrous metal;
- 1311 (D) paper;
- 1312 (E) glass;
- 1313 (F) plastic;
- 1314 (G) textile; or
- 1315 (H) rubber; and
- 1316 (ii) the new products under Subsection (48)(b)(i) would otherwise be made with
- 1317 nonrecycled materials; or
- 1318 (c) a cogeneration facility as defined in Section 54-2-1.
- 1319 (49) "Member of the immediate family of the producer" means a person who is related
- 1320 to a producer described in Subsection 59-12-104(20)(a) as a:
- 1321 (a) child or stepchild, regardless of whether the child or stepchild is:
- 1322 (i) an adopted child or adopted stepchild; or
- 1323 (ii) a foster child or foster stepchild;
- 1324 (b) grandchild or stepgrandchild;
- 1325 (c) grandparent or stepgrandparent;
- 1326 (d) nephew or stepnephew;
- 1327 (e) niece or stepniece;
- 1328 (f) parent or stepparent;
- 1329 (g) sibling or stepsibling;

1330 (h) spouse;
1331 (i) person who is the spouse of a person described in Subsections (49)(a) through (g);

1332 or

1333 (j) person similar to a person described in Subsections (49)(a) through (i) as
1334 determined by the commission by rule made in accordance with Title 63, Chapter 46a, Utah
1335 Administrative Rulemaking Act.

1336 (50) "Mobile home" is as defined in Section 58-56-3.

1337 (51) "Mobile telecommunications service" is as defined in the Mobile
1338 Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

1339 (52) (a) Except as provided in Subsection (52)(c), "mobility enhancing equipment"
1340 means equipment that is:

1341 (i) primarily and customarily used to provide or increase the ability to move from one
1342 place to another;

1343 (ii) appropriate for use in a:

1344 (A) home; or

1345 (B) motor vehicle; and

1346 (iii) not generally used by persons with normal mobility.

1347 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of
1348 the equipment described in Subsection (52)(a).

1349 (c) Notwithstanding Subsection (52)(a), "mobility enhancing equipment" does not
1350 include:

1351 (i) a motor vehicle;

1352 (ii) equipment on a motor vehicle if that equipment is normally provided by the motor
1353 vehicle manufacturer;

1354 (iii) durable medical equipment; or

1355 (iv) a prosthetic device.

1356 (53) "Model 1 seller" means a seller that has selected a certified service provider as the
1357 seller's agent to perform all of the seller's sales and use tax functions for agreement sales and
1358 use taxes other than the seller's obligation under Section 59-12-107.4 to remit a tax on the
1359 seller's own purchases.

1360 (54) "Model 2 seller" means a seller that:

1361 (a) except as provided in Subsection (54)(b), has selected a certified automated system
1362 to perform the seller's sales tax functions for agreement sales and use taxes; and

1363 (b) notwithstanding Subsection (54)(a), retains responsibility for remitting all of the
1364 sales tax:

1365 (i) collected by the seller; and

1366 (ii) to the appropriate local taxing jurisdiction.

1367 (55) (a) Subject to Subsection (55)(b), "model 3 seller" means a seller that has:

1368 (i) sales in at least five states that are members of the agreement;

1369 (ii) total annual sales revenues of at least \$500,000,000;

1370 (iii) a proprietary system that calculates the amount of tax:

1371 (A) for an agreement sales and use tax; and

1372 (B) due to each local taxing jurisdiction; and

1373 (iv) entered into a performance agreement with the governing board of the agreement.

1374 (b) For purposes of Subsection (55)(a), "model 3 seller" includes an affiliated group of
1375 sellers using the same proprietary system.

1376 (56) "Modular home" means a modular unit as defined in Section 58-56-3.

1377 (57) "Motor vehicle" is as defined in Section 41-1a-102.

1378 (58) "Oil shale" means a group of fine black to dark brown shales containing
1379 bituminous material that yields petroleum upon distillation.

1380 (59) (a) "Other fuels" means products that burn independently to produce heat or
1381 energy.

1382 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible
1383 personal property.

1384 (60) "Pawnbroker" is as defined in Section 13-32a-102.

1385 (61) "Pawn transaction" is as defined in Section 13-32a-102.

1386 (62) (a) "Permanently attached to real property" means that for tangible personal
1387 property attached to real property:

1388 (i) the attachment of the tangible personal property to the real property:

1389 (A) is essential to the use of the tangible personal property; and

1390 (B) suggests that the tangible personal property will remain attached to the real
1391 property in the same place over the useful life of the tangible personal property; or

1392 (ii) if the tangible personal property is detached from the real property, the detachment
1393 would:

1394 (A) cause substantial damage to the tangible personal property; or

1395 (B) require substantial alteration or repair of the real property to which the tangible
1396 personal property is attached.

1397 (b) "Permanently attached to real property" includes:

1398 (i) the attachment of an accessory to the tangible personal property if the accessory is:

1399 (A) essential to the operation of the tangible personal property; and

1400 (B) attached only to facilitate the operation of the tangible personal property;

1401 (ii) a temporary detachment of tangible personal property from real property for a
1402 repair or renovation if the repair or renovation is performed where the tangible personal
1403 property and real property are located; or

1404 (iii) an attachment of the following tangible personal property to real property,
1405 regardless of whether the attachment to real property is only through a line that supplies water,
1406 electricity, gas, telephone, cable, or supplies a similar item as determined by the commission by
1407 rule made in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act:

1408 (A) property attached to oil, gas, or water pipelines, other than the property listed in
1409 Subsection (62)(c)(iii);

1410 (B) a hot water heater;

1411 (C) a water softener system; or

1412 (D) a water filtration system, other than a water filtration system manufactured as part
1413 of a refrigerator.

1414 (c) "Permanently attached to real property" does not include:

1415 (i) the attachment of portable or movable tangible personal property to real property if
1416 that portable or movable tangible personal property is attached to real property only for:

1417 (A) convenience;

1418 (B) stability; or

1419 (C) for an obvious temporary purpose;

1420 (ii) the detachment of tangible personal property from real property other than the
1421 detachment described in Subsection (62)(b)(ii); or

1422 (iii) an attachment of the following tangible personal property to real property if the

1423 attachment to real property is only through a line that supplies water, electricity, gas, telephone,
1424 cable, or supplies a similar item as determined by the commission by rule made in accordance
1425 with Title 63, Chapter 46a, Utah Administrative Rulemaking Act:

1426 (A) a refrigerator;

1427 (B) a washer;

1428 (C) a dryer;

1429 (D) a stove;

1430 (E) a television;

1431 (F) a computer;

1432 (G) a telephone; or

1433 (H) tangible personal property similar to Subsections (62)(c)(iii)(A) through (G) as
1434 determined by the commission by rule made in accordance with Title 63, Chapter 46a, Utah
1435 Administrative Rulemaking Act.

1436 (63) "Person" includes any individual, firm, partnership, joint venture, association,
1437 corporation, estate, trust, business trust, receiver, syndicate, this state, any county, city,
1438 municipality, district, or other local governmental entity of the state, or any group or
1439 combination acting as a unit.

1440 (64) "Place of primary use":

1441 (a) for telephone service other than mobile telecommunications service, means the
1442 street address representative of where the purchaser's use of the telephone service primarily
1443 occurs, which shall be:

1444 (i) the residential street address of the purchaser; or

1445 (ii) the primary business street address of the purchaser; or

1446 (b) for mobile telecommunications service, is as defined in the Mobile
1447 Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

1448 (65) "Postproduction" means an activity related to the finishing or duplication of a
1449 medium described in Subsection 59-12-104(56)(a).

1450 (66) (a) "Prepared food" means:

1451 (i) food:

1452 (A) sold in a heated state; or

1453 (B) heated by a seller;

1454 (ii) two or more food ingredients mixed or combined by the seller for sale as a single
1455 item; or

1456 (iii) except as provided in Subsection (66)(c), food sold with an eating utensil provided
1457 by the seller, including a:

1458 (A) plate;

1459 (B) knife;

1460 (C) fork;

1461 (D) spoon;

1462 (E) glass;

1463 (F) cup;

1464 (G) napkin; or

1465 (H) straw.

1466 (b) "Prepared food" does not include:

1467 (i) food that a seller only:

1468 (A) cuts;

1469 (B) repackages; or

1470 (C) pasteurizes; or

1471 (ii) (A) the following:

1472 (I) raw egg;

1473 (II) raw fish;

1474 (III) raw meat;

1475 (IV) raw poultry; or

1476 (V) a food containing an item described in Subsections (66)(b)(ii)(A)(I) through (IV);

1477 and

1478 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the
1479 Food and Drug Administration's Food Code that a consumer cook the items described in

1480 Subsection (66)(b)(ii)(A) to prevent food borne illness; or

1481 (iii) the following if sold without eating utensils provided by the seller:

1482 (A) food and food ingredients sold by a seller if the seller's proper primary

1483 classification under the 2002 North American Industry Classification System of the federal

1484 Executive Office of the President, Office of Management and Budget, is manufacturing in

- 1485 Sector 311, Food Manufacturing, except for Subsector 3118, Bakeries and Tortilla
- 1486 Manufacturing;
- 1487 (B) food and food ingredients sold in an unheated state:
- 1488 (I) by weight or volume; and
- 1489 (II) as a single item; or
- 1490 (C) a bakery item, including:
- 1491 (I) a bagel;
- 1492 (II) a bar;
- 1493 (III) a biscuit;
- 1494 (IV) bread;
- 1495 (V) a bun;
- 1496 (VI) a cake;
- 1497 (VII) a cookie;
- 1498 (VIII) a croissant;
- 1499 (IX) a danish;
- 1500 (X) a donut;
- 1501 (XI) a muffin;
- 1502 (XII) a pastry;
- 1503 (XIII) a pie;
- 1504 (XIV) a roll;
- 1505 (XV) a tart;
- 1506 (XVI) a torte; or
- 1507 (XVII) a tortilla.
- 1508 (c) Notwithstanding Subsection (66)(a)(iii), an eating utensil provided by the seller
- 1509 does not include the following used to transport the food:
- 1510 (i) a container; or
- 1511 (ii) packaging.
- 1512 (67) "Prescription" means an order, formula, or recipe that is issued:
- 1513 (a) (i) orally;
- 1514 (ii) in writing;
- 1515 (iii) electronically; or

- 1516 (iv) by any other manner of transmission; and
- 1517 (b) by a licensed practitioner authorized by the laws of a state.
- 1518 (68) (a) Except as provided in Subsection (68)(b)(ii) or (iii), "prewritten computer
- 1519 software" means computer software that is not designed and developed:
- 1520 (i) by the author or other creator of the computer software; and
- 1521 (ii) to the specifications of a specific purchaser.
- 1522 (b) "Prewritten computer software" includes:
- 1523 (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer
- 1524 software is not designed and developed:
- 1525 (A) by the author or other creator of the computer software; and
- 1526 (B) to the specifications of a specific purchaser;
- 1527 (ii) notwithstanding Subsection (68)(a), computer software designed and developed by
- 1528 the author or other creator of the computer software to the specifications of a specific purchaser
- 1529 if the computer software is sold to a person other than the purchaser; or
- 1530 (iii) notwithstanding Subsection (68)(a) and except as provided in Subsection (68)(c),
- 1531 prewritten computer software or a prewritten portion of prewritten computer software:
- 1532 (A) that is modified or enhanced to any degree; and
- 1533 (B) if the modification or enhancement described in Subsection (68)(b)(iii)(A) is
- 1534 designed and developed to the specifications of a specific purchaser.
- 1535 (c) Notwithstanding Subsection (68)(b)(iii), "prewritten computer software" does not
- 1536 include a modification or enhancement described in Subsection (68)(b)(iii) if the charges for
- 1537 the modification or enhancement are:
- 1538 (i) reasonable; and
- 1539 (ii) separately stated on the invoice or other statement of price provided to the
- 1540 purchaser.
- 1541 (69) (a) "Prosthetic device" means a device that is worn on or in the body to:
- 1542 (i) artificially replace a missing portion of the body;
- 1543 (ii) prevent or correct a physical deformity or physical malfunction; or
- 1544 (iii) support a weak or deformed portion of the body.
- 1545 (b) "Prosthetic device" includes:
- 1546 (i) parts used in the repairs or renovation of a prosthetic device;

- 1547 (ii) replacement parts for a prosthetic device; or
- 1548 (iii) a dental prosthesis.
- 1549 (c) "Prosthetic device" does not include:
- 1550 (i) corrective eyeglasses;
- 1551 (ii) contact lenses; or
- 1552 (iii) hearing aids.
- 1553 (70) (a) "Protective equipment" means an item:
- 1554 (i) for human wear; and
- 1555 (ii) that is:
- 1556 (A) designed as protection:
- 1557 (I) to the wearer against injury or disease; or
- 1558 (II) against damage or injury of other persons or property; and
- 1559 (B) not suitable for general use.
- 1560 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
- 1561 commission shall make rules:
- 1562 (i) listing the items that constitute "protective equipment"; and
- 1563 (ii) that are consistent with the list of items that constitute "protective equipment"
- 1564 under the agreement.
- 1565 (71) (a) For purposes of Subsection 59-12-104(41), "publication" means any written or
- 1566 printed matter, other than a photocopy:
- 1567 (i) regardless of:
- 1568 (A) characteristics;
- 1569 (B) copyright;
- 1570 (C) form;
- 1571 (D) format;
- 1572 (E) method of reproduction; or
- 1573 (F) source; and
- 1574 (ii) made available in printed or electronic format.
- 1575 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
- 1576 commission may by rule define the term "photocopy."
- 1577 (72) (a) "Purchase price" and "sales price" mean the total amount of consideration:

- 1578 (i) valued in money; and
- 1579 (ii) for which tangible personal property or services are:
 - 1580 (A) sold;
 - 1581 (B) leased; or
 - 1582 (C) rented.
- 1583 (b) "Purchase price" and "sales price" include:
 - 1584 (i) the seller's cost of the tangible personal property or services sold;
 - 1585 (ii) expenses of the seller, including:
 - 1586 (A) the cost of materials used;
 - 1587 (B) a labor cost;
 - 1588 (C) a service cost;
 - 1589 (D) interest;
 - 1590 (E) a loss;
 - 1591 (F) the cost of transportation to the seller; or
 - 1592 (G) a tax imposed on the seller; or
 - 1593 (iii) a charge by the seller for any service necessary to complete the sale.
 - 1594 (c) "Purchase price" and "sales price" do not include:
 - 1595 (i) a discount:
 - 1596 (A) in a form including:
 - 1597 (I) cash;
 - 1598 (II) term; or
 - 1599 (III) coupon;
 - 1600 (B) that is allowed by a seller;
 - 1601 (C) taken by a purchaser on a sale; and
 - 1602 (D) that is not reimbursed by a third party; or
 - 1603 (ii) the following if separately stated on an invoice, bill of sale, or similar document
 - 1604 provided to the purchaser:
 - 1605 (A) the amount of a trade-in;
 - 1606 (B) the following from credit extended on the sale of tangible personal property or
 - 1607 services:
 - 1608 (I) interest charges;

- 1609 (II) financing charges; or
- 1610 (III) carrying charges;
- 1611 (C) a tax or fee legally imposed directly on the consumer;
- 1612 (D) a delivery charge; or
- 1613 (E) an installation charge.
- 1614 (73) "Purchaser" means a person to whom:
- 1615 (a) a sale of tangible personal property is made; or
- 1616 (b) a service is furnished.
- 1617 (74) "Regularly rented" means:
- 1618 (a) rented to a guest for value three or more times during a calendar year; or
- 1619 (b) advertised or held out to the public as a place that is regularly rented to guests for
- 1620 value.
- 1621 (75) "Renewable energy" means:
- 1622 (a) biomass energy;
- 1623 (b) hydroelectric energy;
- 1624 (c) geothermal energy;
- 1625 (d) solar energy; or
- 1626 (e) wind energy.
- 1627 (76) (a) "Renewable energy production facility" means a facility that:
- 1628 (i) uses renewable energy to produce electricity; and
- 1629 (ii) has a production capacity of 20 kilowatts or greater.
- 1630 (b) A facility is a renewable energy production facility regardless of whether the
- 1631 facility is:
- 1632 (i) connected to an electric grid; or
- 1633 (ii) located on the premises of an electricity consumer.
- 1634 (77) "Rental" is as defined in Subsection (44).
- 1635 (78) "Repairs or renovations of tangible personal property" means:
- 1636 (a) a repair or renovation of tangible personal property that is not permanently attached
- 1637 to real property; or
- 1638 (b) attaching tangible personal property to other tangible personal property if the other
- 1639 tangible personal property to which the tangible personal property is attached is not

1640 permanently attached to real property.

1641 (79) "Research and development" means the process of inquiry or experimentation
1642 aimed at the discovery of facts, devices, technologies, or applications and the process of
1643 preparing those devices, technologies, or applications for marketing.

1644 (80) "Residential use" means the use in or around a home, apartment building, sleeping
1645 quarters, and similar facilities or accommodations.

1646 (81) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose other
1647 than:

1648 (a) resale;

1649 (b) sublease; or

1650 (c) subrent.

1651 (82) (a) "Retailer" means any person engaged in a regularly organized business in
1652 tangible personal property or any other taxable transaction under Subsection 59-12-103(1), and
1653 who is selling to the user or consumer and not for resale.

1654 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly
1655 engaged in the business of selling to users or consumers within the state.

1656 (83) (a) "Sale" means any transfer of title, exchange, or barter, conditional or
1657 otherwise, in any manner, of tangible personal property or any other taxable transaction under
1658 Subsection 59-12-103(1), for consideration.

1659 (b) "Sale" includes:

1660 (i) installment and credit sales;

1661 (ii) any closed transaction constituting a sale;

1662 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this
1663 chapter;

1664 (iv) any transaction if the possession of property is transferred but the seller retains the
1665 title as security for the payment of the price; and

1666 (v) any transaction under which right to possession, operation, or use of any article of
1667 tangible personal property is granted under a lease or contract and the transfer of possession
1668 would be taxable if an outright sale were made.

1669 (84) "Sale at retail" is as defined in Subsection (81).

1670 (85) "Sale-leaseback transaction" means a transaction by which title to tangible

1671 personal property that is subject to a tax under this chapter is transferred:

1672 (a) by a purchaser-lessee;

1673 (b) to a lessor;

1674 (c) for consideration; and

1675 (d) if:

1676 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase

1677 of the tangible personal property;

1678 (ii) the sale of the tangible personal property to the lessor is intended as a form of

1679 financing:

1680 (A) for the property; and

1681 (B) to the purchaser-lessee; and

1682 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee

1683 is required to:

1684 (A) capitalize the property for financial reporting purposes; and

1685 (B) account for the lease payments as payments made under a financing arrangement.

1686 (86) "Sales price" is as defined in Subsection (72).

1687 (87) (a) "Sales relating to schools" means the following sales by, amounts paid to, or

1688 amounts charged by a school:

1689 (i) sales that are directly related to the school's educational functions or activities

1690 including:

1691 (A) the sale of:

1692 (I) textbooks;

1693 (II) textbook fees;

1694 (III) laboratory fees;

1695 (IV) laboratory supplies; or

1696 (V) safety equipment;

1697 (B) the sale of a uniform, protective equipment, or sports or recreational equipment

1698 that:

1699 (I) a student is specifically required to wear as a condition of participation in a

1700 school-related event or school-related activity; and

1701 (II) is not readily adaptable to general or continued usage to the extent that it takes the

1702 place of ordinary clothing;

1703 (C) sales of the following if the net or gross revenues generated by the sales are

1704 deposited into a school district fund or school fund dedicated to school meals:

1705 (I) food and food ingredients; or

1706 (II) prepared food; or

1707 (D) transportation charges for official school activities; or

1708 (ii) amounts paid to or amounts charged by a school for admission to a school-related

1709 event or school-related activity.

1710 (b) "Sales relating to schools" does not include:

1711 (i) bookstore sales of items that are not educational materials or supplies;

1712 (ii) except as provided in Subsection (87)(a)(i)(B):

1713 (A) clothing;

1714 (B) clothing accessories or equipment;

1715 (C) protective equipment; or

1716 (D) sports or recreational equipment; or

1717 (iii) amounts paid to or amounts charged by a school for admission to a school-related

1718 event or school-related activity if the amounts paid or charged are passed through to a person:

1719 (A) other than a:

1720 (I) school;

1721 (II) nonprofit organization authorized by a school board or a governing body of a

1722 private school to organize and direct a competitive secondary school activity; or

1723 (III) nonprofit association authorized by a school board or a governing body of a

1724 private school to organize and direct a competitive secondary school activity; and

1725 (B) that is required to collect sales and use taxes under this chapter.

1726 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the

1727 commission may make rules defining the term "passed through."

1728 (88) For purposes of this section and Section 59-12-104, "school":

1729 (a) means:

1730 (i) an elementary school or a secondary school that:

1731 (A) is a:

1732 (I) public school; or

- 1733 (II) private school; and
- 1734 (B) provides instruction for one or more grades kindergarten through 12; or
- 1735 (ii) a public school district; and
- 1736 (b) includes the Electronic High School as defined in Section 53A-15-1002.
- 1737 (89) "Seller" means a person that makes a sale, lease, or rental of:
- 1738 (a) tangible personal property; or
- 1739 (b) a service.
- 1740 (90) (a) "Semiconductor fabricating, processing, research, or development materials"
- 1741 means tangible personal property:
- 1742 (i) used primarily in the process of:
- 1743 (A) (I) manufacturing a semiconductor;
- 1744 (II) fabricating a semiconductor; or
- 1745 (III) research or development of a:
- 1746 (Aa) semiconductor; or
- 1747 (Bb) semiconductor manufacturing process; or
- 1748 (B) maintaining an environment suitable for a semiconductor; or
- 1749 (ii) consumed primarily in the process of:
- 1750 (A) (I) manufacturing a semiconductor;
- 1751 (II) fabricating a semiconductor; or
- 1752 (III) research or development of a:
- 1753 (Aa) semiconductor; or
- 1754 (Bb) semiconductor manufacturing process; or
- 1755 (B) maintaining an environment suitable for a semiconductor.
- 1756 (b) "Semiconductor fabricating, processing, research, or development materials"
- 1757 includes:
- 1758 (i) parts used in the repairs or renovations of tangible personal property described in
- 1759 Subsection (90)(a); or
- 1760 (ii) a chemical, catalyst, or other material used to:
- 1761 (A) produce or induce in a semiconductor a:
- 1762 (I) chemical change; or
- 1763 (II) physical change;

- 1764 (B) remove impurities from a semiconductor; or
- 1765 (C) improve the marketable condition of a semiconductor.
- 1766 (91) "Senior citizen center" means a facility having the primary purpose of providing
- 1767 services to the aged as defined in Section 62A-3-101.
- 1768 (92) "Simplified electronic return" means the electronic return:
- 1769 (a) described in Section 318(C) of the agreement; and
- 1770 (b) approved by the governing board of the agreement.
- 1771 (93) "Solar energy" means the sun used as the sole source of energy for producing
- 1772 electricity.
- 1773 (94) (a) "Sports or recreational equipment" means an item:
- 1774 (i) designed for human use; and
- 1775 (ii) that is:
- 1776 (A) worn in conjunction with:
- 1777 (I) an athletic activity; or
- 1778 (II) a recreational activity; and
- 1779 (B) not suitable for general use.
- 1780 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
- 1781 commission shall make rules:
- 1782 (i) listing the items that constitute "sports or recreational equipment"; and
- 1783 (ii) that are consistent with the list of items that constitute "sports or recreational
- 1784 equipment" under the agreement.
- 1785 (95) "State" means the state of Utah, its departments, and agencies.
- 1786 (96) "Storage" means any keeping or retention of tangible personal property or any
- 1787 other taxable transaction under Subsection 59-12-103(1), in this state for any purpose except
- 1788 sale in the regular course of business.
- 1789 (97) (a) "Tangible personal property" means personal property that:
- 1790 (i) may be:
- 1791 (A) seen;
- 1792 (B) weighed;
- 1793 (C) measured;
- 1794 (D) felt; or

1795 (E) touched; or
1796 (ii) is in any manner perceptible to the senses.
1797 (b) "Tangible personal property" includes:
1798 (i) electricity;
1799 (ii) water;
1800 (iii) gas;
1801 (iv) steam; or
1802 (v) prewritten computer software.
1803 (98) "Tar sands" means impregnated sands that yield mixtures of liquid hydrocarbon
1804 and require further processing other than mechanical blending before becoming finished
1805 petroleum products.
1806 (99) (a) "Telecommunications enabling or facilitating equipment, machinery, or
1807 software" means an item listed in Subsection (99)(b) if that item is purchased or leased
1808 primarily to enable or facilitate one or more of the following to function:
1809 (i) telecommunications switching or routing equipment, machinery, or software; or
1810 (ii) telecommunications transmission equipment, machinery, or software.
1811 (b) The following apply to Subsection (99)(a):
1812 (i) a pole;
1813 (ii) software;
1814 (iii) a supplementary power supply;
1815 (iv) temperature or environmental equipment or machinery;
1816 (v) test equipment;
1817 (vi) a tower; or
1818 (vii) equipment, machinery, or software that functions similarly to an item listed in
1819 Subsections (99)(b)(i) through (vi) as determined by the commission by rule made in
1820 accordance with Subsection (99)(c).
1821 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
1822 commission may by rule define what constitutes equipment, machinery, or software that
1823 functions similarly to an item listed in Subsections (99)(b)(i) through (vi).
1824 (100) "Telecommunications equipment, machinery, or software required for 911
1825 service" means equipment, machinery, or software that is required to comply with 47 C.F.R.

1826 Sec. 20.18.

1827 (101) "Telecommunications maintenance or repair equipment, machinery, or software"
1828 means equipment, machinery, or software purchased or leased primarily to maintain or repair
1829 one or more of the following, regardless of whether the equipment, machinery, or software is
1830 purchased or leased as a spare part or as an upgrade or modification to one or more of the
1831 following:

- 1832 (a) telecommunications enabling or facilitating equipment, machinery, or software;
- 1833 (b) telecommunications switching or routing equipment, machinery, or software; or
- 1834 (c) telecommunications transmission equipment, machinery, or software.

1835 (102) (a) "Telecommunications switching or routing equipment, machinery, or
1836 software" means an item listed in Subsection (102)(b) if that item is purchased or leased
1837 primarily for switching or routing:

- 1838 (i) voice communications;
- 1839 (ii) data communications; or
- 1840 (iii) telephone service.

1841 (b) The following apply to Subsection (102)(a):

- 1842 (i) a bridge;
- 1843 (ii) a computer;
- 1844 (iii) a cross connect;
- 1845 (iv) a modem;
- 1846 (v) a multiplexer;
- 1847 (vi) plug in circuitry;
- 1848 (vii) a router;
- 1849 (viii) software;
- 1850 (ix) a switch; or

1851 (x) equipment, machinery, or software that functions similarly to an item listed in
1852 Subsections (102)(b)(i) through (ix) as determined by the commission by rule made in
1853 accordance with Subsection (102)(c).

1854 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
1855 commission may by rule define what constitutes equipment, machinery, or software that
1856 functions similarly to an item listed in Subsections (102)(b)(i) through (ix).

1857 (103) (a) "Telecommunications transmission equipment, machinery, or software"
1858 means an item listed in Subsection (103)(b) if that item is purchased or leased primarily for
1859 sending, receiving, or transporting:
1860 (i) voice communications;
1861 (ii) data communications; or
1862 (iii) telephone service.
1863 (b) The following apply to Subsection (103)(a):
1864 (i) an amplifier;
1865 (ii) a cable;
1866 (iii) a closure;
1867 (iv) a conduit;
1868 (v) a controller;
1869 (vi) a duplexer;
1870 (vii) a filter;
1871 (viii) an input device;
1872 (ix) an input/output device;
1873 (x) an insulator;
1874 (xi) microwave machinery or equipment;
1875 (xii) an oscillator;
1876 (xiii) an output device;
1877 (xiv) a pedestal;
1878 (xv) a power converter;
1879 (xvi) a power supply;
1880 (xvii) a radio channel;
1881 (xviii) a radio receiver;
1882 (xix) a radio transmitter;
1883 (xx) a repeater;
1884 (xxi) software;
1885 (xxii) a terminal;
1886 (xxiii) a timing unit;
1887 (xxiv) a transformer;

1888 (xxv) a wire; or
1889 (xxvi) equipment, machinery, or software that functions similarly to an item listed in
1890 Subsections (103)(b)(i) through (xxv) as determined by the commission by rule made in
1891 accordance with Subsection (103)(c).

1892 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
1893 commission may by rule define what constitutes equipment, machinery, or software that
1894 functions similarly to an item listed in Subsections (103)(b)(i) through (xxv).

1895 (104) (a) "Telephone service" means a two-way transmission:

1896 (i) by:

1897 (A) wire;

1898 (B) radio;

1899 (C) lightwave; or

1900 (D) other electromagnetic means; and

1901 (ii) of one or more of the following:

1902 (A) a sign;

1903 (B) a signal;

1904 (C) writing;

1905 (D) an image;

1906 (E) sound;

1907 (F) a message;

1908 (G) data; or

1909 (H) other information of any nature.

1910 (b) "Telephone service" includes:

1911 (i) mobile telecommunications service;

1912 (ii) private communications service; or

1913 (iii) automated digital telephone answering service.

1914 (c) "Telephone service" does not include a service or a transaction that a state or a
1915 political subdivision of a state is prohibited from taxing as of July 1, 2001, under the Internet
1916 Tax Freedom Act, Pub. L. No. 105-277.

1917 (105) Notwithstanding where a call is billed or paid, "telephone service address"
1918 means:

1919 (a) if the location described in this Subsection (105)(a) is known, the location of the
1920 telephone service equipment:

- 1921 (i) to which a call is charged; and
- 1922 (ii) from which the call originates or terminates;

1923 (b) if the location described in Subsection (105)(a) is not known but the location
1924 described in this Subsection (105)(b) is known, the location of the origination point of the
1925 signal of the telephone service first identified by:

- 1926 (i) the telecommunications system of the seller; or
- 1927 (ii) if the system used to transport the signal is not that of the seller, information
1928 received by the seller from its service provider; or

1929 (c) if the locations described in Subsection (105)(a) or (b) are not known, the location
1930 of a purchaser's primary place of use.

1931 (106) (a) "Telephone service provider" means a person that:

- 1932 (i) owns, controls, operates, or manages a telephone service; and
- 1933 (ii) engages in an activity described in Subsection (106)(a)(i) for the shared use with or
1934 resale to any person of the telephone service.

1935 (b) A person described in Subsection (106)(a) is a telephone service provider whether
1936 or not the Public Service Commission of Utah regulates:

- 1937 (i) that person; or
- 1938 (ii) the telephone service that the person owns, controls, operates, or manages.

1939 (107) "Tobacco" means:

- 1940 (a) a cigarette;
- 1941 (b) a cigar;
- 1942 (c) chewing tobacco;
- 1943 (d) pipe tobacco; or
- 1944 (e) any other item that contains tobacco.

1945 (108) "Unassisted amusement device" means an amusement device, skill device, or
1946 ride device that is started and stopped by the purchaser or renter of the right to use or operate
1947 the amusement device, skill device, or ride device.

1948 (109) (a) "Use" means the exercise of any right or power over tangible personal
1949 property under Subsection 59-12-103(1), incident to the ownership or the leasing of that

1950 property, item, or service.

1951 (b) "Use" does not include the sale, display, demonstration, or trial of that property in
1952 the regular course of business and held for resale.

1953 (110) (a) Subject to Subsection (110)(b), "vehicle" means the following that are
1954 required to be titled, registered, or titled and registered:

1955 (i) an aircraft as defined in Section 72-10-102;

1956 (ii) a vehicle as defined in Section 41-1a-102;

1957 (iii) an off-highway vehicle as defined in Section 41-22-2; or

1958 (iv) a vessel as defined in Section 41-1a-102.

1959 (b) For purposes of Subsection 59-12-104(33) only, "vehicle" includes:

1960 (i) a vehicle described in Subsection (110)(a); or

1961 (ii) (A) a locomotive;

1962 (B) a freight car;

1963 (C) railroad work equipment; or

1964 (D) other railroad rolling stock.

1965 (111) "Vehicle dealer" means a person engaged in the business of buying, selling, or
1966 exchanging a vehicle as defined in Subsection (110).

1967 (112) (a) Except as provided in Subsection (112)(b), "waste energy facility" means a
1968 facility that generates electricity:

1969 (i) using as the primary source of energy waste materials that would be placed in a
1970 landfill or refuse pit if it were not used to generate electricity, including:

1971 (A) tires;

1972 (B) waste coal; or

1973 (C) oil shale; and

1974 (ii) in amounts greater than actually required for the operation of the facility.

1975 (b) "Waste energy facility" does not include a facility that incinerates:

1976 (i) municipal solid waste;

1977 (ii) hospital waste as defined in 40 C.F.R. 60.51c; or

1978 (iii) medical/infectious waste as defined in 40 C.F.R. 60.51c.

1979 (113) "Watercraft" means a vessel as defined in Section 73-18-2.

1980 (114) "Wind energy" means wind used as the sole source of energy to produce

1981 electricity.

1982 (115) "ZIP Code" means a Zoning Improvement Plan Code assigned to a geographic

1983 location by the United States Postal Service.

1984 Section 8. Section **59-12-103** is amended to read:

1985 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**

1986 **tax revenues.**

1987 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or

1988 charged for the following transactions:

1989 (a) retail sales of tangible personal property made within the state;

1990 (b) amounts paid:

1991 (i) to a:

1992 (A) telephone service provider regardless of whether the telephone service provider is

1993 municipally or privately owned; or

1994 (B) telegraph corporation:

1995 (I) as defined in Section 54-2-1; and

1996 (II) regardless of whether the telegraph corporation is municipally or privately owned;

1997 and

1998 (ii) for:

1999 (A) telephone service, other than mobile telecommunications service, that originates

2000 and terminates within the boundaries of this state;

2001 (B) mobile telecommunications service that originates and terminates within the

2002 boundaries of one state only to the extent permitted by the Mobile Telecommunications

2003 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

2004 (C) telegraph service;

2005 (c) sales of the following for commercial use:

2006 (i) gas;

2007 (ii) electricity;

2008 (iii) heat;

2009 (iv) coal;

2010 (v) fuel oil; or

2011 (vi) other fuels;

- 2012 (d) sales of the following for residential use:
- 2013 (i) gas;
- 2014 (ii) electricity;
- 2015 (iii) heat;
- 2016 (iv) coal;
- 2017 (v) fuel oil; or
- 2018 (vi) other fuels;
- 2019 (e) sales of prepared food;
- 2020 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 2021 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 2022 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 2023 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 2024 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 2025 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 2026 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 2027 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 2028 exhibition, cultural, or athletic activity;
- 2029 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 2030 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 2031 (i) the tangible personal property; and
- 2032 (ii) parts used in the repairs or renovations of the tangible personal property described
- 2033 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
- 2034 of that tangible personal property;
- 2035 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 2036 assisted cleaning or washing of tangible personal property;
- 2037 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 2038 accommodations and services that are regularly rented for less than 30 consecutive days;
- 2039 (j) amounts paid or charged for laundry or dry cleaning services;
- 2040 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 2041 this state the tangible personal property is:
- 2042 (i) stored;

- 2043 (ii) used; or
- 2044 (iii) otherwise consumed;
- 2045 (l) amounts paid or charged for tangible personal property if within this state the
- 2046 tangible personal property is:
- 2047 (i) stored;
- 2048 (ii) used; or
- 2049 (iii) consumed; and
- 2050 (m) amounts paid or charged for prepaid telephone calling cards.
- 2051 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
- 2052 is imposed on a transaction described in Subsection (1) equal to the sum of:
- 2053 (i) a state tax imposed on the transaction at a tax rate ~~[of]~~ equal to the sum of:
- 2054 (A) 4.65%; [and]
- 2055 (B) the tax rate the state imposes in accordance with Part 18, Additional State Sales
- 2056 and Use Tax Act, if within the county in which the transaction is consummated, as determined
- 2057 under Section 59-12-207, the state imposes the tax under Part 18, Additional State Sales and
- 2058 Use Tax Act;
- 2059 (C) the tax rate the state imposes in accordance with Part 19, Supplemental State Sales
- 2060 and Use Tax Act, if within the county, city, or town in which the transaction is consummated,
- 2061 as determined under Section 59-12-207, the state imposes the tax under Part 19, Supplemental
- 2062 State Sales and Use Tax Act; and
- 2063 (D) the tax rate the state imposes in accordance with Part 20, State Sales and Use Tax
- 2064 for Transportation Act; and
- 2065 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 2066 transaction under this chapter other than this part.
- 2067 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
- 2068 on a transaction described in Subsection (1)(d) equal to the sum of:
- 2069 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 2070 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 2071 transaction under this chapter other than this part.
- 2072 (c) Except as provided in Subsection (2)(d) or (e), ~~[beginning on January 1, 2007,]~~ a
- 2073 state tax and a local tax is imposed on amounts paid or charged for food and food ingredients

2074 equal to the sum of:

2075 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
2076 a tax rate of 1.75%; and

2077 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2078 amounts paid or charged for food and food ingredients under this chapter other than this part.

2079 (d) Except as provided in Subsection (2)(e), if a seller collects a tax in accordance with
2080 Subsection 59-12-107(1)(b) on a transaction described in Subsection (1), a state tax and a local
2081 tax is imposed on the transaction equal to the sum of:

2082 (i) a state tax imposed on the transaction at a tax rate of:

2083 (A) [~~4.65%~~] for a transaction other than a transaction described in Subsection

2084 (2)(d)(i)(B) or (2)(d)(i)(C)[~~;~~], the sum of:

2085 (I) 4.65%;

2086 (II) the tax rate the state imposes in accordance with Part 18, Additional State Sales
2087 and Use Tax Act, if within the county in which the transaction is consummated, as determined
2088 under Section 59-12-207, the state imposes the tax under Part 18, Additional State Sales and
2089 Use Tax Act;

2090 (III) the tax rate the state imposes in accordance with Part 19, Supplemental State Sales
2091 and Use Tax Act, if within the county, city, or town in which the transaction is consummated,
2092 as determined under Section 59-12-207, the state imposes the tax under Part 19, Supplemental
2093 State Sales and Use Tax Act; and

2094 (IV) the tax rate the state imposes in accordance with Part 20, State Sales and Use Tax
2095 for Transportation Act;

2096 (B) 2% for a transaction described in Subsection (1)(d); or

2097 (C) [~~beginning on January 1, 2007~~] except as provided in Section 59-12-1802,

2098 59-12-1902, or 59-12-2002, 1.75% on the amounts paid or charged for food and food
2099 ingredients; and

2100 (ii) a local tax imposed on the transaction at a tax rate equal to the sum of the following
2101 tax rates:

2102 (A) for a transaction except for a transaction described in Subsection (2)(d)(i)(B) or
2103 (2)(d)(i)(C), the sum of the following tax rates:

2104 [~~(A)~~] (I) the tax rate authorized by Section 59-12-204, but only if all of the counties,

2105 cities, and towns in the state impose the tax authorized by Section 59-12-204; ~~[and]~~

2106 (II) the tax rate authorized by Section 59-12-501 if within the county, city, or town in
 2107 which the transaction is consummated, as determined under Section 59-12-207, that county,
 2108 city, or town imposes the tax authorized by Section 59-12-501;

2109 (III) the tax rate authorized by Section 59-12-502 if within the county, city, or town in
 2110 which the transaction is consummated, as determined under Section 59-12-207, that county,
 2111 city, or town imposes the tax authorized by Section 59-12-502;

2112 (IV) the tax rate authorized by Section 59-12-703 if within the county in which the
 2113 transaction is consummated, as determined under Section 59-12-207, that county imposes the
 2114 tax authorized by Section 59-12-703; and

2115 ~~[(B)]~~ (V) the tax rate authorized by Section 59-12-1102~~[, but only if all of the counties~~
 2116 ~~in the state impose the tax authorized by Section 59-12-1102.]~~ if within the county in which the
 2117 transaction is consummated, as determined under Section 59-12-207, that county imposes the
 2118 tax authorized by Section 59-12-1102; or

2119 (B) for a transaction described in Subsection (2)(d)(i)(B) or (2)(d)(i)(C), the sum of the
 2120 following tax rates:

2121 (I) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,
 2122 and towns in the state impose the tax authorized by Section 59-12-204; and

2123 (II) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the
 2124 state impose the tax authorized by Section 59-12-1102.

2125 (e) (i) A state tax and a local tax is imposed on an entire bundled transaction as
 2126 provided in this Subsection (2)(e) if the bundled transaction is attributable to food and food
 2127 ingredients and tangible personal property other than food and food ingredients.

2128 (ii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by a
 2129 seller other than a seller that collects a tax in accordance with Subsection 59-12-107(1)(b),
 2130 ~~[beginning on January 1, 2007,]~~ a state tax and a local tax is imposed on the entire bundled
 2131 transaction equal to the sum of:

2132 (A) a state tax imposed on the entire bundled transaction ~~[at]~~ equal to the sum of:

2133 (I) the tax rate described in Subsection (2)(a)(i)(A); ~~[and]~~

2134 (II) the tax rate the state imposes in accordance with Part 18, Additional State Sales
 2135 and Use Tax Act, if within the county in which the transaction is consummated, as determined

2136 under Section 59-12-207, the state imposes the tax under Part 18, Additional State Sales and
2137 Use Tax Act;

2138 (III) the tax rate the state imposes in accordance with Part 19, Supplemental State Sales
2139 and Use Tax Act, if within the county, city, or town in which the transaction is consummated,
2140 as determined under Section 59-12-207, the state imposes the tax under Part 19, Supplemental
2141 State Sales and Use Tax Act; and

2142 (IV) the tax rate the state imposes in accordance with Part 20, State Sales and Use Tax
2143 for Transportation Act; and

2144 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
2145 described in Subsection (2)(a)(ii).

2146 (iii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by
2147 a seller in accordance with Subsection 59-12-107(1)(b), [~~beginning on January 1, 2007;~~] a state
2148 tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

2149 (A) a state tax imposed on the entire bundled transaction [~~at~~] equal to the sum of:

2150 (I) the tax rate described in Subsection (2)(d)(i)(A)(I); [~~and~~]

2151 (II) the tax rate the state imposes in accordance with Part 18, Additional State Sales
2152 and Use Tax Act, if within the county in which the transaction is consummated, as determined
2153 under Section 59-12-207, the state imposes the tax under Part 18, Additional State Sales and
2154 Use Tax Act;

2155 (III) the tax rate the state imposes in accordance with Part 19, Supplemental State Sales
2156 and Use Tax Act, if within the county, city, or town in which the transaction is consummated,
2157 as determined under Section 59-12-207, the state imposes the tax under Part 19, Supplemental
2158 State Sales and Use Tax Act; and

2159 (IV) the tax rate the state imposes in accordance with Part 20, State Sales and Use Tax
2160 for Transportation Act; and

2161 (B) a local tax imposed on the entire bundled transaction at a tax rate equal to the sum
2162 of the following tax rates:

2163 (I) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,
2164 and towns in the state impose the tax authorized by Section 59-12-204; [~~and~~]

2165 (II) the tax rate authorized by Section 59-12-501 if within the county, city, or town in
2166 which the transaction is consummated, as determined under Section 59-12-207, that county,

2167 city, or town imposes the tax authorized by Section 59-12-501;

2168 (III) the tax rate authorized by Section 59-12-502 if within the county, city, or town in
 2169 which the transaction is consummated, as determined under Section 59-12-207, that county,
 2170 city, or town imposes the tax authorized by Section 59-12-502;

2171 (IV) the tax rate authorized by Section 59-12-703 if within the county in which the
 2172 transaction is consummated, as determined under Section 59-12-207, that county imposes the
 2173 tax authorized by Section 59-12-703; and

2174 ~~[(H)]~~ (V) the tax rate authorized by Section 59-12-1102~~[, but only if all of the counties~~
 2175 ~~in the state impose the tax authorized by Section 59-12-1102]~~ if within the county in which the
 2176 transaction is consummated, as determined under Section 59-12-1102, that county imposes the
 2177 tax authorized by Section 59-12-1102.

2178 (f) Subject to Subsections (2)(g) and (h), a tax rate repeal or tax rate change for a tax
 2179 rate imposed under the following shall take effect on the first day of a calendar quarter:

2180 (i) Subsection (2)(a)(i);

2181 (ii) Subsection (2)(b)(i);

2182 (iii) Subsection (2)(c)(i);

2183 (iv) Subsection (2)(d)(i);

2184 (v) Subsection (2)(e)(ii)(A); or

2185 (vi) Subsection (2)(e)(iii)(A).

2186 (g) (i) For a transaction described in Subsection (2)(g)(iii), a tax rate increase shall take
 2187 effect on the first day of the first billing period that begins after the effective date of the tax rate
 2188 increase if the billing period for the transaction begins before the effective date of a tax rate
 2189 increase imposed under:

2190 (A) Subsection (2)(a)(i);

2191 (B) Subsection (2)(b)(i);

2192 (C) Subsection (2)(c)(i);

2193 (D) Subsection (2)(d)(i);

2194 (E) Subsection (2)(e)(ii)(A); or

2195 (F) Subsection (2)(e)(iii)(A).

2196 (ii) For a transaction described in Subsection (2)(g)(iii), the repeal of a tax or a tax rate
 2197 decrease shall take effect on the first day of the last billing period that began before the

2198 effective date of the repeal of the tax or the tax rate decrease if the billing period for the
2199 transaction begins before the effective date of the repeal of the tax or the tax rate decrease
2200 imposed under:

- 2201 (A) Subsection (2)(a)(i);
- 2202 (B) Subsection (2)(b)(i);
- 2203 (C) Subsection (2)(c)(i);
- 2204 (D) Subsection (2)(d)(i);
- 2205 (E) Subsection (2)(e)(ii)(A); or

2206 (F) Subsection (2)(e)(iii)(A).

2207 (iii) Subsections (2)(g)(i) and (ii) apply to transactions subject to a tax under:

- 2208 (A) Subsection (1)(b);
- 2209 (B) Subsection (1)(c);
- 2210 (C) Subsection (1)(d);
- 2211 (D) Subsection (1)(e);
- 2212 (E) Subsection (1)(f);
- 2213 (F) Subsection (1)(g);
- 2214 (G) Subsection (1)(h);
- 2215 (H) Subsection (1)(i);
- 2216 (I) Subsection (1)(j); or
- 2217 (J) Subsection (1)(k).

2218 (h) (i) For a tax rate described in Subsection (2)(h)(ii), if a tax due on a catalogue sale
2219 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
2220 or change in a tax rate takes effect:

- 2221 (A) on the first day of a calendar quarter; and
- 2222 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

2223 (ii) Subsection (2)(h)(i) applies to the tax rates described in the following:

- 2224 (A) Subsection (2)(a)(i);
- 2225 (B) Subsection (2)(b)(i);
- 2226 (C) Subsection (2)(c)(i);
- 2227 (D) Subsection (2)(d)(i);
- 2228 (E) Subsection (2)(e)(ii)(A); or

- 2229 (F) Subsection (2)(e)(iii)(A).
- 2230 (iii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2231 the commission may by rule define the term "catalogue sale."
- 2232 (3) (a) Except as provided in Subsections (4) through (10), the following state taxes
2233 shall be deposited into the General Fund:
- 2234 (i) the tax imposed by Subsection (2)(a)(i);
2235 (ii) the tax imposed by Subsection (2)(b)(i);
2236 (iii) the tax imposed by Subsection (2)(c)(i);
2237 (iv) the tax imposed by Subsection (2) (d)(i);
2238 (v) the tax imposed by Subsection (2)(e)(ii)(A); and
2239 (vi) the tax imposed by Subsection (2)(e)(iii)(A).
- 2240 (b) The following local taxes shall be distributed to a county, city, or town as provided
2241 in this chapter:
- 2242 (i) the tax imposed by Subsection (2)(a)(ii);
2243 (ii) the tax imposed by Subsection (2)(b)(ii);
2244 (iii) the tax imposed by Subsection (2)(c)(ii); and
2245 (iv) the tax imposed by Subsection (2)(e)(ii)(B).
- 2246 (c) (i) Notwithstanding any provision of this chapter, each county, city, or town in the
2247 state shall receive the county's, city's, or town's proportionate share of the revenues generated
2248 by the following local taxes as provided in Subsection (3)(c)(ii):
- 2249 (A) the local tax described in Subsection (2)(d)(ii); and
2250 (B) the local tax described in Subsection (2)(e)(iii)(B).
- 2251 (ii) For revenues generated by a tax described in Subsection (3)(c)(i), the commission
2252 shall determine a county's, city's, or town's proportionate share of the revenues by:
- 2253 (A) calculating an amount equal to the population of the unincorporated area of the
2254 county, city, or town divided by the total population of the state; and
2255 (B) multiplying the amount determined under Subsection (3)(c)(ii)(A) by the total
2256 amount of revenues generated by the taxes described in Subsection (3)(c)(i) for all counties,
2257 cities, and towns.
- 2258 (iii) (A) Except as provided in Subsection (3)(c)(iii)(B), population figures for
2259 purposes of this section shall be derived from the most recent official census or census estimate

2260 of the United States Census Bureau.

2261 (B) If a needed population estimate is not available from the United States Census
2262 Bureau, population figures shall be derived from the estimate from the Utah Population
2263 Estimates Committee created by executive order of the governor.

2264 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2265 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
2266 through (g):

2267 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

2268 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

2269 (B) for the fiscal year; or

2270 (ii) \$17,500,000.

2271 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
2272 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
2273 Department of Natural Resources to:

2274 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to
2275 protect sensitive plant and animal species; or

2276 (B) award grants, up to the amount authorized by the Legislature in an appropriations
2277 act, to political subdivisions of the state to implement the measures described in Subsections
2278 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

2279 (ii) Money transferred to the Department of Natural Resources under Subsection
2280 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
2281 person to list or attempt to have listed a species as threatened or endangered under the
2282 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

2283 (iii) At the end of each fiscal year:

2284 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
2285 Conservation and Development Fund created in Section 73-10-24;

2286 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
2287 Program Subaccount created in Section 73-10c-5; and

2288 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
2289 Program Subaccount created in Section 73-10c-5.

2290 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in

2291 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
2292 created in Section 4-18-6.

2293 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
2294 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
2295 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
2296 water rights.

2297 (ii) At the end of each fiscal year:

2298 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
2299 Conservation and Development Fund created in Section 73-10-24;

2300 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
2301 Program Subaccount created in Section 73-10c-5; and

2302 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
2303 Program Subaccount created in Section 73-10c-5.

2304 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
2305 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development
2306 Fund created in Section 73-10-24 for use by the Division of Water Resources.

2307 (ii) In addition to the uses allowed of the Water Resources Conservation and
2308 Development Fund under Section 73-10-24, the Water Resources Conservation and
2309 Development Fund may also be used to:

2310 (A) conduct hydrologic and geotechnical investigations by the Division of Water
2311 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
2312 quantifying surface and ground water resources and describing the hydrologic systems of an
2313 area in sufficient detail so as to enable local and state resource managers to plan for and
2314 accommodate growth in water use without jeopardizing the resource;

2315 (B) fund state required dam safety improvements; and

2316 (C) protect the state's interest in interstate water compact allocations, including the
2317 hiring of technical and legal staff.

2318 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2319 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount
2320 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

2321 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described

2322 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount
2323 created in Section 73-10c-5 for use by the Division of Drinking Water to:

2324 (i) provide for the installation and repair of collection, treatment, storage, and
2325 distribution facilities for any public water system, as defined in Section 19-4-102;

2326 (ii) develop underground sources of water, including springs and wells; and

2327 (iii) develop surface water sources.

2328 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2329 2006, the difference between the following amounts shall be expended as provided in this
2330 Subsection (5), if that difference is greater than \$1:

2331 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
2332 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

2333 (ii) \$17,500,000.

2334 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

2335 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
2336 credits; and

2337 (B) expended by the Department of Natural Resources for watershed rehabilitation or
2338 restoration.

2339 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2340 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
2341 created in Section 73-10-24.

2342 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
2343 remaining difference described in Subsection (5)(a) shall be:

2344 (A) transferred each fiscal year to the Division of Water Resources as dedicated
2345 credits; and

2346 (B) expended by the Division of Water Resources for cloud-seeding projects
2347 authorized by Title 73, Chapter 15, Modification of Weather.

2348 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2349 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
2350 created in Section 73-10-24.

2351 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the
2352 remaining difference described in Subsection (5)(a) shall be deposited into the Water

2353 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
2354 Division of Water Resources for:

2355 (i) preconstruction costs:

2356 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
2357 26, Bear River Development Act; and

2358 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
2359 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

2360 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
2361 Chapter 26, Bear River Development Act;

2362 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
2363 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

2364 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and
2365 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

2366 (e) Any unexpended monies described in Subsection (5)(d) that remain in the Water
2367 Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.

2368 (f) After making the transfers required by Subsections (5)(b) and (c) and subject to
2369 Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be
2370 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
2371 incurred for employing additional technical staff for the administration of water rights.

2372 (g) At the end of each fiscal year, any unexpended dedicated credits described in
2373 Subsection (5)(f) over \$150,000 lapse to the Water Resources Conservation and Development
2374 Fund created in Section 73-10-24.

2375 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2376 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
2377 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
2378 the Transportation Fund created by Section 72-2-102.

2379 (7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies,
2380 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial
2381 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed
2382 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable
2383 transactions under Subsection (1).

2384 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
2385 have been paid off and the highway projects completed that are intended to be paid from
2386 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
2387 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
2388 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
2389 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
2390 by a 1/64% tax rate on the taxable transactions under Subsection (1).

2391 (8) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after fiscal
2392 year 2004-05, the commission shall each year on or before the September 30 immediately
2393 following the last day of the fiscal year deposit the difference described in Subsection (8)(b)
2394 into the Remote Sales Restricted Account created in Section 59-12-103.2 if that difference is
2395 greater than \$0.

2396 (b) The difference described in Subsection (8)(a) is equal to the difference between:

2397 (i) the total amount of the revenues the commission received from sellers collecting the
2398 taxes described in Subsections (2)(d)(i) and (2)(e)(iii)(A) for the fiscal year immediately
2399 preceding the September 30 described in Subsection (8)(a); and

2400 (ii) \$7,279,673.

2401 (9) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
2402 Subsection (7)(a), and until Subsection (9)(b) applies, for a fiscal year beginning on or after
2403 July 1, 2007, the Division of Finance shall deposit into the Centennial Highway Fund
2404 Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection
2405 (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a
2406 portion of the approximately 17% of sales and use tax revenues generated annually by the sales
2407 and use tax on vehicles and vehicle-related products:

- 2408 (i) the tax imposed by Subsection (2)(a)(i);
- 2409 (ii) the tax imposed by Subsection (2)(b)(i);
- 2410 (iii) the tax imposed by Subsection (2)(c)(i); and
- 2411 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

2412 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
2413 Subsection (7)(b), when the highway general obligation bonds have been paid off and the
2414 highway projects completed that are intended to be paid from revenues deposited in the

2415 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations
2416 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the
2417 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes
2418 listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes,
2419 which represents a portion of the approximately 17% of sales and use tax revenues generated
2420 annually by the sales and use tax on vehicles and vehicle-related products:

- 2421 (i) the tax imposed by Subsection (2)(a)(i);
- 2422 (ii) the tax imposed by Subsection (2)(b)(i);
- 2423 (iii) the tax imposed by Subsection (2)(c)(i); and
- 2424 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

2425 (10) (a) Notwithstanding Subsection (3)(a) and until Subsection (10)(b) applies, the
2426 Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes
2427 listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section
2428 72-2-125.

2429 (b) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under
2430 Subsections (7) and (9), when the general obligation bonds authorized by Section 63B-16-101
2431 have been paid off and the highway projects completed that are included in the prioritized
2432 project list under Subsection 72-2-125(4) as determined in accordance with Subsection
2433 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues
2434 generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund
2435 of 2005 created by Section 72-2-124.

2436 (11) Notwithstanding Subsection (3)(a), the following amounts shall be deposited into
2437 the Rural Health Care Compensation Fund created by Section 26-9-5 and expended as provided
2438 in Section 26-9-5:

2439 (a) for the period beginning on January 1, 2009, and ending on June 30, 2009,
2440 \$3,581,270; and

2441 (b) for each fiscal year beginning with fiscal year 2009-10, \$7,162,540.

2442 Section 9. Section **59-12-108** is amended to read:

2443 **59-12-108. Monthly payment -- Amount of tax a seller may retain -- Penalty --**
2444 **Certain amounts allocated to local taxing jurisdictions.**

2445 (1) (a) Notwithstanding Section 59-12-107, a seller that has a tax liability under this

2446 chapter of \$50,000 or more for the previous calendar year shall:

2447 (i) file a return with the commission:

2448 (A) monthly on or before the last day of the month immediately following the month

2449 for which the seller collects a tax under this chapter; and

2450 (B) for the month for which the seller collects a tax under this chapter; and

2451 (ii) remit with the return required by Subsection (1)(a)(i) the amount the person is

2452 required to remit to the commission for each tax, fee, or charge described in Subsection (1)(b):

2453 (A) if that seller's tax liability under this chapter for the previous calendar year is less

2454 than \$96,000, by any method permitted by the commission; or

2455 (B) if that seller's tax liability under this chapter for the previous calendar year is

2456 \$96,000 or more, by electronic funds transfer.

2457 (b) Subsections (1)(a)(i) and (ii) apply to the following taxes, fees, or charges:

2458 (i) a tax under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

2459 (ii) a fee under Section 19-6-716;

2460 (iii) a fee under Section 19-6-805;

2461 (iv) a charge under Section 69-2-5.5; or

2462 (v) a tax under this chapter.

2463 (c) Notwithstanding Subsection (1)(a)(ii) and in accordance with Title 63, Chapter 46a,

2464 Utah Administrative Rulemaking Act, the commission shall make rules providing for a method

2465 for making same-day payments other than by electronic funds transfer if making payments by

2466 electronic funds transfer fails.

2467 (d) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the

2468 commission shall establish by rule procedures and requirements for determining the amount a

2469 seller is required to remit to the commission under this Subsection (1).

2470 (2) (a) Except as provided in Subsection (3), a seller subject to Subsection (1) or a

2471 seller described in Subsection (4) may retain each month the amount allowed by this

2472 Subsection (2).

2473 (b) A seller subject to Subsection (1) or a seller described in Subsection (4) may retain

2474 each month 1.31% of any amounts the seller is required to remit to the commission:

2475 (i) for a transaction described in Subsection 59-12-103(1) that is subject to a state tax

2476 and a local tax imposed in accordance with the following, for the month for which the seller is

2477 filing a return in accordance with Subsection (1):

2478 (A) Subsection 59-12-103(2)(a);

2479 (B) Subsection 59-12-103(2)(b);

2480 (C) Subsection 59-12-103(2)(d), except for the state tax and the local tax imposed on

2481 the amounts paid or charged for food and food ingredients in accordance with Subsections

2482 59-12-103(2)(d)(i)(C) and (2)(d)(ii)(B); and

2483 (D) Subsection 59-12-103(2)(e); and

2484 (ii) for an agreement sales and use tax.

2485 (c) (i) A seller subject to Subsection (1) or a seller described in Subsection (4) may

2486 retain each month the amount calculated under Subsection (2)(c)(ii) for a transaction described

2487 in Subsection 59-12-103(1) that is subject to the state tax and the local tax imposed in

2488 accordance with Subsection 59-12-103(2)(c).

2489 (ii) For purposes of Subsection (2)(c)(i), the amount a seller may retain is an amount

2490 equal to the sum of:

2491 (A) 1.31% of any amounts the seller is required to remit to the commission for:

2492 (I) the state tax and the local tax imposed in accordance with Subsection

2493 59-12-103(2)(c);

2494 (II) the month for which the seller is filing a return in accordance with Subsection (1);

2495 and

2496 (III) an agreement sales and use tax; and

2497 (B) 1.31% of the difference between:

2498 (I) the amounts the seller would have been required to remit to the commission:

2499 (Aa) in accordance with Subsection 59-12-103(2)(a) if the transaction had been subject

2500 to the state tax and the local tax imposed in accordance with Subsection 59-12-103(2)(a);

2501 (Bb) for the month for which the seller is filing a return in accordance with Subsection

2502 (1); and

2503 (Cc) for an agreement sales and use tax; and

2504 (II) the amounts the seller is required to remit to the commission for:

2505 (Aa) the state tax and the local tax imposed in accordance with Subsection

2506 59-12-103(2)(c);

2507 (Bb) the month for which the seller is filing a return in accordance with Subsection (1);

2508 and
2509 (Cc) an agreement sales and use tax.
2510 (d) (i) A seller subject to Subsection (1) or a seller described in Subsection (4) may
2511 retain each month the amount calculated under Subsection (2)(d)(ii) for a transaction described
2512 in Subsection 59-12-103(1) that is subject to the state tax and the local tax imposed on the
2513 amounts paid or charged for food and food ingredients in accordance with Subsections
2514 59-12-103(2)(d)(i)(C) and (2)(d)(ii)(B).

2515 (ii) For purposes of Subsection (2)(d)(i), the amount a seller may retain is an amount
2516 equal to the sum of:

2517 (A) 1.31% of any amounts the seller is required to remit to the commission for:

2518 (I) the state tax and the local tax imposed on the amounts paid or charged for food and
2519 food ingredients in accordance with Subsections 59-12-103(2)(d)(i)(C) and (2)(d)(ii)(B);

2520 (II) the month for which the seller is filing a return in accordance with Subsection (1);

2521 and

2522 (III) an agreement sales and use tax; and

2523 (B) 1.31% of the difference between:

2524 (I) the amounts the seller would have been required to remit to the commission:

2525 (Aa) in accordance with Subsections 59-12-103(2)(d)(i)(A) and (2)(d)(ii)(A) if the
2526 transaction had been subject to the state tax and the local tax imposed in accordance with
2527 Subsections 59-12-103(2)(d)(i)(A) and (2)(d)(ii)(A);

2528 (Bb) for the month for which the seller is filing a return in accordance with Subsection
2529 (1); and

2530 (Cc) for an agreement sales and use tax; and

2531 (II) the amounts the seller is required to remit to the commission for:

2532 (Aa) the state tax and the local tax imposed in accordance with Subsections
2533 59-12-103(2)(d)(i)(C) and (2)(d)(ii)(B);

2534 (Bb) the month for which the seller is filing a return in accordance with Subsection (1);

2535 and

2536 (Cc) an agreement sales and use tax.

2537 (e) A seller subject to Subsection (1) or a seller described in Subsection (4) may retain
2538 each month 1% of any amounts the seller is required to remit to the commission:

2539 (i) for the month for which the seller is filing a return in accordance with Subsection
2540 (1); and

2541 (ii) under:

2542 (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

2543 (B) Subsection 59-12-603(1)(a)(i)(A); or

2544 (C) Subsection 59-12-603(1)(a)(i)(B).

2545 (3) A state government entity that is required to remit taxes monthly in accordance
2546 with Subsection (1) may not retain any amount under Subsection (2).

2547 (4) A seller that has a tax liability under this chapter for the previous calendar year of
2548 less than \$50,000 may:

2549 (a) voluntarily meet the requirements of Subsection (1); and

2550 (b) if the seller voluntarily meets the requirements of Subsection (1), retain the
2551 amounts allowed by Subsection (2).

2552 (5) Penalties for late payment shall be as provided in Section 59-1-401.

2553 (6) (a) For any amounts required to be remitted to the commission under this part, the
2554 commission shall each month calculate an amount equal to the difference between:

2555 (i) the total amount retained for that month by all sellers had the percentages listed
2556 under Subsections (2)(b), (2)(c)(ii), and (2)(d)(ii) been 1.5%; and

2557 (ii) the total amount retained for that month by all sellers at the percentages listed
2558 under Subsections (2)(b), (2)(c)(ii), and (2)(d)(ii).

2559 (b) The commission shall each month allocate the amount calculated under Subsection
2560 (6)(a) to each county, city, and town on the basis of the proportion of agreement sales and use
2561 tax that the commission distributes to each county, city, and town for that month compared to
2562 the total agreement sales and use tax that the commission distributes for that month to all
2563 counties, cities, and towns.

2564 Section 10. Section **59-12-205** is amended to read:

2565 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of**
2566 **tax revenues -- Determination of population.**

2567 (1) Each county, city, and town, in order to maintain in effect sales and use tax
2568 ordinances adopted pursuant to Section 59-12-204, shall, within 30 days of any amendment of
2569 any applicable provisions of Part 1, Tax Collection, adopt amendments of their respective sales

2570 and use tax ordinances to conform with the amendments to Part 1, Tax Collection, insofar as
2571 they relate to sales and use taxes.

2572 (2) (a) Except as provided in Subsections (3) through (5)[:], the commission shall
2573 distribute revenues collected from the sales and use tax authorized by this part as provided in
2574 this Subsection (2).

2575 (b) Before the commission makes a distribution in accordance with Subsections (2)(c)
2576 and (d):

2577 (i) a seller may retain the amount allowed by Section 59-12-108; and

2578 (ii) the commission shall retain the charge required by Section 59-12-206.

2579 (c) After the amounts described in Subsection (2)(b) are retained in accordance with
2580 Subsection (2)(b), the commission shall distribute:

2581 (i) for the period beginning on January 1, 2009, and ending on June 30, 2009, \$17,566
2582 to each town that imposes a town option sales and use tax:

2583 (A) on December 31, 2008; and

2584 (B) that is repealed by this bill; and

2585 (ii) for each fiscal year beginning with fiscal year 2009-10, \$35,132 to each town that
2586 imposes a town option sales and use tax:

2587 (A) on December 31, 2008; and

2588 (B) that is repealed by this bill.

2589 (d) After the commission makes the distributions required by Subsection (2)(c), the
2590 commission shall distribute the remaining amount of revenues collected from the sales and use
2591 tax authorized by this part as follows:

2592 [~~(a)~~] (i) 50% of each dollar collected from the sales and use tax authorized by this part
2593 shall be paid to each county, city, and town on the basis of the percentage that the population of
2594 the county, city, or town bears to the total population of all counties, cities, and towns in the
2595 state; and

2596 [~~(b)~~] (ii) 50% of each dollar collected from the sales and use tax authorized by this part
2597 shall be paid to each county, city, and town on the basis of the location where the transaction is
2598 consummated as determined under Section 59-12-207.

2599 (3) (a) For fiscal years beginning with fiscal year 1983-84 and ending with fiscal year
2600 2005-06, a county, city, or town may not receive a tax revenue distribution less than .75% of

2601 the taxable sales within the boundaries of the county, city, or town.

2602 (b) The commission shall proportionally reduce monthly distributions to any county,
2603 city, or town that, but for the reduction, would receive a distribution in excess of 1% of the
2604 sales and use tax revenue collected within the boundaries of the county, city, or town.

2605 (4) (a) As used in this Subsection (4):

2606 (i) "Eligible county, city, or town" means a county, city, or town that receives \$2,000 or
2607 more in tax revenue distributions in accordance with Subsection (3) for each of the following
2608 fiscal years:

2609 (A) fiscal year 2002-03;

2610 (B) fiscal year 2003-04; and

2611 (C) fiscal year 2004-05.

2612 (ii) "Minimum tax revenue distribution" means the greater of:

2613 (A) the total amount of tax revenue distributions an eligible county, city, or town
2614 receives from a tax imposed in accordance with this part for fiscal year 2000-01; or

2615 (B) the total amount of tax revenue distributions an eligible county, city, or town
2616 receives from a tax imposed in accordance with this part for fiscal year 2004-05.

2617 (b) (i) Notwithstanding Subsection (2) and except as provided in Subsection (4)(b)(ii),
2618 beginning with fiscal year 2006-07 and ending with fiscal year 2012-13, an eligible county,
2619 city, or town shall receive a tax revenue distribution for a tax imposed in accordance with this
2620 part equal to the greater of:

2621 (A) the payment required by Subsection (2); or

2622 (B) the minimum tax revenue distribution.

2623 (ii) If the tax revenue distribution required by Subsection (4)(b)(i) for an eligible
2624 county, city, or town is equal to the amount described in Subsection (4)(b)(i)(A) for three
2625 consecutive fiscal years, for fiscal years beginning with the fiscal year immediately following
2626 that three consecutive fiscal year period, the eligible county, city, or town shall receive the tax
2627 revenue distribution equal to the payment required by Subsection (2).

2628 (c) For a fiscal year beginning with fiscal year 2013-14 and ending with fiscal year
2629 2015-16, an eligible county, city, or town shall receive the minimum tax revenue distribution
2630 for that fiscal year if for fiscal year 2012-13 the payment required by Subsection (2) to that
2631 eligible county, city, or town is less than or equal to the product of:

2632 (i) the minimum tax revenue distribution; and

2633 (ii) .90.

2634 (5) Notwithstanding Subsection (2), if a county, city, or town imposes a tax authorized
2635 by this part on any amounts paid or charged by a seller that collects a tax in accordance with
2636 Subsection 59-12-107(1)(b), the revenues generated by the tax shall be distributed as provided
2637 in Subsection 59-12-103(3)(c).

2638 (6) (a) Population figures for purposes of this section shall be based on the most recent
2639 official census or census estimate of the United States Census Bureau.

2640 (b) If a needed population estimate is not available from the United States Census
2641 Bureau, population figures shall be derived from the estimate from the Utah Population
2642 Estimates Committee created by executive order of the governor.

2643 (7) The population of a county for purposes of this section shall be determined solely
2644 from the unincorporated area of the county.

2645 Section 11. Section **59-12-501** is amended to read:

2646 **59-12-501. Local option sales and use tax for transportation -- Base -- Rate --**
2647 **Expenditure of revenues.**

2648 (1) (a) [~~(i) In addition to other sales and use taxes, any~~] A county, city, or town may
2649 impose a sales and use tax of [~~up to: (A) beginning on January 1, 1988, and ending on~~
2650 ~~December 31, 2007, .25% on the transactions described in Subsection 59-12-103(1) located~~
2651 ~~within the county, city, or town, to fund a public transportation system; or (B) beginning on~~
2652 ~~January 1, 2008, if within the boundaries of the county, city, or town a tax is not imposed under~~
2653 ~~Part 15, County Option Sales and Use Tax for Highways, Fixed Guideways, or Systems for~~
2654 ~~Public Transit Act,] .30% on the transactions described in Subsection 59-12-103(1) located
2655 within the county, city, or town[~~, to fund a public transportation system.];~~~~

2656 (i) for the construction and maintenance of highways under the jurisdiction of the
2657 county, city, or town imposing the tax;

2658 (ii) to fund a system for public transit;

2659 (iii) to fund a fixed guideway as defined in Section 72-2-126; or

2660 (iv) for a combination of the purposes described in Subsections (1)(a)(i) through (iii).

2661 [~~(ii)~~] (b) Notwithstanding Subsection (1)(a)[~~(i)~~], a county, city, or town may not
2662 impose a tax under this section on:

2663 ~~[(A)]~~ (i) the sales and uses described in Section 59-12-104 to the extent the sales and
 2664 uses are exempt from taxation under Section 59-12-104; and

2665 ~~[(B)]~~ amounts paid or charged by a seller that collects a tax under Subsection
 2666 ~~59-12-107(1)(b); and]~~

2667 ~~[(C)]~~ (ii) except as provided in Subsection ~~[(1)(c)]~~ (3), amounts paid or charged for
 2668 food and food ingredients.

2669 ~~[(b)]~~ (2) For purposes of ~~[this]~~ Subsection (1), the location of a transaction shall be
 2670 determined in accordance with Section 59-12-207.

2671 ~~[(c)]~~ (3) A county, city, or town imposing a tax under this section shall impose the tax
 2672 on amounts paid or charged for food and food ingredients if ~~[(i)]~~ the food and food ingredients
 2673 are sold as part of a bundled transaction attributable to food and food ingredients and tangible
 2674 personal property other than food and food ingredients ~~[; and]~~.

2675 ~~[(ii) the seller collecting the tax is a seller other than a seller that collects a tax in
 2676 accordance with Subsection 59-12-107(1)(b):]~~

2677 ~~[(d) Except as provided in Subsection (3) or (4), a county, city, or town may impose a
 2678 tax under this section only if the governing body of the county, city, or town, by resolution,
 2679 submits the proposal to all the qualified voters within the county, city, or town for approval at a
 2680 general or special election conducted in the manner provided by statute.]~~

2681 ~~[(2) (a) Notice of any such election shall be given by the county, city, or town
 2682 governing body 15 days in advance in the manner prescribed by statute.]~~

2683 ~~[(b) If a majority of the voters voting in such election approve the proposal, it shall
 2684 become effective on the date provided by the county, city, or town governing body.]~~

2685 ~~[(3) This section may not be construed to require an election in jurisdictions where
 2686 voters have previously approved a public transit sales or use tax.]~~

2687 ~~[(4) A county, city, or town is not subject to the voter approval requirements of this
 2688 section if:]~~

2689 ~~[(a) on December 31, 2007, the county, city, or town imposes a tax of .25% under this
 2690 section; and]~~

2691 ~~[(b) on or after January 1, 2008, subject to Subsection (1)(a)(i)(B), the county, city, or
 2692 town increases the tax rate under this section to up to .30%.]~~

2693 Section 12. Section **59-12-502** is amended to read:

2694 **59-12-502. Additional local option sales and use tax for transportation -- Base --**
 2695 **Rate -- Expenditure of revenues.**

2696 (1) (a) [~~(i) In addition to other sales and use taxes, including the public transit district~~
 2697 ~~tax authorized by Section 59-12-501, a] A county, city, or town may impose a sales and use tax~~
 2698 of .25% on the transactions described in Subsection 59-12-103(1) located within the county,
 2699 ~~city, or town[, to fund a fixed guideway and expanded public transportation system.];~~

2700 (i) for the construction and maintenance of highways under the jurisdiction of the
 2701 county, city, or town imposing the tax;

2702 (ii) to fund a system for public transit;

2703 (iii) to fund a fixed guideway as defined in Section 72-2-126; or

2704 (iv) for a combination of the purposes described in Subsections (1)(a)(i) through (iii).

2705 ~~(ii)~~ (b) Notwithstanding Subsection (1)(a)~~(i)~~, a county, city, or town may not
 2706 impose a tax under this section on:

2707 ~~(A)~~ (i) the sales and uses described in Section 59-12-104 to the extent the sales and
 2708 uses are exempt from taxation under Section 59-12-104; and

2709 ~~(B) amounts paid or charged by a seller that collects a tax under Subsection~~
 2710 ~~59-12-107(1)(b); and]~~

2711 ~~(C)~~ (ii) except as provided in Subsection ~~(1)(c)~~ (3), amounts paid or charged for
 2712 food and food ingredients.

2713 ~~(b)~~ (2) For purposes of ~~this~~ Subsection (1), the location of a transaction shall be
 2714 determined in accordance with Section 59-12-207.

2715 ~~(c)~~ (3) A county, city, or town imposing a tax under this section shall impose the tax
 2716 on amounts paid or charged for food and food ingredients if~~(i)~~ the food and food ingredients
 2717 are sold as part of a bundled transaction attributable to food and food ingredients and tangible
 2718 personal property other than food and food ingredients~~;~~ and.

2719 ~~(ii) the seller collecting the tax is a seller other than a seller that collects a tax in~~
 2720 ~~accordance with Subsection 59-12-107(1)(b).]~~

2721 ~~(d) (i) A county, city, or town may impose the tax under this section only if the~~
 2722 ~~governing body of the county, city, or town submits, by resolution, the proposal to all the~~
 2723 ~~qualified voters within the county, city, or town for approval at a general or special election~~
 2724 ~~conducted in the manner provided by statute.]~~

2725 ~~[(ii) Notice of the election under Subsection (1)(d)(i) shall be given by the county, city,~~
 2726 ~~or town governing body 15 days in advance in the manner prescribed by statute.]~~

2727 ~~[(2) If the majority of the voters voting in this election approve the proposal, it shall~~
 2728 ~~become effective on the date provided by the county, city, or town governing body.]~~

2729 ~~[(3) (a) This section may not be construed to require an election in jurisdictions where~~
 2730 ~~voters have previously approved a public transit sales or use tax.]~~

2731 ~~[(b) This section shall be construed to require an election to impose the sales and use~~
 2732 ~~tax authorized by this section, including jurisdictions where the voters have previously~~
 2733 ~~approved the sales and use tax authorized by Section 59-12-501, but this section may not be~~
 2734 ~~construed to affect the sales and use tax authorized by Section 59-12-501.]~~

2735 ~~[(4) No public funds shall be spent to promote the required election.]~~

2736 ~~[(5) Notwithstanding the designated use of revenues in Subsection (1), of the revenues~~
 2737 ~~generated by the tax imposed under this section by any county of the first class:]~~

2738 ~~[(a) 80% shall be allocated to fund a fixed guideway and expanded public~~
 2739 ~~transportation system; and]~~

2740 ~~[(b) 20% shall be deposited into the County of the First Class State Highway Projects~~
 2741 ~~Fund created by Section 72-2-121.]~~

2742 Section 13. Section **59-12-503** is amended to read:

2743 **59-12-503. Public transit taxes -- Local option direct transfer.**

2744 A county [~~or municipality~~], city, or town may elect, in writing, to have the portion of
 2745 the monthly funds transfer that is collected [~~as a public transit sales and use~~] from a tax under
 2746 [~~Sections~~] Section 59-12-501 [~~and~~] or 59-12-502 to be transferred directly to a designated
 2747 public transit district, subject to the same charge [~~as described under~~] required by Section
 2748 59-12-206.

2749 Section 14. Section **59-12-504** is amended to read:

2750 **59-12-504. Enactment or repeal of tax -- Effective date -- Notice requirements --**

2751 **Administration, collection, and enforcement of tax.**

2752 (1) For purposes of this section:

2753 (a) "Annexation" means an annexation to:

2754 (i) a county under Title 17, Chapter 2, Annexation to County; or

2755 (ii) a city or town under Title 10, Chapter 2, Part 4, Annexation.

2756 (b) "Annexing area" means an area that is annexed into a county, city, or town.
2757 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after April 1, [2008]
2758 2009, a county, city, or town enacts or repeals a tax under this part, the enactment or repeal
2759 shall take effect:

- 2760 (i) on the first day of a calendar quarter; and
- 2761 (ii) after a 90-day period beginning on the date the commission receives notice meeting
2762 the requirements of Subsection (2)(b) from the county, city, or town.

2763 (b) The notice described in Subsection (2)(a)(ii) shall state:

- 2764 (i) that the county, city, or town will enact or repeal a tax under this part;
- 2765 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);
- 2766 (iii) the effective date of the tax described in Subsection (2)(b)(i); and
- 2767 (iv) if the county, city, or town enacts the tax described in Subsection (2)(b)(i), the rate
2768 of the tax.

2769 (c) (i) Notwithstanding Subsection (2)(a), for a transaction described in Subsection
2770 (2)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

- 2771 (A) that begins after the effective date of the enactment of the tax; and
- 2772 (B) if the billing period for the transaction begins before the effective date of the
2773 enactment of the tax under:

- 2774 (I) Section 59-12-501; or
- 2775 (II) Section 59-12-502.

2776 (ii) Notwithstanding Subsection (2)(a), for a transaction described in Subsection
2777 (2)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

- 2778 (A) that began before the effective date of the repeal of the tax; and
- 2779 (B) if the billing period for the transaction begins before the effective date of the repeal
2780 of the tax imposed under:

- 2781 (I) Section 59-12-501; or
- 2782 (II) Section 59-12-502.

2783 (iii) Subsections (2)(c)(i) and (ii) apply to transactions subject to a tax under:

- 2784 (A) Subsection 59-12-103(1)(b);
- 2785 (B) Subsection 59-12-103(1)(c);
- 2786 (C) Subsection 59-12-103(1)(d);

- 2787 (D) Subsection 59-12-103(1)(e);
- 2788 (E) Subsection 59-12-103(1)(f);
- 2789 (F) Subsection 59-12-103(1)(g);
- 2790 (G) Subsection 59-12-103(1)(h);
- 2791 (H) Subsection 59-12-103(1)(i);
- 2792 (I) Subsection 59-12-103(1)(j); or
- 2793 (J) Subsection 59-12-103(1)(k).
- 2794 (d) (i) Notwithstanding Subsection (2)(a), if a tax due under this chapter on a catalogue
- 2795 sale is computed on the basis of sales and use tax rates published in the catalogue, an
- 2796 enactment or repeal of a tax described in Subsection (2)(a) takes effect:
- 2797 (A) on the first day of a calendar quarter; and
- 2798 (B) beginning 60 days after the effective date of the enactment or repeal under
- 2799 Subsection (2)(a).
- 2800 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
- 2801 the commission may by rule define the term "catalogue sale."
- 2802 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs
- 2803 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
- 2804 part for an annexing area, the enactment or repeal shall take effect:
- 2805 (i) on the first day of a calendar quarter; and
- 2806 (ii) after a 90-day period beginning on the date the commission receives notice meeting
- 2807 the requirements of Subsection (3)(b) from the county, city, or town that annexes the annexing
- 2808 area.
- 2809 (b) The notice described in Subsection (3)(a)(ii) shall state:
- 2810 (i) that the annexation described in Subsection (3)(a) will result in an enactment or
- 2811 repeal of a tax under this part for the annexing area;
- 2812 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);
- 2813 (iii) the effective date of the tax described in Subsection (3)(b)(i); and
- 2814 (iv) the rate of the tax described in Subsection (3)(b)(i).
- 2815 (c) (i) Notwithstanding Subsection (3)(a), for a transaction described in Subsection
- 2816 (3)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing period:
- 2817 (A) that begins after the effective date of the enactment of the tax; and

2818 (B) if the billing period for the transaction begins before the effective date of the
2819 enactment of the tax under:

2820 (I) Section 59-12-501; or

2821 (II) Section 59-12-502.

2822 (ii) Notwithstanding Subsection (3)(a), for a transaction described in Subsection
2823 (3)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

2824 (A) that began before the effective date of the repeal of the tax; and

2825 (B) if the billing period for the transaction begins before the effective date of the repeal
2826 of the tax imposed under:

2827 (I) Section 59-12-501; or

2828 (II) Section 59-12-502.

2829 (iii) Subsections (3)(c)(i) and (ii) apply to transactions subject to a tax under:

2830 (A) Subsection 59-12-103(1)(b);

2831 (B) Subsection 59-12-103(1)(c);

2832 (C) Subsection 59-12-103(1)(d);

2833 (D) Subsection 59-12-103(1)(e);

2834 (E) Subsection 59-12-103(1)(f);

2835 (F) Subsection 59-12-103(1)(g);

2836 (G) Subsection 59-12-103(1)(h);

2837 (H) Subsection 59-12-103(1)(i);

2838 (I) Subsection 59-12-103(1)(j); or

2839 (J) Subsection 59-12-103(1)(k).

2840 (d) (i) Notwithstanding Subsection (3)(a), if a tax due under this chapter on a catalogue
2841 sale is computed on the basis of sales and use tax rates published in the catalogue, an
2842 enactment or repeal of a tax described in Subsection (3)(a) takes effect:

2843 (A) on the first day of a calendar quarter; and

2844 (B) beginning 60 days after the effective date of the enactment or repeal under
2845 Subsection (3)(a).

2846 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
2847 the commission may by rule define the term "catalogue sale."

2848 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be

2849 administered, collected, and enforced in accordance with:

2850 (i) the same procedures used to administer, collect, and enforce the tax under:

2851 (A) Part 1, Tax Collection; or

2852 (B) Part 2, Local Sales and Use Tax Act; and

2853 (ii) Chapter 1, General Taxation Policies.

2854 (b) Notwithstanding Subsection (4)(a), a tax under this part is not subject to

2855 Subsections 59-12-205(2) through (7).

2856 Section 15. Section **59-12-703** is amended to read:

2857 **59-12-703. Imposition of tax -- Base -- Rate -- Uses of tax monies -- Enactment or**
 2858 **repeal of tax -- Effective date -- Notice requirements.**

2859 (1) (a) (i) A county legislative body may [~~submit an opinion question to the residents of~~
 2860 ~~that county, by majority vote of all members of the legislative body, so that each resident of the~~
 2861 ~~county, except residents in municipalities that have already imposed a sales and use tax under~~
 2862 ~~Part 14, City or Town Option Funding For Botanical, Cultural, Recreational, and Zoological~~
 2863 ~~Organizations or Facilities, has an opportunity to express the resident's opinion on the~~
 2864 ~~imposition of a local] by a majority vote of the members of the county legislative body impose
 2865 a sales and use tax of .1% on the transactions described in Subsection 59-12-103(1) located
 2866 within the county[~~, to fund recreational and zoological facilities, botanical, cultural, and~~
 2867 ~~zoological organizations, and rural radio stations, in that county], including the cities and towns
 2868 located in the county.~~~~

2869 (ii) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a
 2870 tax under this section on:

2871 (A) the sales and uses described in Section 59-12-104 to the extent the sales and uses
 2872 are exempt from taxation under Section 59-12-104; and

2873 [~~(B) sales and uses within municipalities that have already imposed a sales and use tax~~
 2874 ~~under Part 14, City or Town Option Funding For Botanical, Cultural, Recreational, and~~
 2875 ~~Zoological Organizations or Facilities;]~~

2876 [~~(C) amounts paid or charged by a seller that collects a tax under Subsection~~
 2877 ~~59-12-107(1)(b); and]~~

2878 [~~(D)~~] (B) except as provided in Subsection (1)(c), amounts paid or charged for food
 2879 and food ingredients.

2880 (b) For purposes of this Subsection (1), the location of a transaction shall be
2881 determined in accordance with Section 59-12-207.

2882 (c) A county legislative body imposing a tax under this section shall impose the tax on
2883 amounts paid or charged for food and food ingredients if:

2884 (i) the food and food ingredients are sold as part of a bundled transaction attributable to
2885 food and food ingredients and tangible personal property other than food and food ingredients;
2886 and

2887 (ii) the seller collecting the tax is a seller other than a seller that collects a tax in
2888 accordance with Subsection 59-12-107(1)(b).

2889 ~~[(d) The election shall follow the procedures outlined in Title 11, Chapter 14, Local
2890 Government Bonding Act.]~~

2891 ~~[(2)(a) If the county legislative body determines that a majority of the county's
2892 registered voters voting on the imposition of the tax have voted in favor of the imposition of
2893 the tax as prescribed in Subsection (1)(a), the county legislative body may impose the tax by a
2894 majority vote of all members of the legislative body on the transactions:]~~

2895 ~~[(i) described in Subsection (1); and]~~

2896 ~~[(ii) within the county, including the cities and towns located in the county, except
2897 those cities and towns that have already imposed a sales and use tax under Part 14, City or
2898 Town Option Funding For Botanical, Cultural, Recreational, and Zoological Organizations or
2899 Facilities.]~~

2900 ~~[(b) A county legislative body may revise county ordinances to reflect statutory
2901 changes to the distribution formula or eligible recipients of revenues generated from a tax
2902 imposed under Subsection (2)(a):]~~

2903 ~~[(i) after the county legislative body submits an opinion question to residents of the
2904 county in accordance with Subsection (1) giving them the opportunity to express their opinion
2905 on the proposed revisions to county ordinances; and]~~

2906 ~~[(ii) if the county legislative body determines that a majority of those voting on the
2907 opinion question have voted in favor of the revisions.]~~

2908 ~~[(3)]~~ (2) ~~[The monies generated from any]~~ Subject to Section 59-12-704, the revenues
2909 collected from a tax imposed under [Subsection (2)] this section shall be [used for funding]
2910 expended as follows:

2911 (a) a county legislative body of a county of the first or second class shall expend
 2912 revenues collected from a tax imposed under this section to fund:

2913 ~~[(a)]~~ (i) recreational facilities and zoological facilities located within the county or a
 2914 city or town located in the county~~[-, except a city or town that has already imposed a sales and~~
 2915 ~~use tax under Part 14, City or Town Option Funding For Botanical, Cultural, Recreational, and~~
 2916 ~~Zoological Organizations or Facilities]; and~~

2917 ~~[(b)]~~ (ii) ongoing operating expenses of:

2918 ~~[(i)]~~ (A) recreational facilities described in Subsection ~~[(3)]~~ (2)(a)(i);

2919 ~~[(ii)]~~ (B) botanical, cultural, and zoological organizations within the county; and

2920 ~~[(iii)]~~ (C) rural radio stations within the county~~[-]; or~~

2921 (b) a county of the third, fourth, fifth, or sixth class shall:

2922 (i) deposit the revenues collected from a tax imposed under this section into the
 2923 county's general fund; and

2924 (ii) expend the revenues collected from a tax imposed under this section for the same
 2925 purposes for which the county expends general fund revenues.

2926 ~~[(4)]~~ (3) (a) ~~[(A)]~~ Except as provided in Subsection (3)(b), a tax authorized under this
 2927 part shall be~~[- (i) except as provided in Subsection (4)(b);]~~ administered, collected, and
 2928 enforced in accordance with:

2929 ~~[(A)]~~ (i) the same procedures used to administer, collect, and enforce the tax under:

2930 ~~[(F)]~~ (A) Part 1, Tax Collection; or

2931 ~~[(H)]~~ (B) Part 2, Local Sales and Use Tax Act; and

2932 ~~[(B)]~~ (ii) Chapter 1, General Taxation Policies~~[-, and].~~

2933 ~~[(ii)]~~ levied for a period of ten years and may be reauthorized at the end of the ten-year
 2934 ~~period in accordance with this section.]~~

2935 (b) ~~[(Notwithstanding Subsection (4)(a)(i), a)]~~ A tax under this part is not subject to
 2936 Subsections 59-12-205(2) through (7).

2937 ~~[(5)]~~ (4) (a) For purposes of this Subsection ~~[(5)]~~ (4):

2938 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2,
 2939 Annexation to County.

2940 (ii) "Annexing area" means an area that is annexed into a county.

2941 (b) (i) Except as provided in Subsection ~~[(5)]~~ (4)(c) or (d), if, on or after ~~[July 1, 2004]~~

2942 April 1, 2009, a county enacts or repeals a tax under this part, the enactment or repeal shall take
2943 effect:

2944 (A) on the first day of a calendar quarter; and

2945 (B) after a 90-day period beginning on the date the commission receives notice meeting
2946 the requirements of Subsection [~~5~~] (4)(b)(ii) from the county.

2947 (ii) The notice described in Subsection [~~5~~] (4)(b)(i)(B) shall state:

2948 (A) that the county will enact or repeal a tax under this part;

2949 (B) the statutory authority for the tax described in Subsection [~~5~~] (4)(b)(ii)(A);

2950 (C) the effective date of the tax described in Subsection [~~5~~] (4)(b)(ii)(A); and

2951 (D) if the county enacts the tax described in Subsection [~~5~~] (4)(b)(ii)(A), the rate of
2952 the tax.

2953 (c) (i) Notwithstanding Subsection [~~5~~] (4)(b)(i), for a transaction described in
2954 Subsection [~~5~~] (4)(c)(iii), the enactment of a tax shall take effect on the first day of the first
2955 billing period:

2956 (A) that begins after the effective date of the enactment of the tax; and

2957 (B) if the billing period for the transaction begins before the effective date of the
2958 enactment of the tax under this section.

2959 (ii) Notwithstanding Subsection [~~5~~] (4)(b)(i), for a transaction described in
2960 Subsection [~~5~~] (4)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing
2961 period:

2962 (A) that began before the effective date of the repeal of the tax; and

2963 (B) if the billing period for the transaction begins before the effective date of the repeal
2964 of the tax imposed under this section.

2965 (iii) Subsections [~~5~~] (4)(c)(i) and (ii) apply to transactions subject to a tax under:

2966 (A) Subsection 59-12-103(1)(b);

2967 (B) Subsection 59-12-103(1)(c);

2968 (C) Subsection 59-12-103(1)(d);

2969 (D) Subsection 59-12-103(1)(e);

2970 (E) Subsection 59-12-103(1)(f);

2971 (F) Subsection 59-12-103(1)(g);

2972 (G) Subsection 59-12-103(1)(h);

- 2973 (H) Subsection 59-12-103(1)(i);
- 2974 (I) Subsection 59-12-103(1)(j); or
- 2975 (J) Subsection 59-12-103(1)(k).
- 2976 (d) (i) Notwithstanding Subsection [~~(5)~~] (4)(b)(i), if a tax due under this chapter on a
- 2977 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
- 2978 enactment or repeal of a tax described in Subsection [~~(5)~~] (4)(b)(i) takes effect:
- 2979 (A) on the first day of a calendar quarter; and
- 2980 (B) beginning 60 days after the effective date of the enactment or repeal under
- 2981 Subsection [~~(5)~~] (4)(b)(i).
- 2982 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
- 2983 the commission may by rule define the term "catalogue sale."
- 2984 (e) (i) Except as provided in Subsection [~~(5)~~] (4)(f) or (g), if, for an annexation that
- 2985 occurs on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax
- 2986 under this part for an annexing area, the enactment or repeal shall take effect:
- 2987 (A) on the first day of a calendar quarter; and
- 2988 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 2989 the requirements of Subsection [~~(5)~~] (4)(e)(ii) from the county that annexes the annexing area.
- 2990 (ii) The notice described in Subsection [~~(5)~~] (4)(e)(i)(B) shall state:
- 2991 (A) that the annexation described in Subsection [~~(5)~~] (4)(e)(i) will result in an
- 2992 enactment or repeal of a tax under this part for the annexing area;
- 2993 (B) the statutory authority for the tax described in Subsection [~~(5)~~] (4)(e)(ii)(A);
- 2994 (C) the effective date of the tax described in Subsection [~~(5)~~] (4)(e)(ii)(A); and
- 2995 (D) the rate of the tax described in Subsection [~~(5)~~] (4)(e)(ii)(A).
- 2996 (f) (i) Notwithstanding Subsection [~~(5)~~] (4)(e)(i), for a transaction described in
- 2997 Subsection [~~(5)~~] (4)(f)(iii), the enactment of a tax shall take effect on the first day of the first
- 2998 billing period:
- 2999 (A) that begins after the effective date of the enactment of the tax; and
- 3000 (B) if the billing period for the transaction begins before the effective date of the
- 3001 enactment of the tax under this section.
- 3002 (ii) Notwithstanding Subsection [~~(5)~~] (4)(e)(i), for a transaction described in
- 3003 Subsection [~~(5)~~] (4)(f)(iii), the repeal of a tax shall take effect on the first day of the last billing

3004 period:

3005 (A) that began before the effective date of the repeal of the tax; and

3006 (B) if the billing period for the transaction begins before the effective date of the repeal
3007 of the tax imposed under this section.

3008 (iii) Subsections [~~5~~] (4)(f)(i) and (ii) apply to transactions subject to a tax under:

3009 (A) Subsection 59-12-103(1)(b);

3010 (B) Subsection 59-12-103(1)(c);

3011 (C) Subsection 59-12-103(1)(d);

3012 (D) Subsection 59-12-103(1)(e);

3013 (E) Subsection 59-12-103(1)(f);

3014 (F) Subsection 59-12-103(1)(g);

3015 (G) Subsection 59-12-103(1)(h);

3016 (H) Subsection 59-12-103(1)(i);

3017 (I) Subsection 59-12-103(1)(j); or

3018 (J) Subsection 59-12-103(1)(k).

3019 (g) (i) Notwithstanding Subsection [~~5~~] (4)(e)(i), if a tax due under this chapter on a
3020 catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an
3021 enactment or repeal of a tax described in Subsection [~~5~~] (4)(e)(i) takes effect:

3022 (A) on the first day of a calendar quarter; and

3023 (B) beginning 60 days after the effective date of the enactment or repeal under
3024 Subsection [~~5~~] (4)(e)(i).

3025 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
3026 the commission may by rule define the term "catalogue sale."

3027 Section 16. Section **59-12-704** is amended to read:

3028 **59-12-704. Distribution of revenues -- Advisory board creation -- Determining**
3029 **operating expenses.**

3030 (1) Except as provided in Subsections (3)(b) and (5), and subject to [~~the requirements~~
3031 ~~of this section~~] Subsection (7), [~~any~~] revenues collected by a county of the first class under this
3032 part shall be distributed annually by the county legislative body [~~to support recreational and~~
3033 ~~zoological facilities and botanical, cultural, and zoological organizations~~] for a purpose
3034 described in Subsection 59-12-703(3)(a) within that [~~first class~~] county of the first class as

3035 follows:

3036 (a) 30% of the revenue collected by the county under this section shall be distributed
3037 by the county legislative body to support recreational facilities located within the county;

3038 (b) (i) subject to Subsection (1)(b)(ii) and except as provided in Subsection (1)(b)(iii),
3039 12-1/8% of the revenue collected by the county under this section shall be distributed by the
3040 county legislative body to support no more than three zoological facilities and organizations
3041 located within the county, with 94.5% of that revenue being distributed to zoological facilities
3042 and organizations with average annual operating expenses of \$2,000,000 or more and 5.5% of
3043 that revenue being distributed to zoological facilities and organizations with average annual
3044 operating expenses of less than \$2,000,000;

3045 (ii) except as provided in Subsection (1)(b)(iii), the county legislative body shall
3046 distribute the monies described in Subsection (1)(b)(i) among the zoological facilities and
3047 organizations in proportion to their average annual operating expenses as determined under
3048 Subsection (3); and

3049 (iii) if a zoological facility or organization is created or relocated within the county
3050 after June 1, 2003, the county legislative body shall distribute the monies described in
3051 Subsection (1)(b)(i) as it determines appropriate;

3052 (c) (i) 48-7/8% of the revenue collected by the county under this section shall be
3053 distributed to no more than 23 botanical and cultural organizations with average annual
3054 operating expenses of more than \$250,000 as determined under Subsection (3);

3055 (ii) subject to Subsection (1)(c)(iii), the county legislative body shall distribute the
3056 monies described in Subsection (1)(c)(i) among the organizations and in proportion to their
3057 average annual operating expenses as determined under Subsection (3); and

3058 (iii) the amount distributed to any organization described in Subsection (1)(c)(i) may
3059 not exceed 35% of the organization's operating budget; and

3060 (d) (i) 9% of the revenue collected by the county under this section shall be distributed
3061 to botanical and cultural organizations that do not receive revenue under Subsection (1)(c)(i);
3062 and

3063 (ii) the county legislative body shall determine how the monies shall be distributed
3064 among the organizations described in Subsection (1)(d)(i).

3065 (2) (a) The county legislative body of each county of the first class that imposes a tax

3066 under this part shall create an advisory board to advise the county legislative body on
3067 disbursement of funds to botanical and cultural organizations under Subsection (1)(c)(i).

3068 (b) (i) The advisory board under Subsection (2)(a) shall consist of seven members
3069 appointed by the county legislative body.

3070 (ii) In a county of the first class, two of the seven members of the advisory board under
3071 Subsection (2)(a) shall be appointed from the Utah Arts Council.

3072 (3) (a) Except as provided in Subsection (3)(b), to be eligible to receive monies
3073 collected by the county under this part, a botanical, cultural, and zoological organization
3074 located within a county of the first class shall, every three years:

3075 (i) calculate their average annual operating expenses based upon audited operating
3076 expenses for three preceding fiscal years; and

3077 (ii) submit to the appropriate county legislative body:

3078 (A) a verified audit of annual operating expenses for each of those three preceding
3079 fiscal years; and

3080 (B) the average annual operating expenses as calculated under Subsection (3)(a)(i).

3081 (b) [~~Notwithstanding Subsection (3)(a), the~~] The county legislative body described in
3082 Subsection (3)(a)(ii) may waive the operating expenses reporting requirements under
3083 Subsection (3)(a) for organizations described in Subsection (1)(d)(i).

3084 (4) When calculating average annual operating expenses as described in Subsection
3085 (3), each botanical, cultural, and zoological organization shall use the same three-year fiscal
3086 period as determined by the county legislative body.

3087 (5) (a) By July 1 of each year, the county legislative body of a first class county may
3088 index the threshold amount in Subsections (1)(c) and (d).

3089 (b) Any change under Subsection (5)(a) shall be rounded off to the nearest \$100.

3090 (6) (a) [~~Beginning on July 1, 2001, in a county except for a county of the first class,~~
3091 ~~the~~] Subject to Subsection (7), a county legislative body of a county of the second class shall
3092 by ordinance provide for the distribution of the entire amount of the revenues [generated by]
3093 collected from the tax imposed by this section;

3094 (i) as provided in this Subsection (6); and

3095 (ii) for a purpose described in Subsection 59-12-703(3)(a).

3096 (b) [~~Pursuant to~~] In accordance with an interlocal agreement established [~~in accordance~~

3097 ~~with]~~ under Title 11, Chapter 13, Interlocal Cooperation Act, a county described in Subsection
3098 (6)(a) may distribute to a city, town, or political subdivision within the county revenues
3099 ~~[generated by]~~ collected from a tax under this part.

3100 (c) The revenues distributed under Subsection (6)(a) or (b) shall be used for one or
3101 more organizations or facilities defined in Section 59-12-702 regardless of whether the
3102 revenues are distributed:

3103 (i) directly by the county described in Subsection (6)(a) to be used for an organization
3104 or facility defined in Section 59-12-702; or

3105 (ii) in accordance with an interlocal agreement described in Subsection (6)(b).

3106 (7) (a) In accordance with an interlocal agreement established under Title 11, Chapter
3107 13, Interlocal Cooperation Act, a county legislative body that imposes a tax under this part
3108 shall transfer revenues collected from a tax under this part within a city or town to that city
3109 legislative body or town legislative body if, on December 31, 2008, the city or town imposes a
3110 city or town option sales and use tax:

3111 (i) for botanical, cultural, recreational, and zoological organizations or facilities; and

3112 (ii) that is repealed by this bill.

3113 (b) Subject to Subsections (7)(c) and (d), a city legislative body or town legislative
3114 body that receives a transfer of revenues under this Subsection (7) shall by ordinance provide
3115 for the distribution of the entire amount of the revenues collected from a tax under this part.

3116 (c) A city legislative body or town legislative body may participate in an interlocal
3117 agreement described in Subsection (6)(b) and distribute the revenues collected from a tax
3118 imposed by this part to participants in the interlocal agreement.

3119 (d) A city legislative body or town legislative body that receives a transfer of revenues
3120 under this section shall expend the revenues for one or more of the following:

3121 (i) a botanical organization;

3122 (ii) a cultural facility;

3123 (iii) a cultural organization;

3124 (iv) a recreational facility;

3125 (v) a rural radio station;

3126 (vi) a zoological facility; or

3127 (vii) a zoological organization.

3128 ~~[(7)]~~ (8) A county legislative body may retain up to 1.5% of the proceeds from a tax
3129 under this part for the cost of administering ~~[the provisions of]~~ this part.

3130 ~~[(8)]~~ (9) The commission may retain an amount not to exceed ~~[1-1/2%]~~ 1.5% of the tax
3131 collected under this part for the cost of administering this part.

3132 Section 17. Section **59-12-902** is amended to read:

3133 **59-12-902. Sales tax refund for qualified emergency food agencies -- Use of**
3134 **amounts received as refund -- Administration -- Rulemaking authority.**

3135 (1) ~~[Beginning on January 1, 1998, a]~~ A qualified emergency food agency may claim a
3136 sales tax refund as provided in this section on the pounds of food and food ingredients donated
3137 to the qualified emergency food agency.

3138 (2) ~~[(a)]~~ Subject to the adjustments provided for in Subsection (2)~~[(b)]~~ (c), a qualified
3139 emergency food agency may claim a sales tax refund in an amount equal to the pounds of food
3140 and food ingredients donated to the qualified emergency food agency multiplied by:

3141 ~~[(i)]~~ (a) \$1.70; and

3142 ~~[(ii)]~~ (b) the sum of:

3143 ~~[(A)]~~ (i) ~~[4.75%]~~ 4.65%; ~~[and]~~

3144 ~~[(B)]~~ the sum of the tax rates provided for in Subsection (2)(b):]

3145 ~~[(b)]~~ Tax rates authorized under the following apply to Subsection (2)(a)(ii)(B):]

3146 ~~[(i)]~~ (ii) the tax rate authorized by Section 59-12-204; and

3147 ~~[(ii)]~~ the tax rate authorized by Section 59-12-501 or Section 59-12-1001, but only if all
3148 of the counties, cities, and towns in the state impose the tax:]

3149 ~~[(A)]~~ under Section 59-12-501; or]

3150 ~~[(B)]~~ under Section 59-12-1001;]

3151 ~~[(iii)]~~ the tax rate authorized by Section 59-12-502, but only if all of the counties, cities,
3152 and towns in the state impose the tax under Section 59-12-502;]

3153 ~~[(iv)]~~ the tax rate authorized by Section 59-12-703, but only if all of the counties in the
3154 state impose the tax under Section 59-12-703; and]

3155 ~~[(v)]~~ (iii) the tax rate authorized by Section 59-12-1102, but only if all of the counties
3156 in the state impose the tax under Section 59-12-1102.

3157 (c) Beginning on January 1, 1999, the commission shall annually adjust on or before
3158 the second Monday of February the \$1.70 provided in Subsection (2)(a)~~[(i)]~~ by a percentage

3159 equal to the percentage difference between the food at home category of the Consumer Price
3160 Index for:

3161 (i) the preceding calendar year; and

3162 (ii) calendar year 1997.

3163 (3) To claim a sales tax refund under this section, a qualified emergency food agency
3164 shall file an application with the commission.

3165 (4) A qualified emergency food agency may use amounts received as a sales tax refund
3166 under this section only for a purpose related to:

3167 (a) warehousing and distributing food and food ingredients to other agencies and
3168 organizations providing food and food ingredients to low-income persons; or

3169 (b) providing food and food ingredients directly to low-income persons.

3170 (5) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
3171 commission may make rules providing procedures for implementing the sales tax refund under
3172 this section, including:

3173 (a) standards for determining and verifying the amount of the sales tax refund; and

3174 (b) procedures for a qualified emergency food agency to apply for a sales tax refund,
3175 including the frequency with which a qualified emergency food agency may apply for a sales
3176 tax refund.

3177 (6) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
3178 Division of Housing and Community Development may establish rules providing for the
3179 certification of emergency food agencies to claim a sales tax refund under this part.

3180 Section 18. Section **59-12-1802** is amended to read:

3181 **59-12-1802. State sales and use tax -- Base -- Rate -- Revenues deposited into**
3182 **General Fund.**

3183 (1) (a) If a county does not impose a tax under [~~Part 11, County Option Sales and Use~~
3184 ~~Tax, a tax shall be imposed]~~ the following sections, the state shall impose a tax within the
3185 county under this section [~~by the state: (a)~~] on the transactions described in Subsection
3186 59-12-103(1)[;] beginning on January 1, 2009, and ending on the day on which the county
3187 imposes a tax under the following sections:

3188 (i) Section 59-12-703; and

3189 (ii) Section 59-12-1102.

3190 (b) ~~[at a rate of .25%; and]~~ For purposes of Subsection (1)(a), the rate of the state tax is
 3191 equal to the difference between:

3192 (i) .35%; and

3193 (ii) the sum of the tax rates imposed by the county described in Subsection (1)(a)

3194 under:

3195 (A) Section 59-12-703; and

3196 (B) Section 59-12-1102.

3197 ~~[(c) beginning on January 1, 2008, and ending on the day on which the county imposes~~
 3198 ~~a tax under Part 11, County Option Sales and Use Tax.]~~

3199 (2) Notwithstanding Subsection (1), a tax under this section may not be imposed on:

3200 (a) a transaction described in Subsection 59-12-103(1)(d);

3201 (b) the sales and uses described in Section 59-12-104 to the extent the sales and uses
 3202 are exempt from taxation under Section 59-12-104; and

3203 (c) except as provided in Subsection (4), amounts paid or charged for food and food
 3204 ingredients.

3205 (3) For purposes of Subsection (1), the location of a transaction shall be determined in
 3206 accordance with Section 59-12-207.

3207 (4) A tax shall be imposed under this section on amounts paid or charged for food and
 3208 food ingredients if:

3209 (a) within the county in which the transaction is located, the state imposes a tax under
 3210 this section; and

3211 (b) the food and food ingredients are sold as part of a bundled transaction attributable
 3212 to food and food ingredients and tangible personal property other than food and food
 3213 ingredients.

3214 ~~[(4)]~~ (5) Revenues collected from the sales and use tax imposed by this section, after
 3215 subtracting amounts a seller retains in accordance with Section 59-12-108, shall be deposited
 3216 into the General Fund.

3217 Section 19. Section **59-12-1901** is enacted to read:

3218 **Part 19. Supplemental State Sales and Use Tax Act**

3219 **59-12-1901. Title.**

3220 This part is known as the "Supplemental State Sales and Use Tax Act."

3221 Section 20. Section **59-12-1902** is enacted to read:

3222 **59-12-1902. State sales and use tax -- Base -- Rate -- Revenues deposited into**

3223 **General Fund.**

3224 (1) (a) If a county, city, or town does not impose a tax under the following sections, the
3225 state shall impose a tax within the county, city, or town under this section on the transactions
3226 described in Subsection 59-12-103(1) beginning on January 1, 2009, and ending on the day on
3227 which the county, city, or town imposes a tax under the following sections:

3228 (i) Section 59-12-501; and

3229 (ii) Section 59-12-502.

3230 (b) For purposes of Subsection (1)(a), the rate of the state tax is equal to the difference
3231 between:

3232 (i) .55%; and

3233 (ii) the sum of the tax rates imposed by the county, city, or town described in

3234 Subsection (1)(a) under:

3235 (A) Section 59-12-501; and

3236 (B) Section 59-12-502.

3237 (2) Notwithstanding Subsection (1), a tax under this section may not be imposed on:

3238 (a) a transaction described in Subsection 59-12-103(1)(d);

3239 (b) the sales and uses described in Section 59-12-104 to the extent the sales and uses
3240 are exempt from taxation under Section 59-12-104; and

3241 (c) except as provided in Subsection (4), amounts paid or charged for food and food
3242 ingredients.

3243 (3) For purposes of Subsection (1), the location of a transaction shall be determined in
3244 accordance with Section 59-12-207.

3245 (4) A tax shall be imposed under this section on amounts paid or charged for food and
3246 food ingredients if:

3247 (a) within the county, city, or town in which the transaction is located, the state
3248 imposes a tax under this section; and

3249 (b) the food and food ingredients are sold as part of a bundled transaction attributable
3250 to food and food ingredients and tangible personal property other than food and food
3251 ingredients.

3252 (5) Revenues collected from the sales and use tax under this section, after subtracting
3253 amounts a seller retains in accordance with Section 59-12-108, shall be deposited into the
3254 General Fund.

3255 Section 21. Section **59-12-1903** is enacted to read:

3256 **59-12-1903. Enactment or repeal of tax -- Effective date -- Administration,**
3257 **collection, and enforcement of tax.**

3258 (1) Subject to Subsections (2) and (3), a tax rate repeal or a tax rate change for a tax
3259 imposed under this part shall take effect on the first day of a calendar quarter.

3260 (2) (a) For a transaction described in Subsection (2)(c), the enactment of a tax shall
3261 take effect on the first day of the first billing period that begins after the effective date of the
3262 enactment of the tax if the billing period for the transaction begins before the effective date of
3263 the enactment of the tax under this part.

3264 (b) For a transaction described in Subsection (2)(c), the repeal of a tax shall take effect
3265 on the first day of the last billing period that began before the effective date of the repeal of the
3266 tax if the billing period for the transaction begins before the effective date of the repeal of the
3267 tax imposed under this part.

3268 (c) Subsections (2)(a) and (b) apply to transactions subject to a tax under:

- 3269 (i) Subsection 59-12-103(1)(b);
- 3270 (ii) Subsection 59-12-103(1)(c);
- 3271 (iii) Subsection 59-12-103(1)(d);
- 3272 (iv) Subsection 59-12-103(1)(e);
- 3273 (v) Subsection 59-12-103(1)(f);
- 3274 (vi) Subsection 59-12-103(1)(g);
- 3275 (vii) Subsection 59-12-103(1)(h);
- 3276 (viii) Subsection 59-12-103(1)(i);
- 3277 (ix) Subsection 59-12-103(1)(j); or
- 3278 (x) Subsection 59-12-103(1)(k).

3279 (3) (a) If a tax due under this part on a catalogue sale is computed on the basis of sales
3280 and use tax rates published in the catalogue, an enactment or repeal of a tax under this part
3281 takes effect:

3282 (i) on the first day of a calendar quarter; and

3283 (ii) beginning 60 days after the effective date of the enactment or repeal of the tax
3284 under this part.

3285 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
3286 commission may by rule define the term "catalogue sale."

3287 (4) A tax imposed by this part shall be administered, collected, and enforced in
3288 accordance with:

3289 (a) the same procedures used to administer, collect, and enforce the tax under Part 1,
3290 Tax Collection; and

3291 (b) Chapter 1, General Taxation Policies.

3292 Section 22. Section **59-12-2001** is enacted to read:

3293 **Part 20. State Sales and Use Tax for Transportation Act**

3294 **59-12-2001. Title.**

3295 This part is known as the "State Sales and Use Tax for Transportation Act."

3296 Section 23. Section **59-12-2002** is enacted to read:

3297 **59-12-2002. State sales and use tax for transportation -- Base -- Rate --**

3298 **Expenditure of revenues.**

3299 (1) Beginning on January 1, 2009, a state tax of .25% is imposed on the transactions
3300 described in Subsection 59-12-103(1) as provided in this section.

3301 (2) Notwithstanding Subsection (1), a tax under this section may not be imposed on:

3302 (a) a transaction described in Subsection 59-12-103(1)(d);

3303 (b) the sales and uses described in Section 59-12-104 to the extent the sales and uses
3304 are exempt from taxation under Section 59-12-104; and

3305 (c) except as provided in Subsection (4), amounts paid or charged for food and food
3306 ingredients.

3307 (3) For purposes of this section, the location of a transaction shall be determined in
3308 accordance with Section 59-12-207.

3309 (4) A tax shall be imposed under this section on amounts paid or charged for food and
3310 food ingredients if the food and food ingredients are sold as part of a bundled transaction
3311 attributable to food and food ingredients and tangible personal property other than food and
3312 food ingredients.

3313 (5) (a) Revenues collected from the sales and use tax imposed by this section shall be

3314 distributed and expended as provided in this Subsection (5).

3315 (b) Before any distributions are made in accordance with Subsection (5)(c), a seller
3316 may retain the amount allowed by Section 59-12-108.

3317 (c) After a seller retains the amounts described in Subsection (5)(b), the remaining
3318 revenues collected from the sales and use tax imposed by this section shall be distributed and
3319 expended as follows:

3320 (i) 20% of the revenues collected from the sales and use tax imposed by this section
3321 within the boundaries of a county of the first class shall be:

3322 (A) deposited into the County of the First Class State Highway Projects Fund created
3323 by Section 72-2-121; and

3324 (B) expended as provided in Section 72-2-121;

3325 (ii) 25% of the revenues collected from the sales and use tax imposed by this section
3326 within the boundaries of a county of the first or second class shall be:

3327 (A) deposited into the Transportation Corridor Preservation Fund for Counties of the
3328 First or Second Class created by Section 72-2-126; and

3329 (B) expended as provided in Section 72-2-126;

3330 (iii) 55% of the revenues collected from the sales and use tax imposed by this section
3331 within the boundaries of a county of the first class shall be:

3332 (A) deposited into the Fixed Guideway Fund for Transit Districts Operating in a
3333 County of the First Class created by Section 72-2-127; and

3334 (B) expended as provided in Section 72-2-127;

3335 (iv) 75% of the revenues collected from the sales and use tax imposed by this section
3336 within the boundaries of a county of the second class shall be:

3337 (A) deposited into the Regionally Significant Transportation Facilities Fund for
3338 Counties of the Second Class created by Section 72-2-128; and

3339 (B) expended as provided in Section 72-2-128; and

3340 (v) the amount of revenues collected from the sales and use tax imposed by this section
3341 that remain after the distributions required by Subsections (5)(c)(i) through (iv) are made shall
3342 be:

3343 (A) deposited into the Transportation Investment Fund of 2005 created by Section
3344 72-2-124; and

3345 (B) expended as provided in Section 72-2-124.

3346 Section 24. Section **59-12-2003** is enacted to read:

3347 **59-12-2003. Enactment or repeal of tax -- Effective date -- Administration,**
3348 **collection, and enforcement of tax.**

3349 (1) Subject to Subsections (2) and (3), a tax rate repeal or a tax rate change for a tax
3350 imposed under this part shall take effect on the first day of a calendar quarter.

3351 (2) (a) For a transaction described in Subsection (2)(c), the enactment of a tax shall
3352 take effect on the first day of the first billing period that begins after the effective date of the
3353 enactment of the tax if the billing period for the transaction begins before the effective date of
3354 the enactment of the tax under this part.

3355 (b) For a transaction described in Subsection (2)(c), the repeal of a tax shall take effect
3356 on the first day of the last billing period that began before the effective date of the repeal of the
3357 tax if the billing period for the transaction begins before the effective date of the repeal of the
3358 tax imposed under this part.

3359 (c) Subsections (2)(a) and (b) apply to transactions subject to a tax under:

3360 (i) Subsection 59-12-103(1)(b);

3361 (ii) Subsection 59-12-103(1)(c);

3362 (iii) Subsection 59-12-103(1)(d);

3363 (iv) Subsection 59-12-103(1)(e);

3364 (v) Subsection 59-12-103(1)(f);

3365 (vi) Subsection 59-12-103(1)(g);

3366 (vii) Subsection 59-12-103(1)(h);

3367 (viii) Subsection 59-12-103(1)(i);

3368 (ix) Subsection 59-12-103(1)(j); or

3369 (x) Subsection 59-12-103(1)(k).

3370 (3) (a) If a tax due under this part on a catalogue sale is computed on the basis of sales
3371 and use tax rates published in the catalogue, an enactment or repeal of a tax under this part
3372 takes effect:

3373 (i) on the first day of a calendar quarter; and

3374 (ii) beginning 60 days after the effective date of the enactment or repeal of the tax
3375 under this part.

3376 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
3377 commission may by rule define the term "catalogue sale."

3378 (4) A tax imposed by this part shall be administered, collected, and enforced in
3379 accordance with:

3380 (a) the same procedures used to administer, collect, and enforce the tax under Part 1,
3381 Tax Collection; and

3382 (b) Chapter 1, General Taxation Policies.

3383 Section 25. Section **63-55b-172** is amended to read:

3384 **63-55b-172. Repeal dates -- Title 72.**

3385 (1) Section 72-3-113 is repealed January 1, 2020.

3386 (2) Section 72-2-121.1 is repealed January 1, 2009.

3387 Section 26. Section **72-2-117.5** is amended to read:

3388 **72-2-117.5. Local Transportation Corridor Preservation Fund -- Distribution.**

3389 (1) As used in this section:

3390 (a) "Council of governments" means a decision-making body in each county composed
3391 of the county governing body and the mayors of each municipality in the county.

3392 (b) "Metropolitan planning organization" has the same meaning as defined in Section
3393 72-1-208.5.

3394 (2) There is created the Local Transportation Corridor Preservation Fund within the
3395 Transportation Fund.

3396 (3) The fund shall be funded from the following sources:

3397 (a) a local option transportation corridor preservation fee imposed under Section
3398 41-1a-1222;

3399 (b) appropriations made to the fund by the Legislature;

3400 (c) contributions from other public and private sources for deposit into the fund;

3401 (d) interest earnings on cash balances;

3402 (e) all monies collected from rents and sales of real property acquired with fund
3403 monies; and

3404 (f) proceeds from general obligation bonds, revenue bonds, or other obligations issued
3405 as authorized by Title 63B, Bonds[~~;~~and].

3406 [~~g) the portion of the sales and use tax described in Subsection 59-12-1703(4)(a)(ii)~~]

3407 ~~and required by Subsection 59-12-1703(7)(b)(i) to be deposited into the fund.]~~

3408 (4) (a) All monies appropriated to the Local Transportation Corridor Preservation Fund
3409 are nonlapsing.

3410 (b) The State Tax Commission shall provide the department with sufficient data for the
3411 department to allocate the revenues~~[-(†)]~~ provided under Subsection (3)(a) to each county
3412 imposing a local option transportation corridor preservation fee under Section 41-1a-1222[~~;~~
3413 ~~and~~].

3414 ~~[(ii) provided under Subsection 59-12-1703(4)(a)(ii) to each county imposing a county
3415 option sales and use tax for transportation.]~~

3416 (c) The monies allocated under Subsection (4)(b):

3417 (i) shall be used for the purposes provided in this section for each county; and

3418 (ii) are allocated to each county as provided in this section:

3419 (A) with the condition that the state will not be charged for any asset purchased with
3420 the monies allocated under Subsection (4)(b); and

3421 (B) are considered a local matching contribution for the purposes described under
3422 Section 72-2-123 if used on a state highway.

3423 (d) Administrative costs of the department to implement this section shall be paid from
3424 the fund.

3425 (5) (a) The department shall authorize the expenditure of fund monies to allow a
3426 highway authority to acquire real property or any interests in real property for state, county, and
3427 municipal highway corridors subject to:

3428 (i) monies available in the fund to each county under Subsection (4)(b); and

3429 (ii) the provisions of this section.

3430 (b) Fund monies may be used to pay interest on debts incurred in accordance with this
3431 section.

3432 (c) (i) (A) Fund monies may be used to pay maintenance costs of properties acquired
3433 under this section but limited to a total of 5% of the purchase price of the property.

3434 (B) Any additional maintenance cost shall be paid from funds other than under this
3435 section.

3436 (C) Revenue generated by any property acquired under this section is excluded from
3437 the limitations under this Subsection (5)(c)(i).

3438 (ii) Fund monies may be used to pay direct costs of acquisition of properties acquired
3439 under this section.

3440 (d) Fund monies allocated under Subsection (4)(b) may be used by a county highway
3441 authority for countywide transportation planning if:

3442 (i) the county is not included in a metropolitan planning organization;

3443 (ii) the transportation planning is part of the county's continuing, cooperative, and
3444 comprehensive process for transportation planning, corridor preservation, right-of-way
3445 acquisition, and project programming;

3446 (iii) no more than four years allocation every 20 years to each county is used for
3447 transportation planning under this Subsection (5)(d); and

3448 (iv) the county otherwise qualifies to use the fund monies as provided under this
3449 section.

3450 (e) (i) Fund monies allocated under Subsection (4)(b) may be used by a county
3451 highway authority for transportation corridor planning that is part of the corridor elements of an
3452 ongoing work program of transportation projects.

3453 (ii) The transportation corridor planning under Subsection (5)(e)(i) shall be under the
3454 direction of:

3455 (A) the metropolitan planning organization if the county is within the boundaries of a
3456 metropolitan planning organization; or

3457 (B) the department if the county is not within the boundaries of a metropolitan
3458 planning organization.

3459 (6) (a) (i) The Local Transportation Corridor Preservation Fund shall be used to
3460 preserve highway corridors, promote long-term statewide transportation planning, save on
3461 acquisition costs, and promote the best interests of the state in a manner which minimizes
3462 impact on prime agricultural land.

3463 (ii) The Local Transportation Corridor Preservation Fund shall only be used to preserve
3464 a highway corridor that is right-of-way:

3465 (A) in a county of the first or second class for a:

3466 (I) state highway;

3467 (II) a principal arterial highway as defined in Section 72-4-102.5;

3468 (III) a minor arterial highway as defined in Section 72-4-102.5; or

3469 (IV) a collector highway in an urban area as defined in Section 72-4-102.5; or
3470 (B) in a county of the third, fourth, fifth, or sixth class for a:
3471 (I) state highway;
3472 (II) a principal arterial highway as defined in Section 72-4-102.5;
3473 (III) a minor arterial highway as defined in Section 72-4-102.5;
3474 (IV) a major collector highway as defined in Section 72-4-102.5; or
3475 (V) a minor collector road as defined in Section 72-4-102.5.
3476 (iii) The Local Transportation Corridor Preservation Fund may not be used for a
3477 highway corridor that is primarily a recreational trail as defined under Section 63-11a-101.
3478 (b) (i) The department shall develop and implement a program to educate highway
3479 authorities on the objectives, application process, use, and responsibilities of the Local
3480 Transportation Corridor Preservation Fund as provided under this section to promote the most
3481 efficient and effective use of fund monies including priority use on designated high priority
3482 corridor preservation projects.
3483 (ii) The department shall develop a model transportation corridor property acquisition
3484 policy or ordinance that meets federal requirements for the benefit of a highway authority to
3485 acquire real property or any interests in real property under this section.
3486 (c) The department shall authorize the expenditure of fund monies after determining
3487 that the expenditure is being made in accordance with this section from applications that are:
3488 (i) made by a highway authority;
3489 (ii) endorsed by the council of governments; and
3490 (iii) for a right-of-way purchase for a highway authorized under Subsection (6)(a)(ii).
3491 (7) (a) (i) A council of governments shall establish a council of governments
3492 endorsement process which includes prioritization and application procedures for use of the
3493 monies allocated to each county under this section.
3494 (ii) The endorsement process under Subsection (7)(a)(i) may include review or
3495 endorsement of the preservation project by the:
3496 (A) metropolitan planning organization if the county is within the boundaries of a
3497 metropolitan planning organization; or
3498 (B) the department if the county is not within the boundaries of a metropolitan
3499 planning organization.

- 3500 (b) All fund monies shall be prioritized by each highway authority and council of
3501 governments based on considerations, including:
- 3502 (i) areas with rapidly expanding population;
 - 3503 (ii) the willingness of local governments to complete studies and impact statements
3504 that meet department standards;
 - 3505 (iii) the preservation of corridors by the use of local planning and zoning processes;
 - 3506 (iv) the availability of other public and private matching funds for a project;
 - 3507 (v) the cost-effectiveness of the preservation projects;
 - 3508 (vi) long and short-term maintenance costs for property acquired; and
 - 3509 (vii) whether the transportation corridor is included as part of:
 - 3510 (A) the county and municipal master plan; and
 - 3511 (B) (I) the statewide long range plan; or
 - 3512 (II) the regional transportation plan of the area metropolitan planning organization if
3513 one exists for the area.
 - 3514 (c) The council of governments shall:
 - 3515 (i) establish a priority list of highway corridor preservation projects within the county;
 - 3516 (ii) submit the list described in Subsection (7)(c)(i) to the county's legislative body for
3517 approval; and
 - 3518 (iii) obtain approval of the list described in Subsection (7)(c)(i) from a majority of the
3519 members of the county legislative body.
 - 3520 (d) A county's council of governments may only submit one priority list described in
3521 Subsection (7)(c)(i) per calendar year.
 - 3522 (e) A county legislative body may only consider and approve one priority list described
3523 in Subsection (7)(c)(i) per calendar year.
 - 3524 (8) (a) Unless otherwise provided by written agreement with another highway
3525 authority, the highway authority that holds the deed to the property is responsible for
3526 maintenance of the property.
 - 3527 (b) The transfer of ownership for property acquired under this section from one
3528 highway authority to another shall include a recorded deed for the property and a written
3529 agreement between the highway authorities.
 - 3530 (9) (a) The proceeds from any bonds or other obligations secured by revenues of the

3531 Local Transportation Corridor Preservation Fund shall be used for the purposes authorized for
 3532 funds under this section.

3533 (b) The highway authority shall pledge the necessary part of the revenues of the Local
 3534 Transportation Corridor Preservation Fund to the payment of principal and interest on the
 3535 bonds or other obligations.

3536 (10) (a) A highway authority may not apply for monies under this section to purchase a
 3537 right-of-way for a state highway unless the highway authority has:

3538 (i) a transportation corridor property acquisition policy or ordinance in effect that
 3539 meets federal requirements for the acquisition of real property or any interests in real property
 3540 under this section; and

3541 (ii) an access management policy or ordinance in effect that meets the requirements
 3542 under Subsection 72-2-117(9).

3543 (b) The provisions of Subsection (10)(a)(i) do not apply if the highway authority has a
 3544 written agreement with the department for the acquisition of real property or any interests in
 3545 real property under this section.

3546 Section 27. Section **72-2-121** is amended to read:

3547 **72-2-121. County of the First Class State Highway Projects Fund.**

3548 (1) There is created a special revenue fund entitled the County of the First Class State
 3549 Highway Projects Fund.

3550 (2) The fund consists of monies generated from the following revenue sources:

3551 (a) any voluntary contributions received for new construction, major renovations, and
 3552 improvements to state highways within a county of the first class;

3553 ~~[(b) the portion of the sales and use tax described in Subsection 59-12-502(5)(a)(ii)~~
 3554 ~~deposited in or transferred to the fund;]~~

3555 ~~[(c) the portion of the sales and use tax described in Subsection 59-12-1703(4)(a)(ii)~~
 3556 ~~and required by Subsection 59-12-1703(7)(b)(ii) to be deposited in or transferred to the fund;~~
 3557 ~~and]~~

3558 ~~[(d)]~~ (b) a portion of the local option transportation corridor preservation fee imposed
 3559 in a county of the first class under Section 41-1a-1222 deposited in or transferred to the fund[-];
 3560 and

3561 (c) amounts deposited in accordance with Section 59-12-2002.

3562 (3) (a) The fund shall earn interest.
3563 (b) All interest earned on fund monies shall be deposited into the fund.
3564 (4) The executive director may use fund monies only:
3565 (a) to pay debt service and bond issuance costs for bonds issued under Section
3566 63B-16-102; and
3567 (b) for right-of-way acquisition, new construction, major renovations, and
3568 improvements to state highways within a county of the first class and to pay any debt service
3569 and bond issuance costs related to those projects.
3570 (5) The revenues described in [~~Subsections~~] Subsection (2)(b)[~~-(c), and (d)~~] that are
3571 deposited in the fund and bond proceeds from bonds issued under Section 63B-16-102 are
3572 considered a local matching contribution for the purposes described under Section 72-2-123.
3573 (6) The additional administrative costs of the department to administer this fund shall
3574 be paid from the monies in the fund.
3575 Section 28. Section **72-2-121.1** is amended to read:
3576 **72-2-121.1. Highway Projects Within Counties Fund -- Accounting for revenues**
3577 **-- Interest -- Expenditure of revenues.**
3578 (1) There is created a special revenue fund known as the Highway Projects Within
3579 Counties Fund.
3580 (2) The Highway Projects Within Counties Fund shall be funded by revenues generated
3581 by a tax imposed by a county under Title 59, Chapter 12, Part 15, County Option Sales and Use
3582 Tax for Highways, Fixed Guideways, or Systems for Public Transit Act, if those revenues are
3583 allocated:
3584 (a) for a purpose described in Subsection 59-12-1503(2)(a)(iii); and
3585 (b) in accordance with Section 59-12-1503.
3586 (3) The department shall make a separate accounting for:
3587 (a) the revenues described in Subsection (2); and
3588 (b) each county for which revenues are deposited into the Highway Projects Within
3589 Counties Fund.
3590 (4) (a) The Highway Projects Within Counties Fund shall earn interest.
3591 (b) The department shall allocate the interest earned on the State Highway Projects
3592 Within Counties Fund:

3593 (i) proportionately;
3594 (ii) to each county's balance in the Highway Projects Within Counties Fund; and
3595 (iii) on the basis of each county's balance in the Highway Projects Within Counties
3596 Fund.

3597 (5) (a) The department shall expend the revenues and interest deposited into the
3598 Highway Projects Within Counties Fund to pay:

3599 (i) for a state highway project within the county:

3600 (A) described in Subsection 59-12-1503(2)(a)(iii)(A); and

3601 (B) for which the requirements of Subsection 59-12-1503(5) are met;

3602 (ii) debt service on a project described in Subsection (5)(a); or

3603 (iii) bond issuance costs relating to a project described in Subsection (5)(a).

3604 (b) (i) If a county legislative body submits a request to the department in writing, the
3605 department shall transfer revenues and interest deposited into the Highway Projects Within
3606 Counties Fund to the county legislative body to pay:

3607 (A) for a local highway of regional significance project described in Subsection
3608 59-12-1503(2)(a)(iii)(A);

3609 (B) debt service on a project described in Subsection (5)(b)(i)(A); or

3610 (C) bond issuance costs relating to a project described in Subsection (5)(b)(i)(A).

3611 (ii) The request submitted under Subsection (5)(b)(i) shall specify:

3612 (A) the amount of revenues requested for transfer; and

3613 (B) the local highway of regional significance project that the funds requested under
3614 this Subsection (5)(b) will be expended on.

3615 (6) Any revenues and interest remaining in the State Highway Projects Within
3616 Counties Fund on December 31, 2008, shall be distributed as follows:

3617 (a) the interest on the State Highway Projects Within Counties Fund shall be
3618 distributed to each county proportionately on the basis of the county's balance in the State
3619 Highway Projects Within Counties Fund; and

3620 (b) the revenues deposited into the State Highway Projects Within Counties Fund shall
3621 be distributed to each county for which revenues are deposited into the State Highway Projects
3622 Within Counties Fund equal to the county's balance in the State Highway Projects Within
3623 Counties Fund on December 31, 2008.

3624 Section 29. Section **72-2-124** is amended to read:

3625 **72-2-124. Transportation Investment Fund of 2005.**

3626 (1) There is created a special revenue fund entitled the Transportation Investment Fund
3627 of 2005.

3628 (2) The fund consists of monies generated from the following sources:

3629 (a) any voluntary contributions received for the maintenance, construction,
3630 reconstruction, or renovation of state and federal highways; ~~and~~

3631 (b) amounts deposited in accordance with Section 59-12-2002; and

3632 ~~[(b)]~~ (c) appropriations made to the fund by the Legislature.

3633 (3) When the highway general obligation bonds have been paid off and the highway
3634 projects completed that are intended to be paid from revenues deposited in the Centennial
3635 Highway Fund Restricted Account as determined by the Executive Appropriations Committee
3636 under Subsection 72-2-118(6)(d), the fund shall also consist of monies generated from the
3637 following sources:

3638 (a) registration fees designated under Subsection 41-1a-1201(6)(a);

3639 (b) the clean special fuel tax certificate surcharge under Subsection 59-13-304(3); and

3640 (c) the sales and use tax amounts provided for in Section 59-12-103.

3641 (4) (a) The fund shall earn interest.

3642 (b) All interest earned on fund monies shall be deposited into the fund.

3643 (5) (a) Except as provided in Subsections (5)(b) and (c), the executive director may use
3644 fund monies only to pay the costs of maintenance, construction, reconstruction, or renovation
3645 to state and federal highways prioritized by the Transportation Commission through the
3646 prioritization process for new transportation capacity projects adopted under Section 72-1-304.

3647 (b) The executive director may use fund monies deposited into the fund in fiscal year
3648 2006 only to pay the costs of maintenance, construction, reconstruction, or renovation to state
3649 and federal highways prioritized by the Transportation Commission.

3650 (c) The executive director may use fund monies to exchange for an equal or greater
3651 amount of federal transportation funds to be used as provided in Subsection (5)(a).

3652 Section 30. Section **72-2-126** is enacted to read:

3653 **72-2-126. Transportation Corridor Preservation Fund for Counties of the First or**
3654 **Second Class -- Source of revenues -- Interest -- Expenditure of revenues.**

- 3655 (1) As used in this section:
- 3656 (a) "Fixed guideway" means a public transit facility that uses and occupies:
- 3657 (i) rail for the use of public transit; or
- 3658 (ii) a separate right-of-way for the use of public transit.
- 3659 (b) "Fund" means the Transportation Corridor Preservation Fund for Counties of the
- 3660 First or Second Class created by this section.
- 3661 (c) "Metropolitan planning organization" is as defined in Section 72-1-208.5.
- 3662 (d) "Regionally significant transportation facility" means:
- 3663 (i) a principal arterial highway as defined in Section 72-4-102.5;
- 3664 (ii) a minor arterial highway as defined in Section 72-4-102.5;
- 3665 (iii) a fixed guideway that:
- 3666 (A) extends across two or more cities or unincorporated areas; or
- 3667 (B) is an extension to an existing fixed guideway; or
- 3668 (iv) an airport of regional significance, as defined by the Transportation Commission
- 3669 by rule made in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.
- 3670 (2) There is created a special revenue fund within the Transportation Fund known as
- 3671 the "Transportation Corridor Preservation Fund for Counties of the First or Second Class."
- 3672 (3) (a) The fund shall be funded by the portion of the state sales and use tax described
- 3673 in Subsection 59-12-2002(5)(c)(ii).
- 3674 (b) (i) The fund shall earn interest.
- 3675 (ii) Interest earned on fund monies shall be deposited into the fund.
- 3676 (4) The executive director shall expend the monies deposited into the fund for:
- 3677 (a) corridor preservation for a project or service:
- 3678 (i) subject to Subsection (5), relating to a regionally significant transportation facility
- 3679 for the portion of the project or service that is performed within a county of the first or second
- 3680 class;
- 3681 (ii) for new capacity or congestion mitigation if the project of service is performed
- 3682 within a county of the first or second class; and
- 3683 (iii) (A) if the project or service is a principal arterial highway or a minor arterial
- 3684 highway in a county of the first or second class, that is part of:
- 3685 (I) the county and municipal master plan; and

3686 (II) (Aa) the statewide long-range plan; or
3687 (Bb) the regional transportation plan of the area metropolitan planning organization if a
3688 metropolitan planning organization exists for the area; or
3689 (B) if the project or service is for a fixed guideway or an airport, that is part of the
3690 regional transportation plan of the area metropolitan planning organization if a metropolitan
3691 planning organization exists for the area;
3692 (b) debt service related to corridor preservation for a project or service described in
3693 Subsection (4)(a); or
3694 (c) bond issuance costs related to corridor preservation for a project or service
3695 described in Subsection (4)(a).
3696 (5) Before the executive director may expend monies deposited into the fund for a
3697 regionally significant transportation facility project or service described in Subsection (4)(a)(i),
3698 the regionally significant transportation facility or project shall have a funded year priority
3699 designation on a Statewide Transportation Improvement Program and Transportation
3700 Improvement Program if the project or service described in Subsection (4)(a)(i) is:
3701 (a) a principal arterial highway as defined in Section 72-4-102.5;
3702 (b) a minor arterial highway as defined in Section 72-4-102.5; or
3703 (c) a major collector highway:
3704 (i) as defined in Section 72-4-102.5; and
3705 (ii) in a rural area.
3706 Section 31. Section **72-2-127** is enacted to read:
3707 **72-2-127. Fixed Guideway Fund for Transit Districts Operating in a County of**
3708 **the First Class -- Source of revenues -- Interest -- Distribution of revenues -- Expenditure**
3709 **of revenues -- Governor's Office of Planning and Budget shall provide amounts of**
3710 **distributions -- Unexpended revenues lapse into the Transportation Investment Fund of**
3711 **2005.**
3712 (1) As used in this section:
3713 (a) "Fiscal year" means a one-year period beginning on July 1 of each year.
3714 (b) "Fixed guideway" is as defined in Section 72-2-126.
3715 (c) "Fund" means the Fixed Guideway Fund for Transit Districts Operating in a County
3716 of the First Class created by this section.

3717 (d) "Transit district" means a transit district organized under Title 17B, Chapter 2a,
3718 Part 8, Public Transit District Act.

3719 (2) There is created a special revenue fund within the Transportation Fund known as
3720 the "Fixed Guideway Fund for Transit Districts Operating in a County of the First Class."

3721 (3) (a) The fund shall be funded by the sales and use tax revenues described in
3722 Subsection 59-12-2002(5)(c)(iii).

3723 (b) Interest earned on the fund shall be deposited into the Transportation Investment
3724 Fund of 2005 created by Section 72-2-124.

3725 (4) Subject to Subsection (5), the executive director shall for a fiscal year distribute
3726 monies deposited into the fund to each transit district operating within a county of the first
3727 class to pay:

3728 (a) debt service costs for that fiscal year on a bond or other indebtedness incurred to
3729 pay the cost directly related to building that portion of a fixed guideway that is located in the
3730 county of the first class;

3731 (b) maintenance costs for that fiscal year that are directly related to that portion of a
3732 fixed guideway that is located in the county of the first class;

3733 (c) operation costs for that fiscal year that are directly related to that portion of a fixed
3734 guideway that is located in the county of the first class; or

3735 (d) a combination of Subsections (4)(a) through (c).

3736 (5) (a) Except as provided in Subsection (5)(b), each transit district described in
3737 Subsection (4) shall receive a distribution required by Subsection (4) in the amount required for
3738 the transit district to pay the costs described in Subsection (4):

3739 (i) for the period beginning on January 1, 2009, and ending June 30, 2009, for that
3740 period; and

3741 (ii) for the period beginning with fiscal year 2009-10, for that fiscal year.

3742 (b) If the monies deposited into the fund are insufficient to make the distributions
3743 required by Subsection (5)(a), the monies deposited into the fund for a fiscal year shall be
3744 distributed to each transit district described in Subsection (4) in an amount equal to the product
3745 of:

3746 (i) for the period beginning on January 1, 2008, and ending on June 30, 2008:

3747 (A) the amount deposited into the fund in accordance with Subsection

3748 59-12-2002(5)(c)(iii) for that period beginning on January 1, 2009, and ending on June 30,
3749 2009; and

3750 (B) a percentage calculated by determining the proportion of the costs described in
3751 Subsection (4) that the transit district is required to pay for the period beginning on January 1,
3752 2009, and ending on June 30, 2009, as compared to the total amount of costs described in
3753 Subsection (4) that all transit districts described in Subsection (4) are required to pay for that
3754 period; and

3755 (ii) for fiscal years beginning with fiscal year 2008-09:

3756 (A) the amount deposited into the fund in accordance with Subsection
3757 59-12-2002(5)(c)(iii) for that fiscal year; and

3758 (B) a percentage calculated by determining the proportion of the costs described in
3759 Subsection (4) that the transit district is required to pay for the fiscal year as compared to the
3760 total amount of costs described in Subsection (4) that all transit districts described in
3761 Subsection (4) are required to pay for that fiscal year.

3762 (6) A transit district that receives a distribution in accordance with Subsections (4) and
3763 (5) shall expend the distribution to pay the costs described in Subsection (4) for the fiscal year
3764 for which the transit district receives the distribution.

3765 (7) On or before April 1 of each year, the Governor's Office of Planning and Budget
3766 shall provide the executive director with the amounts of the distributions required by this
3767 section.

3768 (8) Any monies remaining in the fund at the end of a fiscal year after making the
3769 distributions required by this section shall lapse into the Transportation Investment Fund of
3770 2005 created by Section 72-2-124.

3771 Section 32. Section **72-2-128** is enacted to read:

3772 **72-2-128. Regionally Significant Transportation Facilities Fund for Counties of**
3773 **the Second Class -- Source of revenues -- Interest -- Expenditure of revenues.**

3774 (1) As used in this section, "regionally significant transportation facility" is as defined
3775 in Section 72-2-126.

3776 (2) There is created a special revenue fund within the Transportation Fund known as
3777 the "Regionally Significant Transportation Facilities Fund for Counties of the Second Class."

3778 (3) (a) The fund shall be funded by the portion of the state sales and use tax described

3779 in Subsection 59-12-2002(5)(c)(iv).

3780 (b) (i) The fund shall earn interest.

3781 (ii) Any interest earned on fund monies shall be deposited into the fund.

3782 (4) The executive director shall expend the monies deposited into the fund relating to a

3783 regionally significant transportation facility located within a county of the second class.

3784 **Section 33. Repealer.**

3785 This bill repeals:

3786 **Section 59-12-701, Purpose statement.**

3787 **Section 59-12-801, Definitions.**

3788 **Section 59-12-802, Imposition of rural county health care facilities tax --**

3789 **Expenditure of tax revenues -- Base -- Rate -- Administration, collection, and**

3790 **enforcement of tax.**

3791 **Section 59-12-803, Distribution of revenues generated by rural county health care**

3792 **facilities tax.**

3793 **Section 59-12-804, Imposition of rural city hospital tax -- Base -- Rate --**

3794 **Administration, collection, and enforcement of tax.**

3795 **Section 59-12-805, Distribution of revenues generated by rural city hospital tax.**

3796 **Section 59-12-806, Enactment or repeal of tax -- Tax rate change -- Effective date**

3797 **-- Notice requirements.**

3798 **Section 59-12-1001, Authority to impose tax for highways or to fund a system for**

3799 **public transit -- Base -- Rate -- Ordinance requirements -- Voter approval requirements**

3800 **-- Election requirements -- Notice of election requirements -- Exceptions to voter**

3801 **approval requirements -- Enactment or repeal of tax -- Effective date -- Notice**

3802 **requirements.**

3803 **Section 59-12-1002, Collection of taxes by commission -- Administration,**

3804 **collection, and enforcement of tax -- Charge for service.**

3805 **Section 59-12-1301, Title.**

3806 **Section 59-12-1302, Imposition of tax -- Base -- Rate -- Enactment or repeal of tax**

3807 **-- Tax rate change -- Effective date -- Notice requirements.**

3808 **Section 59-12-1401, Purpose statement -- Definitions -- Scope of part.**

3809 **Section 59-12-1402, Opinion question election -- Base -- Rate -- Imposition of tax --**

3810 **Uses of tax monies -- Enactment or repeal of tax -- Effective date -- Notice requirements.**

3811 Section **59-12-1403, Distribution of revenues -- Administrative costs.**

3812 Section **59-12-1501, Title.**

3813 Section **59-12-1502, Definitions.**

3814 Section **59-12-1503, Opinion question election -- Base -- Rate -- Imposition of tax --**

3815 **Use of tax revenues -- Administration, collection, and enforcement of tax by commission**

3816 **-- Administrative fee -- Enactment or repeal of tax -- Annexation -- Notice.**

3817 Section **59-12-1701, Title.**

3818 Section **59-12-1702, Definitions.**

3819 Section **59-12-1703, Opinion question election -- Base -- Rate -- Imposition of tax --**

3820 **Use of tax revenues -- Administration, collection, and enforcement of tax by commission**

3821 **-- Administrative fee -- Enactment or repeal of tax -- Annexation -- Notice.**

3822 Section **59-12-1704, Written project prioritization process for new transportation**
3823 **capacity projects.**

3824 Section **59-12-1705, Project selection using the written prioritization process --**

3825 **Report.**

3826 Section 34. **Effective date.**

3827 (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2009.

3828 (2) The amendments in this bill to Section 72-2-121.1 take effect on May 5, 2008.

3829 Section 35. **Revisor instructions.**

3830 It is the intent of the Legislature that, in preparing the Utah Code database for
3831 publication, the Office of Legislative Research and General Counsel shall replace the
3832 references in the following subsections from "by this bill" to the bill's designated chapter and
3833 section number in the Laws of Utah:

3834 (1) Subsection 26-9-4(1)(h);

3835 (2) Subsection 59-2-924(2)(c)(ii)(B);

3836 (3) Subsection 59-2-924(2)(d)(ii)(B)(I);

3837 (4) Subsection 59-12-205(2)(c); and

3838 (5) Subsection 59-12-704(7)(a).

Legislative Review Note
as of 1-29-08 11:12 AM

Office of Legislative Research and General Counsel

H.B. 183 - Sales and Use Tax Amendments

Fiscal Note

2008 General Session
State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill could reduce local revenues by \$452,000 in FY 2009 and increase local revenues by \$11,974,000 in FY 2010. There is also a potential shift among resources within counties.
