{deleted text} shows text that was in HB0287 but was deleted in HB0287S01.

inserted text shows text that was not in HB0287 but was inserted into HB0287S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will not be completely accurate. Therefore, you need to read the actual bill. This automatically generated document could experience abnormalities caused by: limitations of the compare program; bad input data; the timing of the compare; and other potential causes.

Representative Wayne A. Harper proposes the following substitute bill:

RESTRUCTURING OF THE DEPARTMENT OF COMMUNITY AND CULTURE

2011 GENERAL SESSION STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate Sponsor:

LONG TITLE

General Description:

This bill provides a mechanism for the restructuring of the Department of Community and Culture and {redistributes} distributes and transitions certain of its powers, duties, functions, and programs to other governmental departments and agencies.

Highlighted Provisions:

This bill.

- provides a mechanism for the restructuring of the Department of Community and
 Culture and the transitioning of certain powers, duties, functions, and programs;
- moves the Division of Housing and Community Development powers, duties,
 functions, and related programs to the Department of Workforce Services and the

Governor's Office of Economic Development;

- moves the Utah Science Center Authority, the Heber Valley Historic Railroad Authority, and the Utah State Railroad Museum Authority to Title 63H, Independent State Entities;
 - moves the Bond Volume Cap Allocation program to the Governor's Office of Economic Development;
 - moves the responsibility for the Commission on National and Community Service
 Act to the Office of the Lieutenant Governor; and
 - makes certain technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

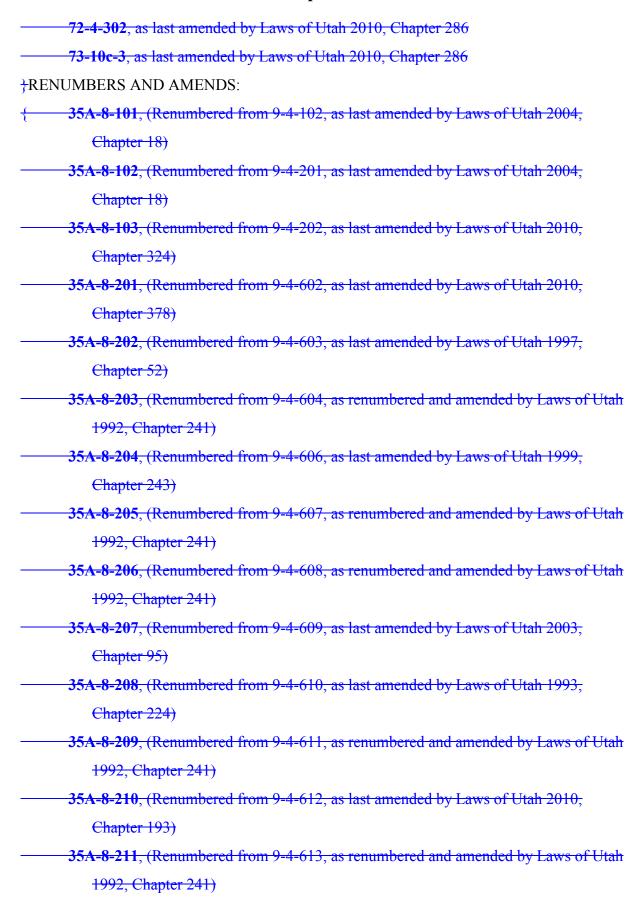
None

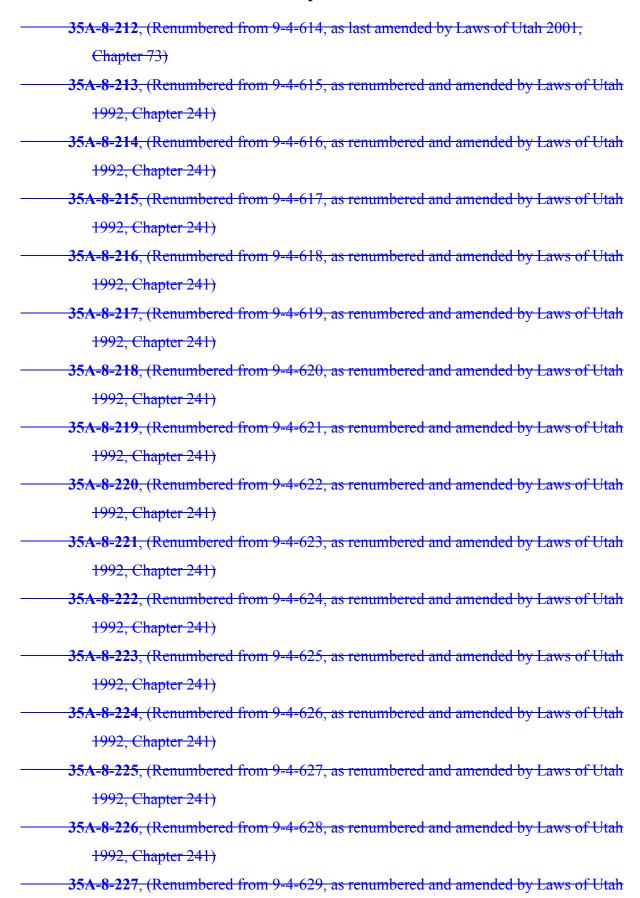
Utah Code Sections Affected:

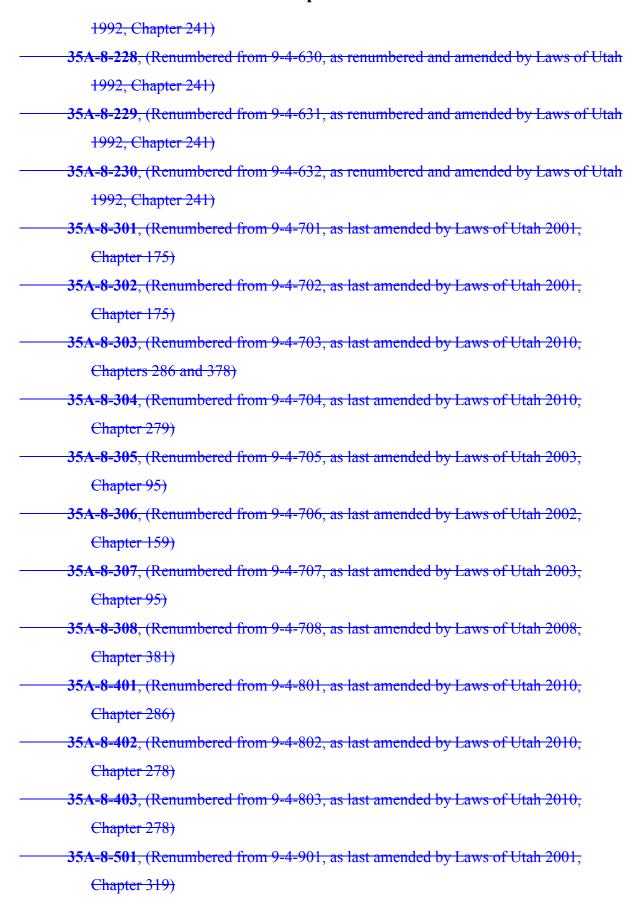
AMENDS:

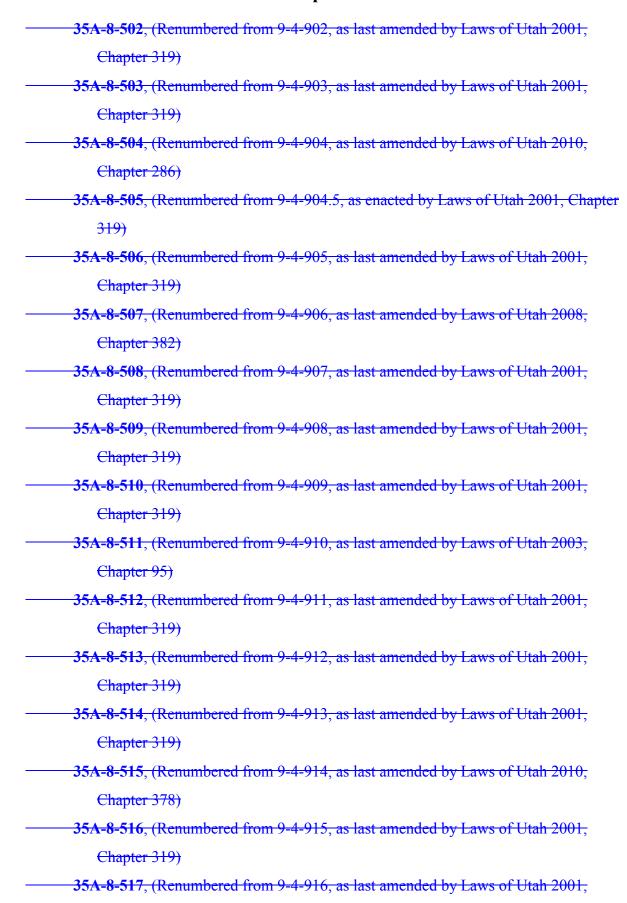
10-9a-408, as last amended by Laws of Utah 2005, Chapter 148 and renumbered and amended by Laws of Utah 2005, Chapter 254 11-13-103, as last amended by Laws of Utah 2008, Chapter 250 11-37-101, as last amended by Laws of Utah 2008, Chapter 382 17-27a-408, as last amended by Laws of Utah 2005, Chapter 148 and renumbered and amended by Laws of Utah 2005, Chapter 254 17C-1-102, as last amended by Laws of Utah 2010, Chapter 279 17C-1-412, as last amended by Laws of Utah 2010, Chapter 279 35A-1-202, as last amended by Laws of Utah 2005, Chapter 81 35A-3-103, as last amended by Laws of Utah 2005, Chapter 148 35A-3-116, as last amended by Laws of Utah 2009, Chapter 116 35A-3-203, as last amended by Laws of Utah 2005, Chapter 148 35A-3-205, as last amended by Laws of Utah 2010, Chapter 286 41-1a-422, as last amended by Laws of Utah 2010, Chapters 139, 166, 369, and 379 } **53B-18-1002**, as last amended by Laws of Utah 2005, Chapter 148 53C-3-203, as last amended by Laws of Utah 2010, Chapters 79 and 262

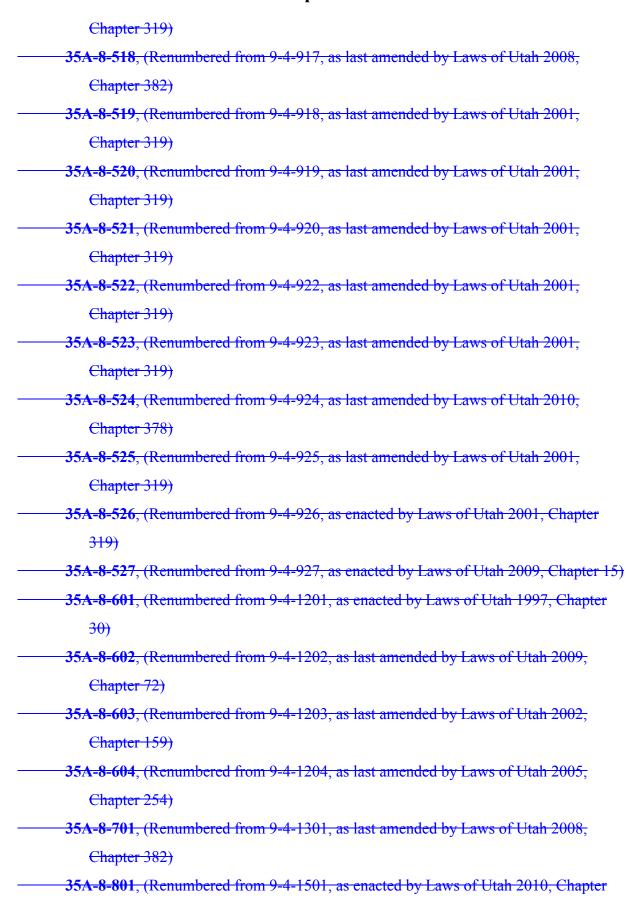
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54-7-13.6, as last amended by Laws of Utah 2010, Chapter 324
       59-10-1306, as last amended by Laws of Utah 2010, Chapter 278
       59-10-1314, as enacted by Laws of Utah 2010, Chapter 194
       59-12-103, as last amended by Laws of Utah 2010, Chapter 412
}
       59-12-104, as last amended by Laws of Utah 2010, Chapters 88, 209, and 364
       59-12-204, as last amended by Laws of Utah 2009, Chapters 203 and 385
       59-12-1102, as last amended by Laws of Utah 2010, Chapter 90
      59-21-1, as last amended by Laws of Utah 2008, Chapter 360
      59-21-2, as last amended by Laws of Utah 2010, Chapter 278
      61-2c-105, as last amended by Laws of Utah 2010, Chapter 379
       62A-1-111, as last amended by Laws of Utah 2008, Chapters 3 and 382
       63A-3-205, as last amended by Laws of Utah 2010, Chapter 72
       63A-5-306, as last amended by Laws of Utah 2010, Chapter 343
}
       63B-1b-102, as renumbered and amended by Laws of Utah 2008, Chapter 382
       63B-1b-202, as renumbered and amended by Laws of Utah 2008, Chapter 382
       63E-1-102, as last amended by Laws of Utah 2010, Chapters 152 and 364
}
       63E-1-203, as last amended by Laws of Utah 2002, Chapter 159
+
}
       63I-1-209, as last amended by Laws of Utah 2010, Chapter 364
       63I-1-235, as renumbered and amended by Laws of Utah 2008, Chapter 382
}
       63I-1-263, as last amended by Laws of Utah 2010, Chapters 319 and 358
       63I-1-267, as last amended by Laws of Utah 2010, Chapter 319
       63I-4-102, as last amended by Laws of Utah 2010, Chapters 152, 353, and 364
       63J-4-502, as last amended by Laws of Utah 2010, Chapter 286
}
       63J-7-102, as last amended by Laws of Utah 2010, Chapters 152, 364, and 370
       63K-1-102, as last amended by Laws of Utah 2010, Chapter 334
{
}
       63M-1-201, as renumbered and amended by Laws of Utah 2008, Chapter 382
       63M-1-604, as last amended by Laws of Utah 2010, Chapter 286
       63M-1-1503, as last amended by Laws of Utah 2010, Chapter 286
}
       63M-7-301, as last amended by Laws of Utah 2010, Chapter 39
       67-4-18, as enacted by Laws of Utah 2009, Chapter 15
       67-22-2, as last amended by Laws of Utah 2009, Chapter 369
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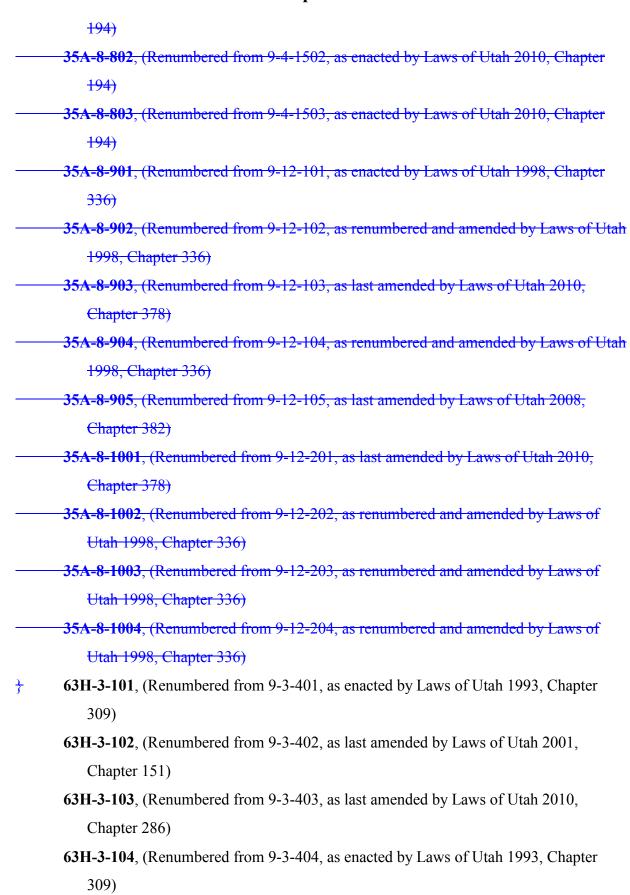








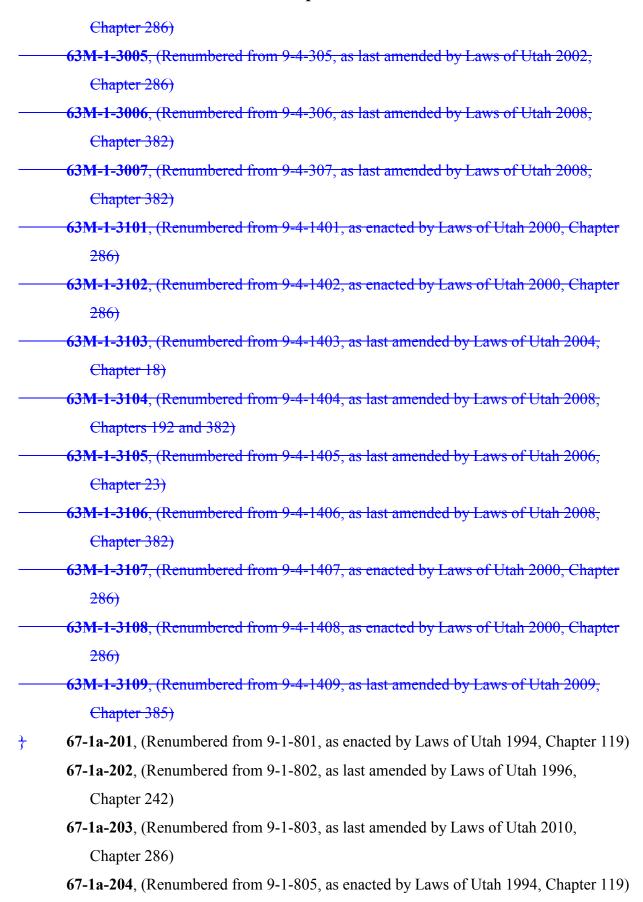




- **63H-3-105**, (Renumbered from 9-3-405, as enacted by Laws of Utah 1993, Chapter 309)
- **63H-3-106**, (Renumbered from 9-3-406, as enacted by Laws of Utah 1993, Chapter 309)
- **63H-3-107**, (Renumbered from 9-3-407, as last amended by Laws of Utah 2010, Chapter 378)
- **63H-3-108**, (Renumbered from 9-3-409, as last amended by Laws of Utah 2009, First Special Session, Chapter 5)
- **63H-3-109**, (Renumbered from 9-3-410, as last amended by Laws of Utah 2010, Chapter 324)
- **63H-3-110**, (Renumbered from 9-3-411, as enacted by Laws of Utah 1993, Chapter 309)
- **63H-4-101**, (Renumbered from 9-3-501, as enacted by Laws of Utah 2010, Chapter 364)
- **63H-4-102**, (Renumbered from 9-3-502, as enacted by Laws of Utah 2010, Chapter 364)
- **63H-4-103**, (Renumbered from 9-3-503, as enacted by Laws of Utah 2010, Chapter 364)
- **63H-4-104**, (Renumbered from 9-3-504, as enacted by Laws of Utah 2010, Chapter 364)
- **63H-4-105**, (Renumbered from 9-3-505, as enacted by Laws of Utah 2010, Chapter 364)
- **63H-4-106**, (Renumbered from 9-3-506, as enacted by Laws of Utah 2010, Chapter 364)
- **63H-4-107**, (Renumbered from 9-3-507, as enacted by Laws of Utah 2010, Chapter 364)
- **63H-4-108**, (Renumbered from 9-3-508, as enacted by Laws of Utah 2010, Chapter 364)
- **63H-4-109**, (Renumbered from 9-3-509, as enacted by Laws of Utah 2010, Chapter 364)
- 63H-4-110, (Renumbered from 9-3-510, as enacted by Laws of Utah 2010, Chapter

- 364)
- **63H-4-111**, (Renumbered from 9-3-511, as enacted by Laws of Utah 2010, Chapter 364)
- **63H-5-101**, (Renumbered from 9-3-601, as enacted by Laws of Utah 2010, Chapter 152)
- **63H-5-102**, (Renumbered from 9-3-602, as enacted by Laws of Utah 2010, Chapter 152)
- **63H-5-103**, (Renumbered from 9-3-603, as enacted by Laws of Utah 2010, Chapter 152)
- **63H-5-104**, (Renumbered from 9-3-604, as enacted by Laws of Utah 2010, Chapter 152)
- **63H-5-105**, (Renumbered from 9-3-605, as enacted by Laws of Utah 2010, Chapter 152)
- **63H-5-106**, (Renumbered from 9-3-606, as enacted by Laws of Utah 2010, Chapter 152)
- **63H-5-107**, (Renumbered from 9-3-607, as enacted by Laws of Utah 2010, Chapter 152)
- **63H-5-108**, (Renumbered from 9-3-608, as enacted by Laws of Utah 2010, Chapter 152)
- **63H-5-109**, (Renumbered from 9-3-609, as enacted by Laws of Utah 2010, Chapter 152)
- **63H-5-110**, (Renumbered from 9-3-610, as enacted by Laws of Utah 2010, Chapter 152)
- **63H-6-101**, (Renumbered from 9-4-1101, as enacted by Laws of Utah 1995, Chapter 260)
- **63H-6-102**, (Renumbered from 9-4-1102, as enacted by Laws of Utah 1995, Chapter 260)
- **63H-6-103**, (Renumbered from 9-4-1103, as last amended by Laws of Utah 2008, Chapter 382)
- **63H-6-104**, (Renumbered from 9-4-1104, as last amended by Laws of Utah 2002, Chapter 176)

- **63H-6-105**, (Renumbered from 9-4-1105, as enacted by Laws of Utah 1995, Chapter 260)
- **63H-6-106**, (Renumbered from 9-4-1106, as enacted by Laws of Utah 1995, Chapter 260)
- **63H-6-107**, (Renumbered from 9-4-1107, as enacted by Laws of Utah 1995, Chapter 260)
- **63M-1-2901**, (Renumbered from 9-4-501, as enacted by Laws of Utah 1992, Chapter 287)
- **63M-1-2902**, (Renumbered from 9-4-502, as enacted by Laws of Utah 1992, Chapter 287)
- **63M-1-2903**, (Renumbered from 9-4-503, as last amended by Laws of Utah 2010, Chapter 286)
- **63M-1-2904**, (Renumbered from 9-4-504, as last amended by Laws of Utah 1997, Chapter 192)
- **63M-1-2905**, (Renumbered from 9-4-505, as last amended by Laws of Utah 2004, Chapter 90)
- **63M-1-2906**, (Renumbered from 9-4-506, as last amended by Laws of Utah 2000, Chapter 95)
- **63M-1-2907**, (Renumbered from 9-4-507, as enacted by Laws of Utah 1992, Chapter 287)
- **63M-1-2908**, (Renumbered from 9-4-508, as last amended by Laws of Utah 2005, Chapter 170)
- **63M-1-2909**, (Renumbered from 9-4-509, as last amended by Laws of Utah 2008, Chapter 382)
- { 63M-1-3001, (Renumbered from 9-4-301, as last amended by Laws of Utah 2010, Chapter 378)
- 63M-1-3002, (Renumbered from 9-4-302, as last amended by Laws of Utah 2007, Chapter 303)
- 63M-1-3003, (Renumbered from 9-4-303, as last amended by Laws of Utah 2007, Chapter 303)
 - 63M-1-3004, (Renumbered from 9-4-304, as last amended by Laws of Utah 2010,



- **67-1a-205**, (Renumbered from 9-1-806, as enacted by Laws of Utah 1994, Chapter 119)
- **67-1a-206**, (Renumbered from 9-1-807, as enacted by Laws of Utah 1994, Chapter 119)
- **67-1a-207**, (Renumbered from 9-1-808, as enacted by Laws of Utah 1994, Chapter 119)
- **67-1a-208**, (Renumbered from 9-1-809, as last amended by Laws of Utah 2009, Chapter 59)
- **67-1a-209**, (Renumbered from 9-1-810, as last amended by Laws of Utah 2004, Chapter 18)
- **67-1a-210**, (Renumbered from 9-1-811, as enacted by Laws of Utah 1994, Chapter 119)
- **67-1a-301**, (Renumbered from 9-17-101, as enacted by Laws of Utah 2010, Chapter 166)
- **67-1a-302**, (Renumbered from 9-17-102, as enacted by Laws of Utah 2010, Chapter 166)

REPEALS:

35A-3-309, as last amended by Laws of Utah 2005, Chapter 148

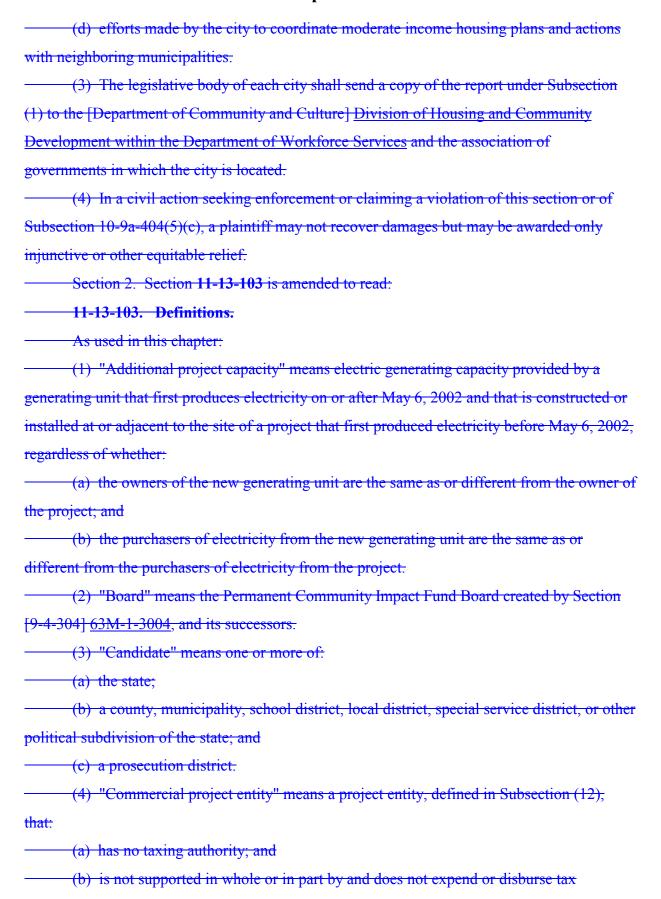
†Uncodified Material Affected:

ENACTS UNCODIFIED MATERIAL

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

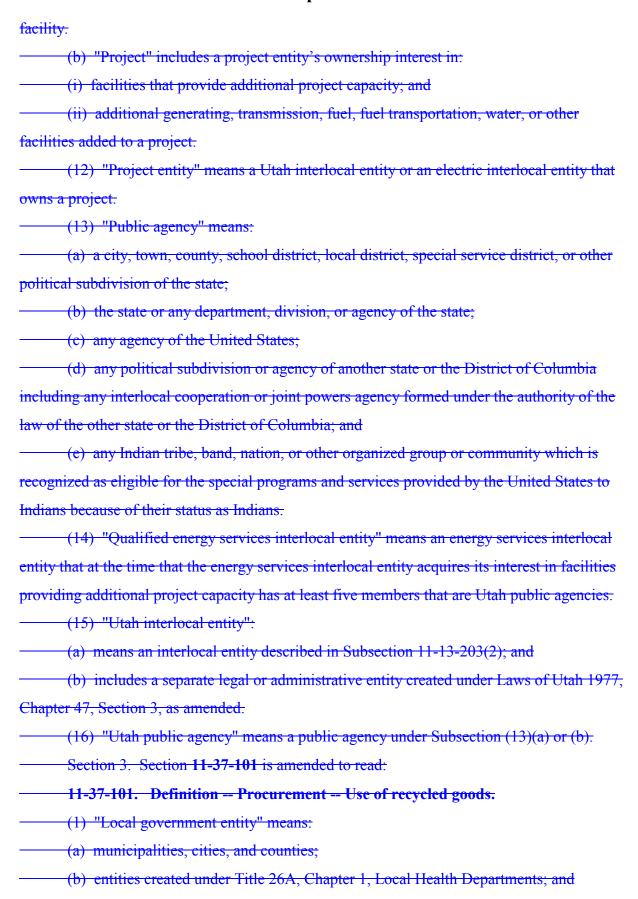
Section 1. Section $\frac{10-9a-408}{41-1a-422}$ is amended to read:

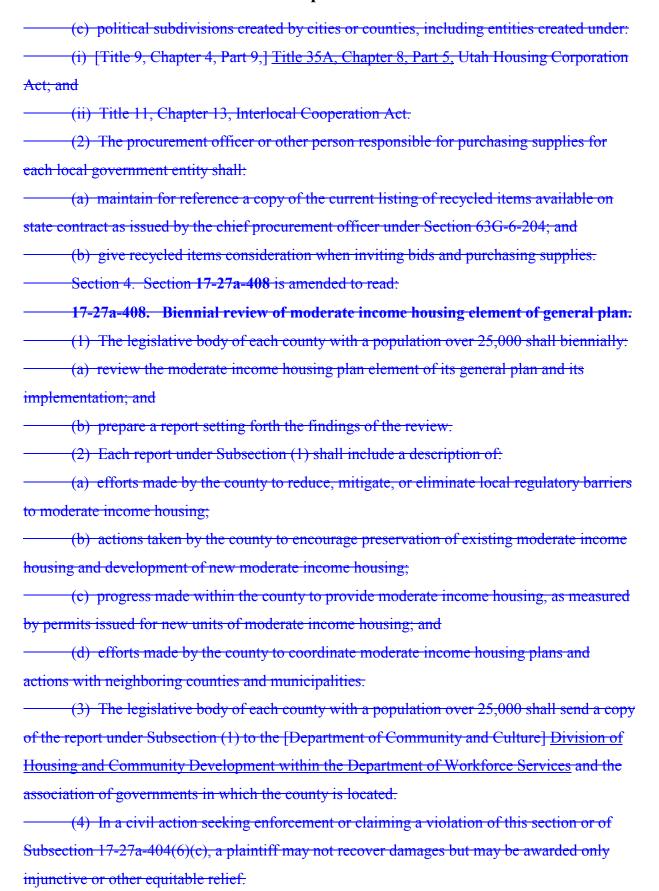
- 10-9a-408. Biennial review of moderate income housing element of general plan.
- (1) The legislative body of each city shall biennially:
- (a) review the moderate income housing plan element of its general plan and its implementation; and
 - (b) prepare a report setting forth the findings of the review.
- (2) Each report under Subsection (1) shall include a description of:
- (a) efforts made by the city to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing;
- (b) actions taken by the city to encourage preservation of existing moderate income housing and development of new moderate income housing;
- (c) progress made within the city to provide moderate income housing, as measured by permits issued for new units of moderate income housing; and

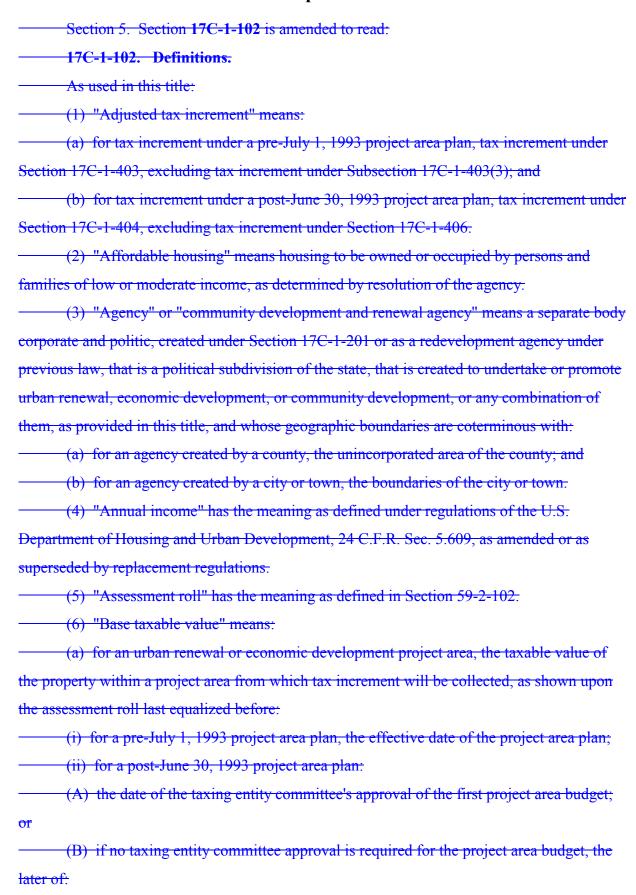


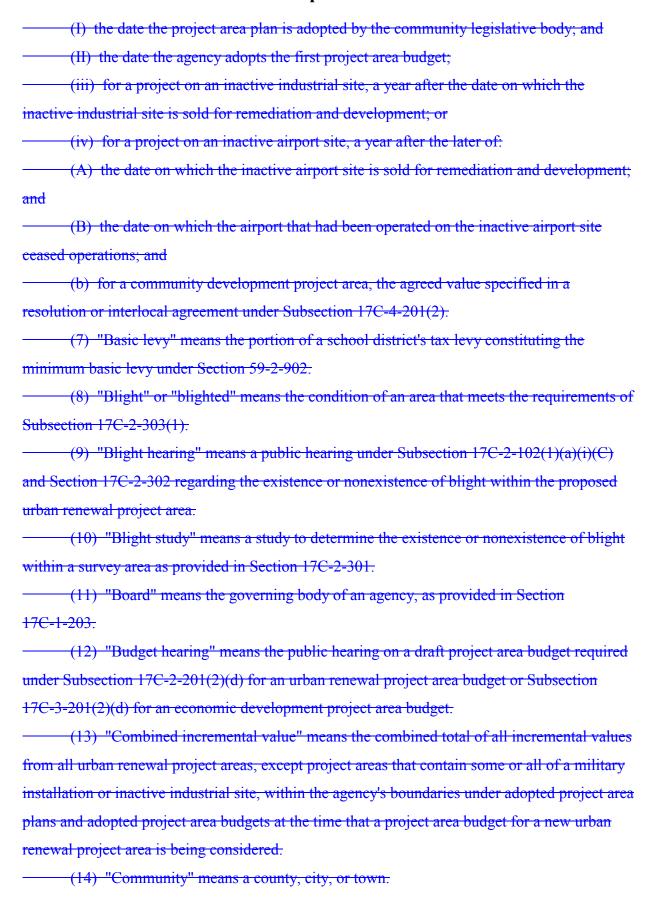
revenues. (5) "Direct impacts" means an increase in the need for public facilities or services that is attributable to the project or facilities providing additional project capacity, except impacts resulting from the construction or operation of a facility that is: (a) owned by an owner other than the owner of the project or of the facilities providing additional project capacity; and (b) used to furnish fuel, construction, or operation materials for use in the project. (6) "Electric interlocal entity" means an interlocal entity described in Subsection 11-13-203(3). (7) "Energy services interlocal entity" means an interlocal entity that is described in Subsection 11-13-203(4). (8) (a) "Estimated electric requirements," when used with respect to a qualified energy services interlocal entity, includes any of the following that meets the requirements of Subsection (8)(b): (i) generation capacity; (ii) generation output; or (iii) an electric energy production facility. (b) An item listed in Subsection (8)(a) is included in "estimated electric requirements" if it is needed by the qualified energy services interlocal entity to perform the qualified energy services interlocal entity's contractual or legal obligations to any of its members. (9) "Interlocal entity" means: (a) a Utah interlocal entity, an electric interlocal entity, or an energy services interlocal entity; or (b) a separate legal or administrative entity created under Section 11-13-205. (10) "Out-of-state public agency" means a public agency as defined in Subsection (13)(c), (d), or (e). (11) (a) "Project": (i) means an electric generation and transmission facility owned by a Utah interlocal entity or an electric interlocal entity; and (ii) includes fuel or fuel transportation facilities and water facilities owned by that Utah

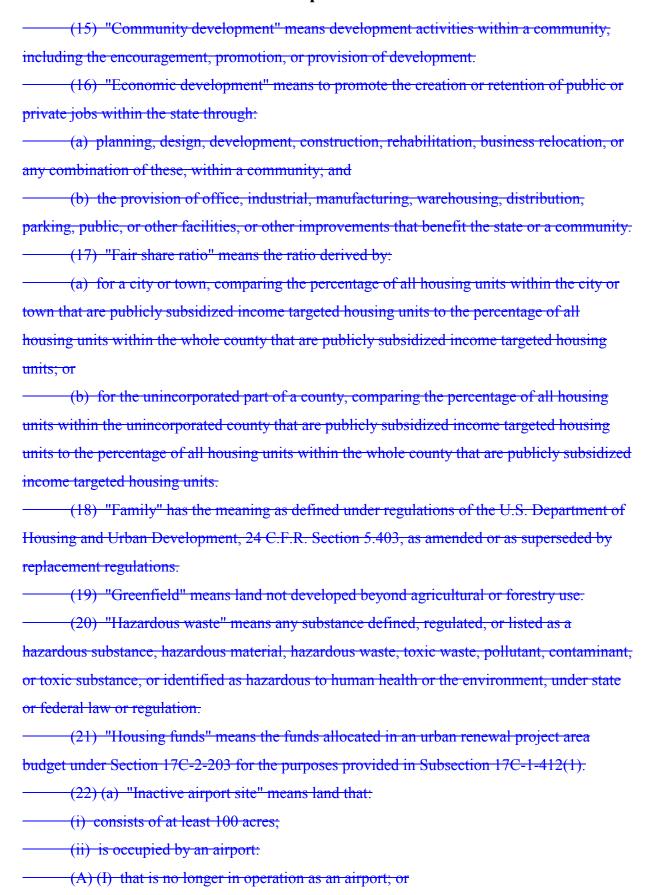
interlocal entity or electric interlocal entity and required for the generation and transmission

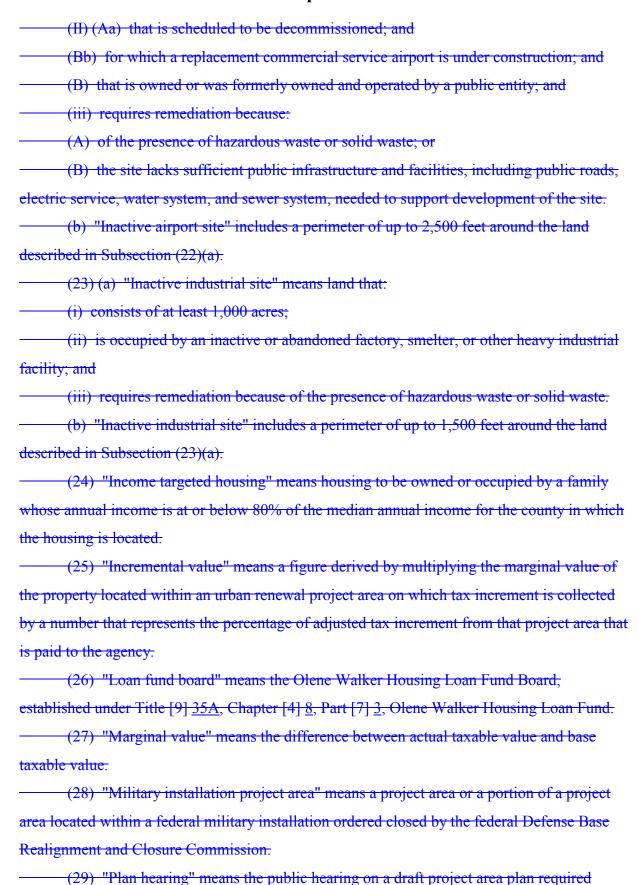




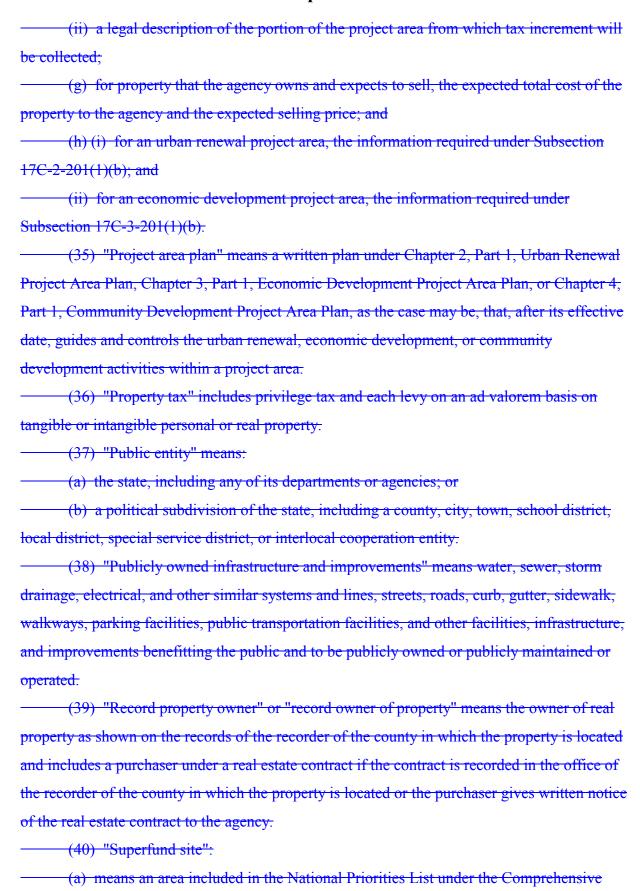


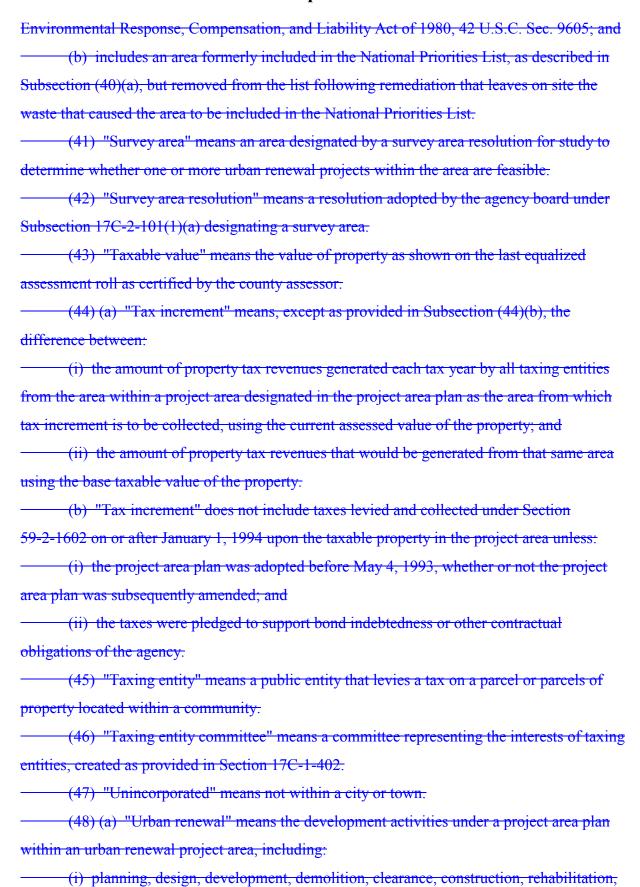




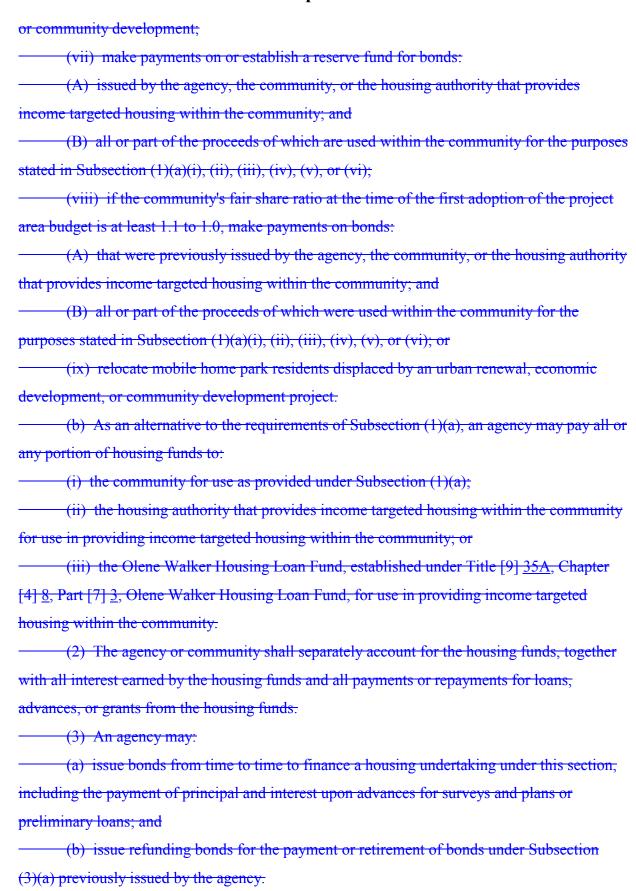


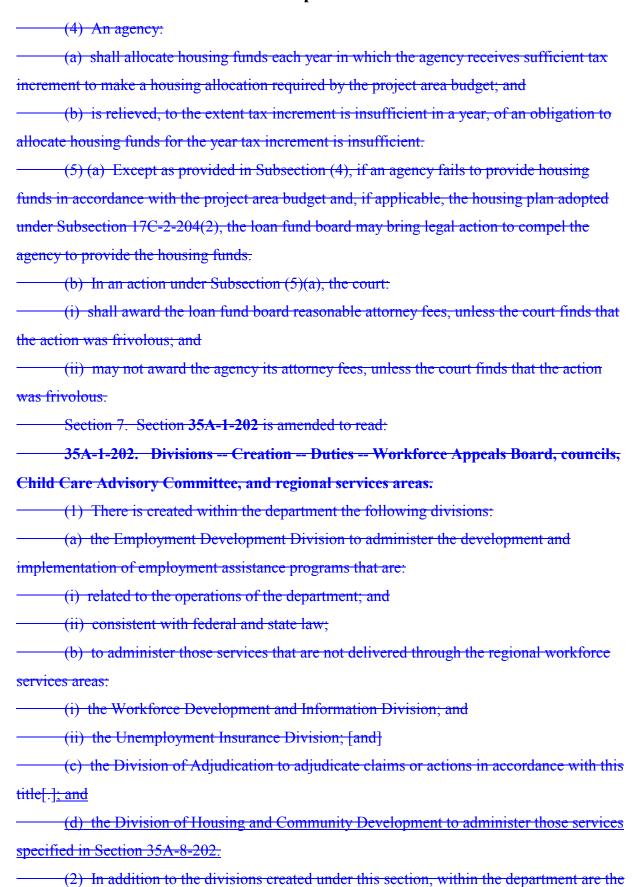
under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection 17C-3-102(1)(d) for an economic development project area plan, and Subsection 17C-4-102(1)(d) for a community development project area plan. (30) "Post-June 30, 1993 project area plan" means a project area plan adopted on or after July 1, 1993, whether or not amended subsequent to its adoption. (31) "Pre-July 1, 1993 project area plan" means a project area plan adopted before July 1, 1993, whether or not amended subsequent to its adoption. (32) "Private," with respect to real property, means: (a) not owned by the United States or any agency of the federal government, a public entity, or any other governmental entity; and (b) not dedicated to public use. (33) "Project area" means the geographic area described in a project area plan or draft project area plan where the urban renewal, economic development, or community development, as the case may be, set forth in the project area plan or draft project area plan takes place or is proposed to take place. (34) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to a urban renewal or economic development project area that includes: (a) the base taxable value of property in the project area; (b) the projected tax increment expected to be generated within the project area; (c) the amount of tax increment expected to be shared with other taxing entities; (d) the amount of tax increment expected to be used to implement the project area plan, including the estimated amount of tax increment to be used for land acquisition, public improvements, infrastructure improvements, and loans, grants, or other incentives to private and public entities; (e) the tax increment expected to be used to cover the cost of administering the project area plan; (f) if the area from which tax increment is to be collected is less than the entire project area: (i) the tax identification numbers of the parcels from which tax increment will be collected; or

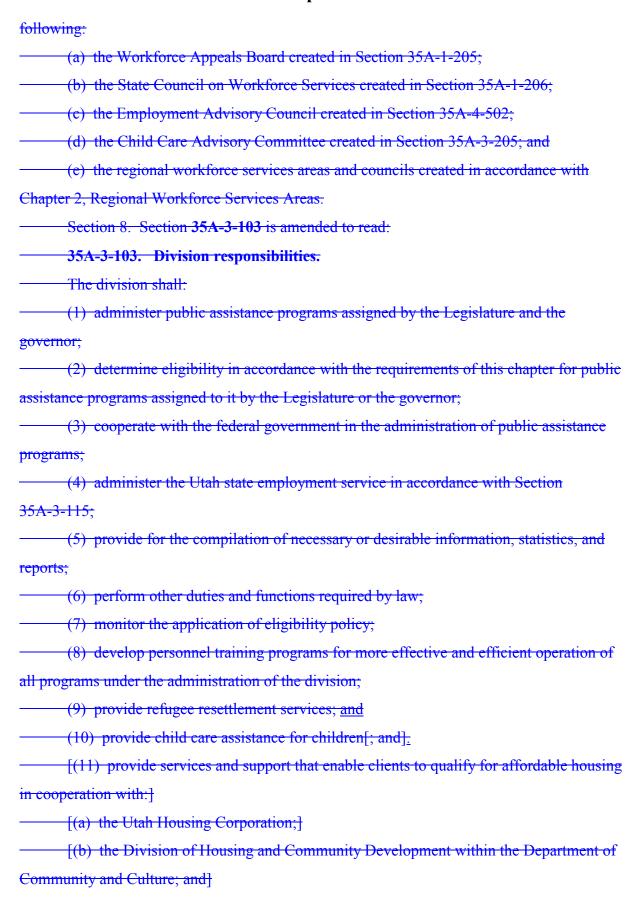


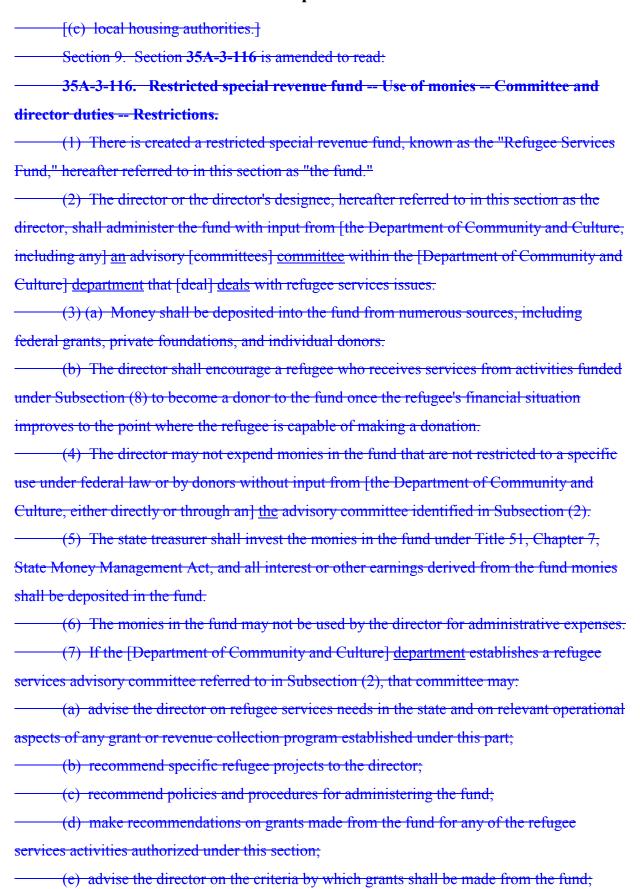


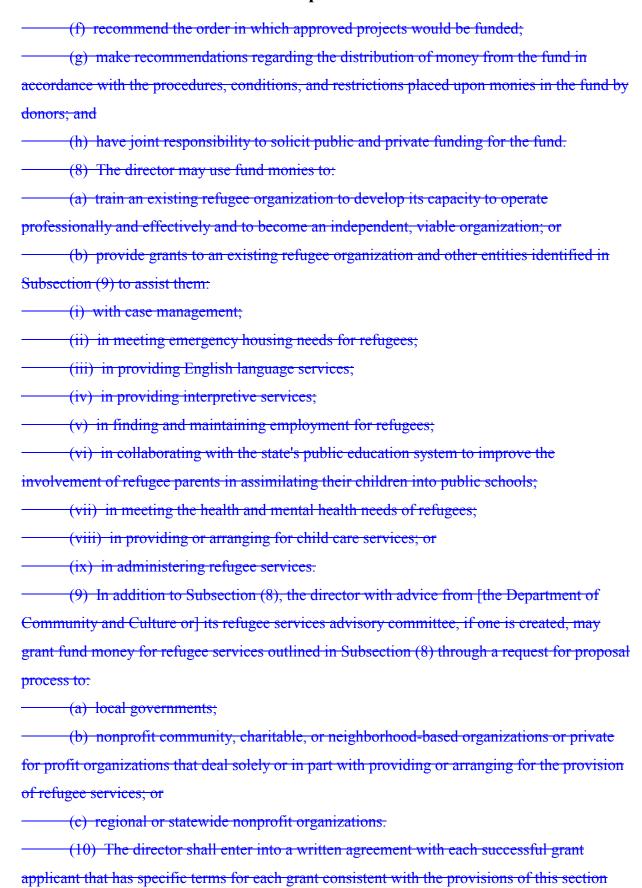
environmental remediation, or any combination of these, of part or all of a project area; (ii) the provision of residential, commercial, industrial, public, or other structures or spaces, including recreational and other facilities incidental or appurtenant to them; (iii) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating, or any combination of these, existing structures in a project area; (iv) providing open space, including streets and other public grounds and space around buildings: (v) providing public or private buildings, infrastructure, structures, and improvements; and (vi) providing improvements of public or private recreation areas and other public grounds. (b) "Urban renewal" means "redevelopment," as defined under the law in effect before May 1, 2006, if the context requires. Section 6. Section 17C-1-412 is amended to read: 17C-1-412. Use of funds allocated for housing -- Separate accounting required --Issuance of bonds for housing -- Action to compel agency to provide housing funds. (1) (a) Each agency shall use all funds allocated for housing under Section 17C-2-203 or 17C-3-202 to: (i) pay part or all of the cost of land or construction of income targeted housing within the boundary of the agency, if practicable in a mixed income development or area; (ii) pay part or all of the cost of rehabilitation of income targeted housing within the boundary of the agency; (iii) lend, grant, or contribute money to a person, public entity, housing authority, private entity or business, or nonprofit corporation for income targeted housing within the boundary of the agency; (iv) plan or otherwise promote income targeted housing within the boundary of the agency; (v) pay part or all of the cost of land or installation, construction, or rehabilitation of any building, facility, structure, or other housing improvement, including infrastructure improvements, related to housing located in a project area where blight has been found to exist; (vi) replace housing units lost as a result of the urban renewal, economic development,



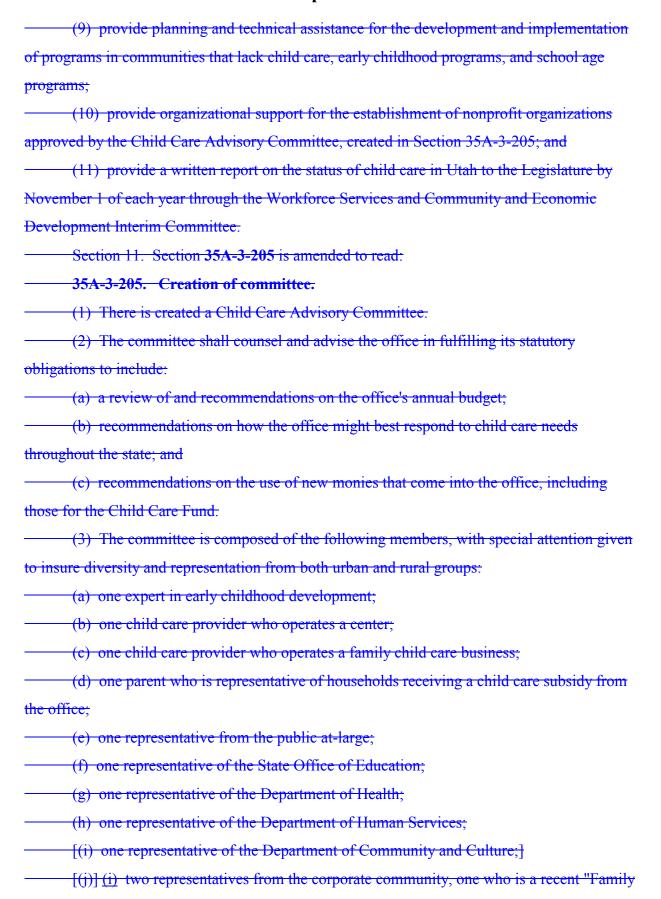


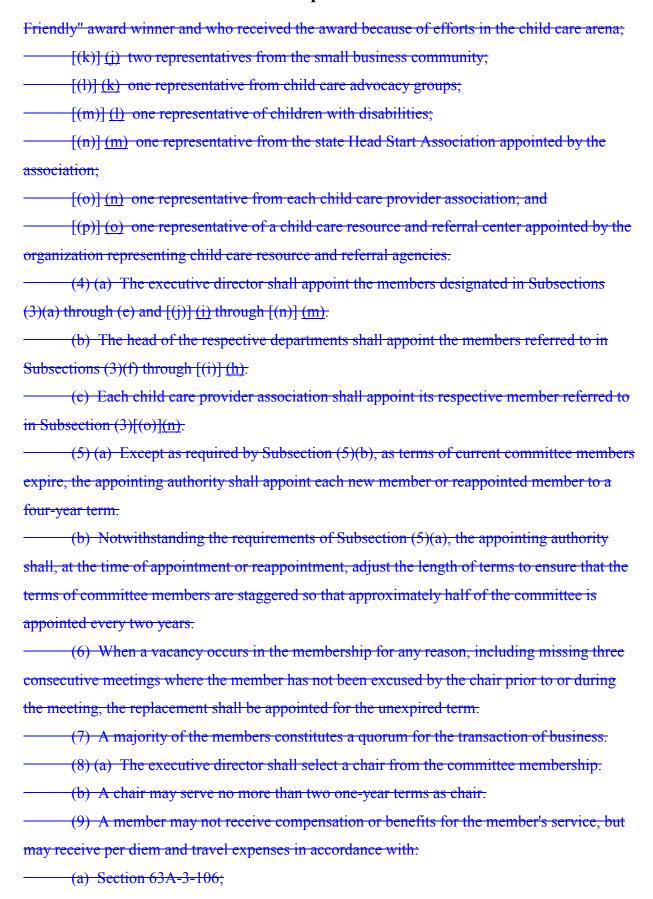


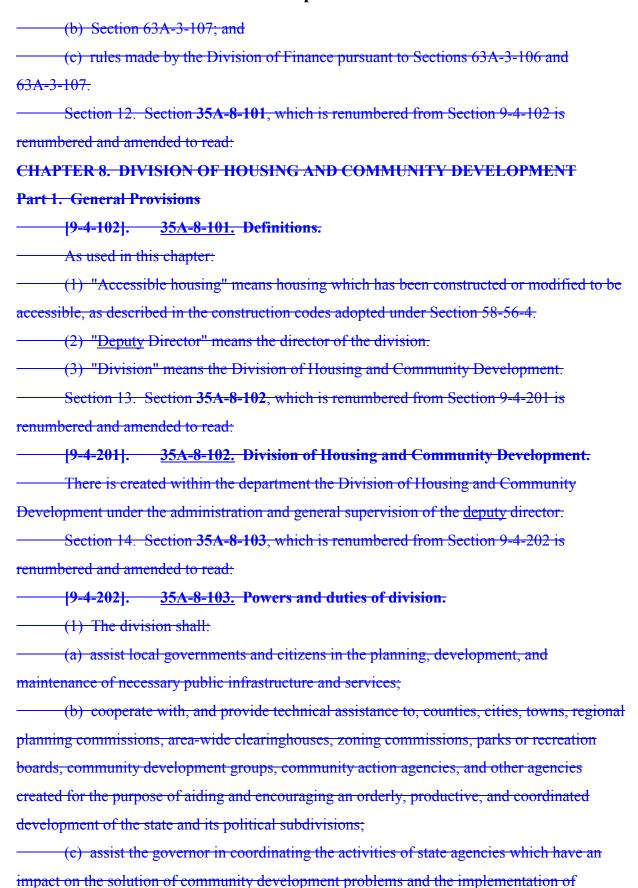




that includes the structure, amount, and nature of the grant. (11) The director shall monitor the activities of the recipients of grants issued from the fund on an annual basis to ensure compliance with the terms and conditions imposed on the recipient by the fund. (12) An entity receiving a grant shall provide the director with periodic accounting of how the monies it received from the fund were spent. (13) By November 1 of each year the director shall make an annual report to the Workforce Services and Community and Economic Development Interim Committee regarding the status of the fund and the programs and services funded by the fund. Section 10. Section 35A-3-203 is amended to read: 35A-3-203. Functions and duties of office -- Annual report. The office shall: (1) assess critical child care needs throughout the state on an ongoing basis and focus its activities on helping to meet the most critical needs; (2) provide child care subsidy services for income-eligible children through age 12 and for income-eligible children with disabilities through age 18; (3) provide information: (a) to employers for the development of options for child care in the work place; and (b) for educating the public in obtaining quality child care; (4) coordinate services for quality child care training and child care resource and referral core services; (5) apply for, accept, or expend gifts or donations from public or private sources; (6) provide administrative support services to the committee; (7) work collaboratively with the following for the delivery of quality child care and early childhood programs, and school age programs throughout the state: (a) the State Board of Education; and (b) the Department of Community and Culture; and (c) (b) the Department of Health; (8) research child care programs and public policy that will improve quality and accessibility and that will further the purposes of the office and child care, early childhood programs, and school age programs;





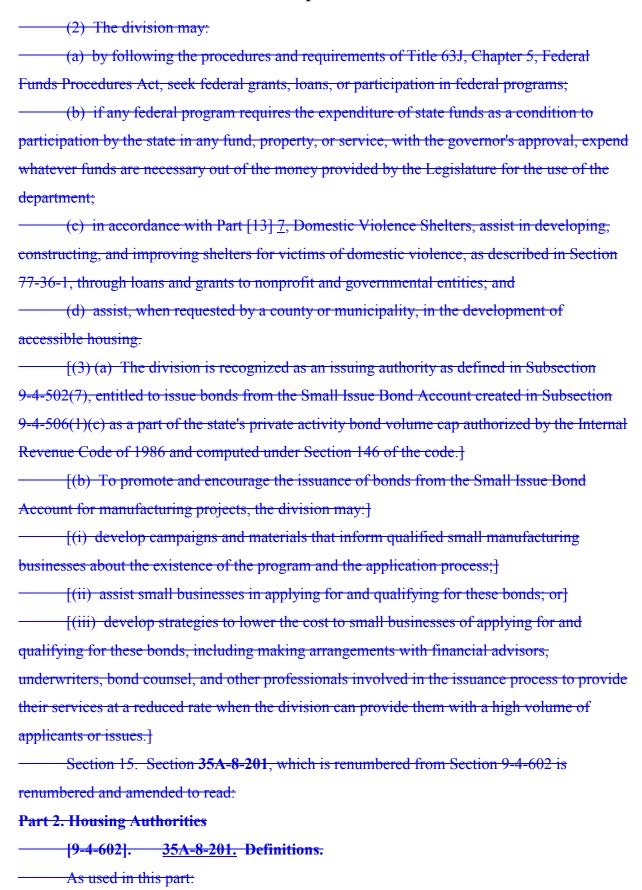


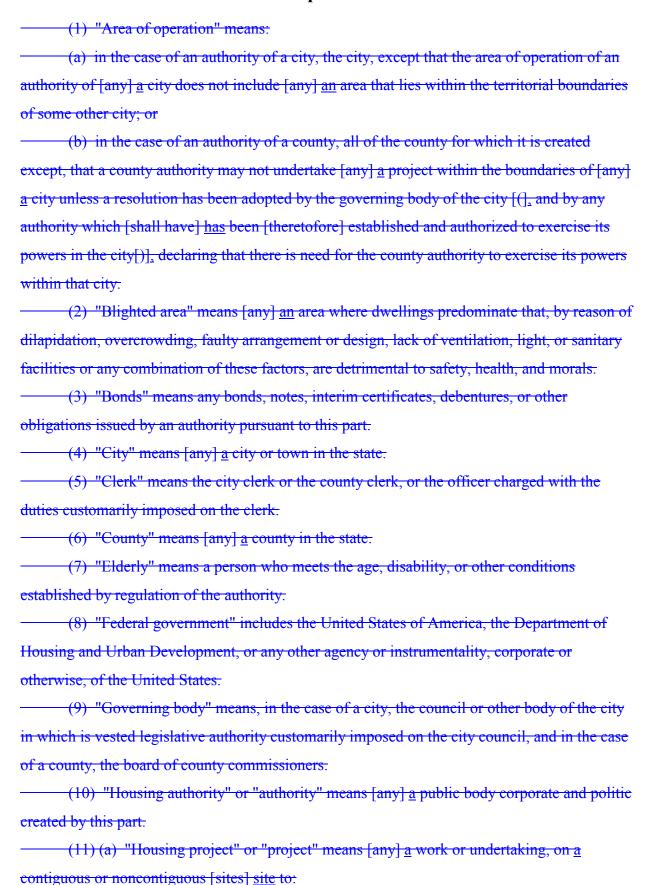
community plans; (d) serve as a clearinghouse for information, data, and other materials which may be helpful to local governments in discharging their responsibilities and provide information on available federal and state financial and technical assistance; (e) carry out continuing studies and analyses of the problems faced by communities within the state and develop such recommendations for administrative or legislative action as appear necessary; (f) (i) assist in funding affordable housing and addressing problems of homelessness, and provide services and support that enable clients of the department to qualify for affordable housing; (ii) provide information and service coordination to assist a client of the department to obtain affordable housing: (A) information regarding special housing programs, including programs for first-time home buyers and persons with low and moderate incomes and the eligibility requirements for those programs; (B) referrals to programs operated by volunteers from the real estate industry that assist clients in obtaining affordable housing, including information on home ownership, down payments, closing costs, and credit requirements; and (C) referrals to housing programs operated by municipalities, counties, local housing authorities, and nonprofit housing organizations that assist individuals to obtain affordable housing, including first-time home ownership; (g) support economic development activities through grants, loans, and direct programs financial assistance; (h) certify project funding at the local level in conformance with federal, state, and other requirements; (i) utilize the capabilities and facilities of public and private universities and colleges

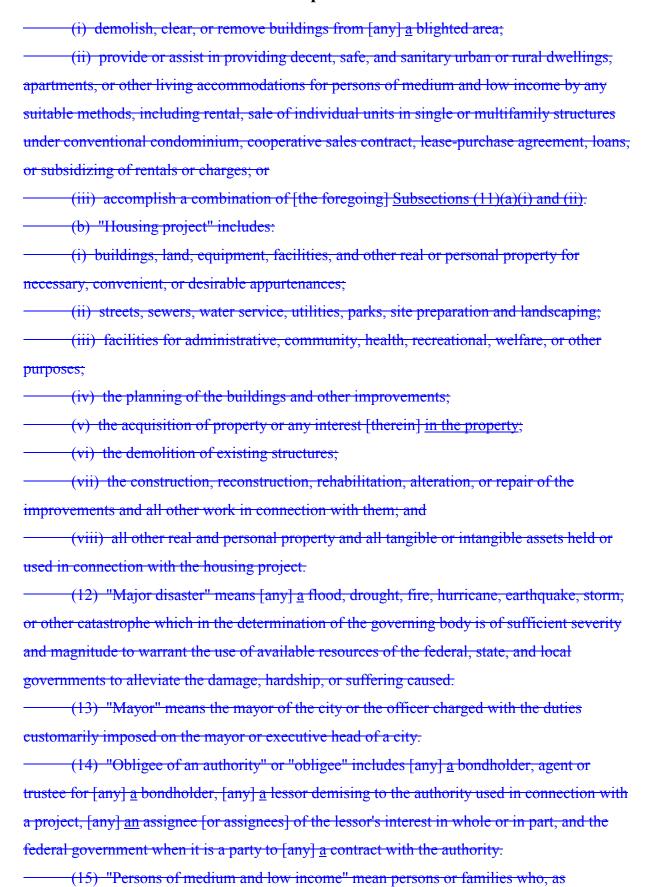
- the planning, development, and maintenance of home weatherization, energy efficiency, and antipoverty activities; and
- (k) assist and support volunteer efforts in the state.

within the state in carrying out its functions;

(j) assist and support local governments, community action agencies, and citizens in



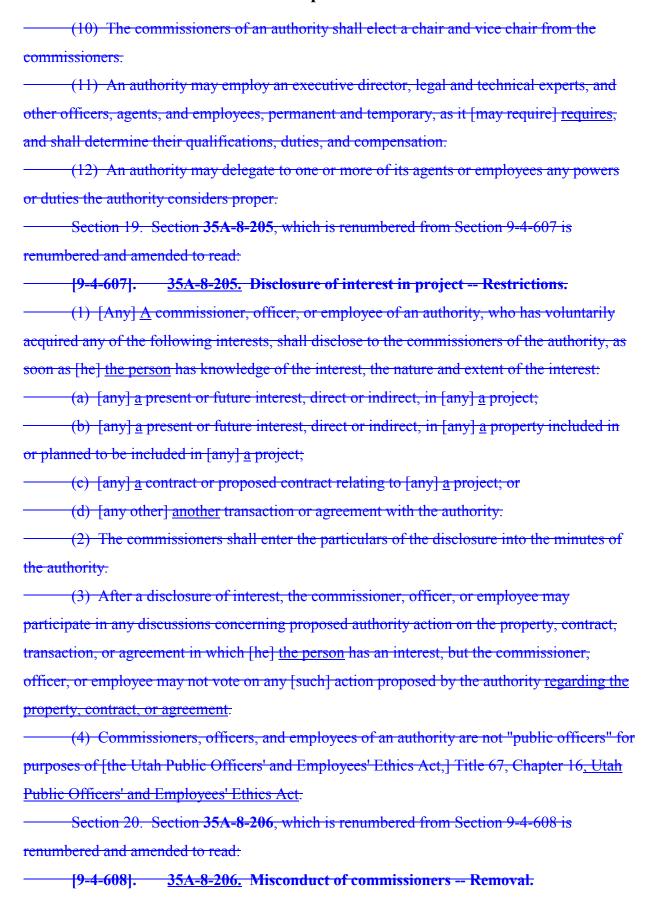




determined by the authority undertaking a project, cannot afford to pay the amounts at which private enterprise, unaided by appropriate assistance, is providing a substantial supply of decent, safe and sanitary housing. (16) "Person with a disability" means a person with any disability as defined by and covered under the Americans with Disabilities Act of 1990, 42 U.S.C. 12102. (17) "Public body" means [any] a city, county or municipal corporation, commission, district, authority, agency, subdivision, or other body of any of the foregoing. (18) "Real property" includes all lands, improvements, and fixtures on them, property of any nature appurtenant to them or used in connection with them, and every estate, interest, and right, legal or equitable, including terms for years. Section 16. Section 35A-8-202, which is renumbered from Section 9-4-603 is renumbered and amended to read: [9-4-603]. 35A-8-202. Creation of housing authority authorized -- Procedure. (1) The governing body of each public body of the state, except the state, itself, may create an authority, corporate and politic, to be known as a "housing authority." (2) The governing body of a city or county shall give consideration to the need for an authority: (a) on its own motion; or (b) upon the filing of a petition signed by 25 electors of the city or county asserting that there is need for an authority to function in the city or county and requesting that its governing body [so declare] make that declaration. (3) The governing body shall adopt a resolution declaring there is need for an authority and creating an authority in the city or county if it finds: (a) that unsanitary or unsafe inhabited dwelling accommodations exist in the city or county; or (b) that there is a shortage of safe and sanitary dwelling accommodations in the city or county available to persons of medium and low income at rentals or prices they can afford. (4) (a) In [any] a suit, action, or proceeding involving the validity or enforcement of [any] a contract of the authority, an authority [shall be] is conclusively [deemed] considered to have become established and authorized to transact business and exercise its powers upon proof of the adoption of the resolution prescribed in Subsection (3).

(b) A copy of the resolution duly certified by the clerk [shall be] is admissible in evidence in [any] a suit, action, or proceeding. (5) In counties of the third, fourth, fifth, and sixth class, the governing body of each public body of the state, except the state itself, may contract with or execute an interlocal agreement for services to be provided by an existing housing authority established in another political subdivision. Section 17. Section 35A-8-203, which is renumbered from Section 9-4-604 is renumbered and amended to read: [9-4-604]. 35A-8-203. Indian housing authorities. (1) (a) There is created, with respect to each Indian tribe, band, or community in the state, a public body corporate and politic, to function in the operating area of the Indian tribe, band, or community to be known as the "housing authority" of the Indian tribe, band, or community, which [shall be] is an agency of [the] this state [of Utah], possessing all powers, rights, and functions specified for city and county authorities created pursuant to this part. (b) This Indian housing authority may not transact any business [nor] or exercise its powers until or unless the governing council of the tribe, band, or community, by proper resolution, declares that there is a need for an authority to function for the tribe, band, or community. (2) (a) Except as otherwise provided in this part, all the provisions of law applicable to housing authorities created for cities and counties and the commissioners of these authorities [shall be] are applicable to Indian housing authorities and the commissioners of those authorities. (b) The chief or other governing head of an Indian tribe, band, or community may exercise all appointing and other powers with respect to an Indian housing authority that are vested by this part in the mayor of a city relating to a city housing authority. Section 18. Section 35A-8-204, which is renumbered from Section 9-4-606 is renumbered and amended to read: [9-4-606]. <u>35A-8-204.</u> Commissioners -- Appointment -- Terms -- Quorum --Meetings -- Employment of other officers and employees authorized. (1) When a housing authority is authorized to transact business and exercise powers under this part, not less than five nor more than seven persons shall be appointed as

commissioners of the authority:
(a) in the case of a city, by the mayor, with the advice and consent of the city's
governing body; or
(b) in the case of a county, by the governing body.
(2) (a) The commissioners first appointed pursuant to this part shall [be designated to]
serve for terms of one, two, three, four, and five years, respectively, from the date of their
appointment.
(b) After the first commissioners are appointed under Subsection (2)(a), commissioners
[shall be] are appointed for [a term of office of] five [years] -year terms.
(c) Notwithstanding Subsections (2)(a) and (b), all vacancies shall be filled for the
unexpired term.
(3) A commissioner shall qualify by taking the official oath of office [prescribed by
general statute].
(4) A commissioner may not receive compensation except necessary expenses,
including traveling expenses, incurred in the discharge of the commissioner's duties.
(5) A commissioner shall hold office until the commissioner's successor has been
appointed and has qualified.
(6) A certificate of appointment or reappointment of any commissioner shall be:
(a) filed with the authority; and
(b) conclusive evidence of the due and proper appointment of the commissioner.
(7) The powers of each authority [shall be] <u>are</u> vested in the commissioners.
(8)(a) A majority of the commissioners of an authority constitutes a quorum for the
purpose of conducting its business and exercising its powers and for all other purposes
notwithstanding the existence of any vacancies.
(b) [Action may be taken by the] The authority may take action upon a vote of a
majority of the commissioners present, unless the bylaws of the authority require a larger
number.
(9) Meetings of the commissioners of an authority may be held:
(a) anywhere within the area of operation of the authority; or
(b) within any area not described in Subsection (9)(a) in which the authority is
authorized to undertake a project.



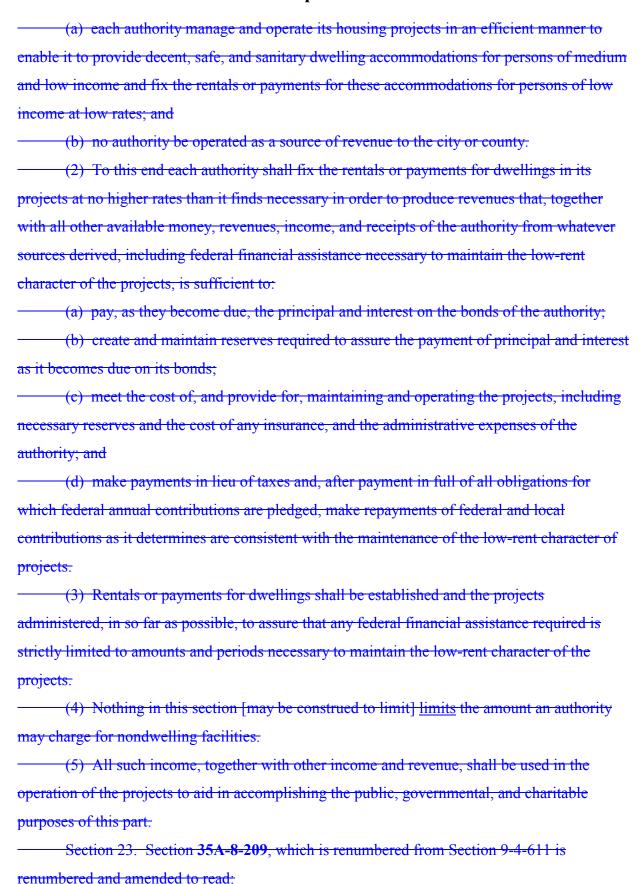
(1) [For inefficiency, neglect of duty, or misconduct in office, a] A commissioner of an authority may be removed by the mayor or, in the case of an authority for a county, by the body that appointed the commissioner for inefficiency, neglect of duty, or misconduct in office. (2) A commissioner may be removed only after a hearing and after [he has] having been given a copy of the charges at least 10 days prior to the hearing and [had] having an opportunity to be heard in person or by counsel. (3) If a commissioner is removed from office, a record of the proceedings, together with the charges and findings, shall be filed in the office of the clerk. Section 21. Section 35A-8-207, which is renumbered from Section 9-4-609 is renumbered and amended to read: [9-4-609]. <u>35A-8-207.</u> Powers of housing authority. (1) Each authority [shall have] has perpetual succession and all the powers necessary or convenient to carry out [and effectuate] the purposes [and provisions] of this part. (2) [Any] An authority may: (a) sue and be sued; (b) have a seal and alter it; (c) make and execute contracts and other instruments necessary or convenient to the exercise of its powers; (d) make, amend, and repeal bylaws and rules; (e) within its area of operation, prepare, carry out, and operate projects and provide for the acquisition, construction, reconstruction, rehabilitation, improvement, extension, alteration or repair of [any] a project; (f) undertake and carry out studies and analyses of housing needs within its area of operation and ways of meeting these needs, including data with respect to population and family groups and its distribution according to income groups, the amount and quality of available housing, including accessible housing, and its distribution according to rentals and sales prices, employment, wages, and other factors affecting the local housing needs and meeting these needs; (g) make the results of studies and analyses available to the public and the building, housing, and supply industries and engage in research and disseminate information on housing

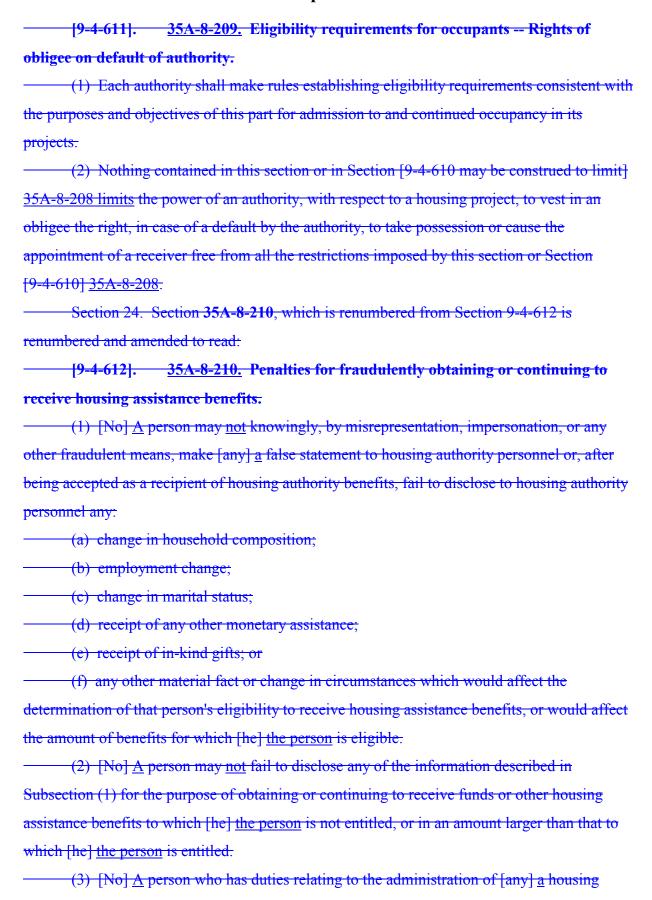
programs;

(h) utilize, contract with, act through, assist, and cooperate or deal with any person, agency, institution, or organization, public or private, for the provision of services, privileges, works, or facilities, or in connection with its projects; (i) notwithstanding anything to the contrary contained in this part or in any other provision of law, agree to any conditions attached to federal financial assistance relating to the determination of prevailing salaries or wages or payment of not less than prevailing salaries or wages or compliance with labor standards in the development or administration of projects, include in any contract awarded or entered into in connection with a project stipulations requiring that the contractor and all subcontractors comply with requirements as to minimum salaries or wages and maximum hours of labor, and comply with any conditions attached to the financial aid of the project; (j) lease, rent, sell, or lease with option to purchase any dwellings, lands, buildings, structures, or facilities embraced in [any] a project; (k) subject to the limitations contained in this part with respect to the rental or charges for dwellings in housing projects, establish and revise the rents or charges [therefor] from the dwellings; (1) own, hold, and improve real or personal property; (m) purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise any real or personal property or any interest in it; (n) sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest in it; (o) make loans for the provision of housing for occupancy by persons of medium and low income; (p) make loans or grants for the development and construction of accessible housing; (q) insure or provide for the insurance, in stock or mutual companies, of any real or personal property or operations of the authority against any risks or hazards; (r) procure or agree to the procurement of government insurance or guarantees of the payment of any bonds, in whole or in part, issued by the authority, including the power to pay premiums on any insurance; (s) invest any funds held in reserves, sinking funds, or any funds not required for

immediate disbursement in property or securities in which savings banks may legally invest

funds subject to their control; (t) redeem its bonds at the redemption price established or purchase its bonds at less than redemption price, with all bonds [so] that are redeemed or purchased to be canceled; (u) within its area of operation, determine where blighted areas exist or where there is unsafe, insanitary, or overcrowded housing; (v) make studies and recommendations relating to the problem of clearing, replanning, and reconstructing blighted areas, and the problem of eliminating unsafe, insanitary, or overcrowded housing and providing dwelling accommodations and maintaining a wholesome living environment for persons of medium and low income, and cooperate with any public body or the private sector in action taken in connection with those problems; (w) acting through one or more commissioners or other persons designated by the authority, conduct examinations and investigations and hear testimony and take proof under oath at public or private hearings on any matter material for its information; (x) administer oaths, issue subpoenas requiring the attendance of witnesses or the production of books and papers, and issue commissions for the examination of witnesses outside the state who are unable to appear before the authority or are excused from attendance; (y) make available to appropriate agencies, including those charged with the duty of abating or requiring the correction of nuisances or like conditions or of demolishing unsafe or insanitary structures within its area of operation, its findings and recommendations with regard to any building or property where conditions exist that are dangerous to the public health, morals, safety, or welfare; and (z) exercise all or any part or combination of the powers granted under this part. (3) No provision of law with respect to the acquisition, operation, or disposition of property by other public bodies is applicable to an authority unless the Legislature specifically states that it is. Section 22. Section 35A-8-208, which is renumbered from Section 9-4-610 is renumbered and amended to read: [9-4-610]. 35A-8-208. Profit from projects prohibited -- Criteria for determining rentals and payments. (1) It is declared to be the policy of this state to accomplish the public, governmental, and charitable purposes of this part that:

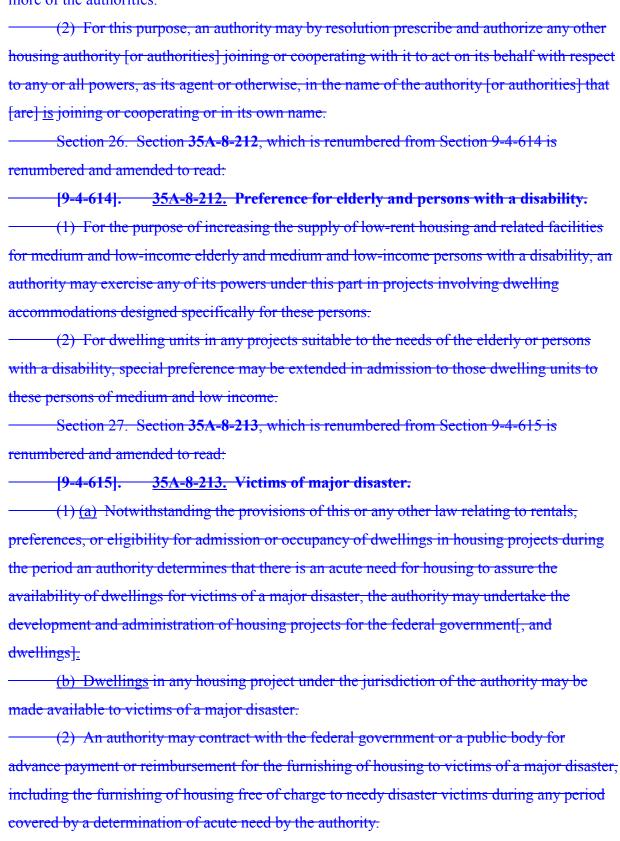




authority program may not fraudulently misappropriate any funds or other assistance with

which [he] the person has been entrusted, or of which [he] the person has gained possession by virtue of his position. (4) [No] A person may not knowingly: (a) file or falsify [any] a claim, report, or document required by state or federal law, or provider agreement, to obtain or attempt to obtain unauthorized housing assistance benefits under this [chapter] part; or (b) attempt to commit, or aid or abet the commission of, any act prohibited by this section. (5) The punishment for violation of [any] a provision of this section by a housing assistance recipient is determined by the cumulative value of the [funds] money or other benefits [he] the person received from all the frauds [he] the person committed, and not by each separate instance of fraud. (6) The punishment for the offenses of this section are: (a) a second degree felony if the value of the funds or other benefits received, misappropriated, claimed, or applied for, is equal to or exceeds \$5,000; (b) a third degree felony if the value of the funds or other benefits received, misappropriated, claimed, or applied for, is equal to or greater than \$1,500 but less than \$5,000; (c) a class A misdemeanor if the value of the funds or other benefits received, misappropriated, claimed, or applied for, is equal to or greater than \$500 but less than \$1,500; Oľ (d) a class B misdemeanor if the value of the funds or other benefits received, misappropriated, claimed, or applied for, is less than \$500. Section 25. Section 35A-8-211, which is renumbered from Section 9-4-613 is renumbered and amended to read: [9-4-613]. 35A-8-211. Authorities may join or cooperate. (1) Any two or more authorities may cooperate with one another or jointly exercise any or all of their powers for the purpose of financing, issuing bonds and other obligations and giving security for them, planning, undertaking, owning, constructing, operating, or contracting with respect to a housing project or projects located within the area of operation of any one or

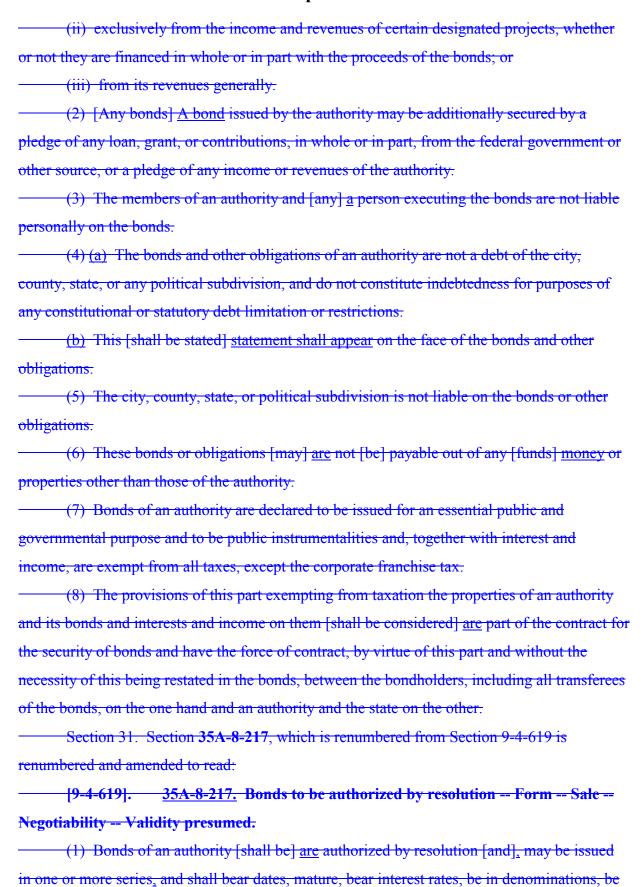
more of the authorities.



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Section 28. Section 35A-8-214, which is renumbered from Section 9-4-616 is

renumbered and amended to read: 35A-8-214. Property and funds of authority declared public property -- Exemption from taxes -- Alternative agreement with public body. (1) The property and funds of an authority are declared to be public property used for essential public, governmental, and charitable purposes. (2) (a) The property and authority are exempt from all taxes and special assessments of any public body. (b) This tax exemption does not apply to any portion of a project used for a profit-making enterprise. (c) In taxing these portions appropriate allowance shall be made for any expenditure by an authority for utilities or other public services it provides to serve the property. (3) In lieu of taxes on its exempt property an authority may agree to make payments to any public body it finds consistent with the maintenance of the low-rent character of housing projects and the achievement of the purposes of this part. Section 29. Section 35A-8-215, which is renumbered from Section 9-4-617 is renumbered and amended to read: [9-4-617]. 35A-8-215. Projects subject to local building regulations. [All projects] A project of an authority [are] is subject to the planning, zoning, sanitary, and building laws, ordinances, and regulations applicable to the locality in which the project is situated. Section 30. Section 35A-8-216, which is renumbered from Section 9-4-618 is renumbered and amended to read: [9-4-618]. 35A-8-216. Bonds authorized -- Payment -- Security -- Liability --Purpose -- Exemption from taxes except corporate franchise tax. (1) An authority may: (a) issue bonds [from time to time] for any of its corporate purposes; (b) issue refunding bonds for the purpose of paying or retiring bonds previously issued by it; (c) issue bonds on which the principal and interest are payable: (i) exclusively from the income and revenues of the project financed with the proceeds of the bonds;

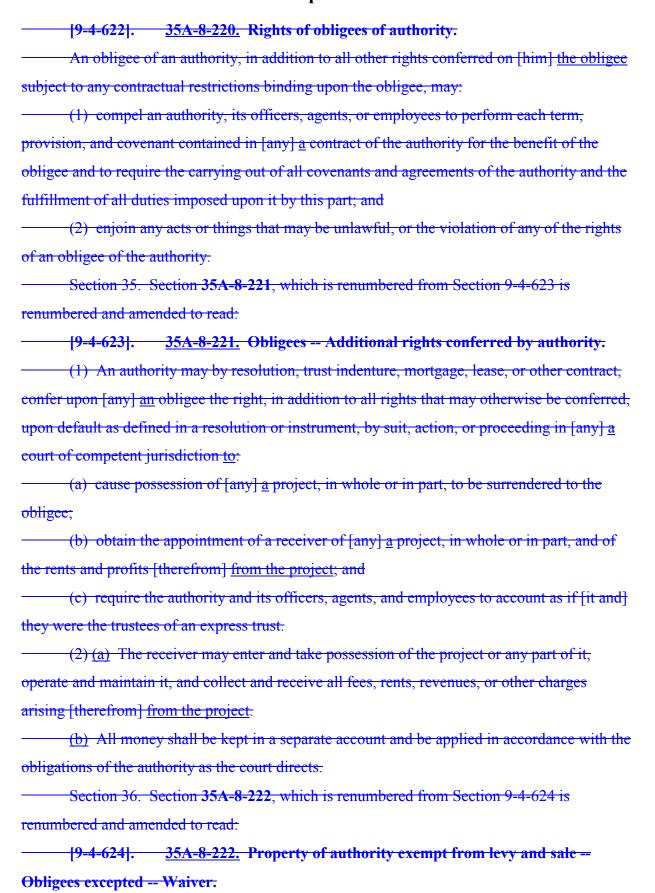


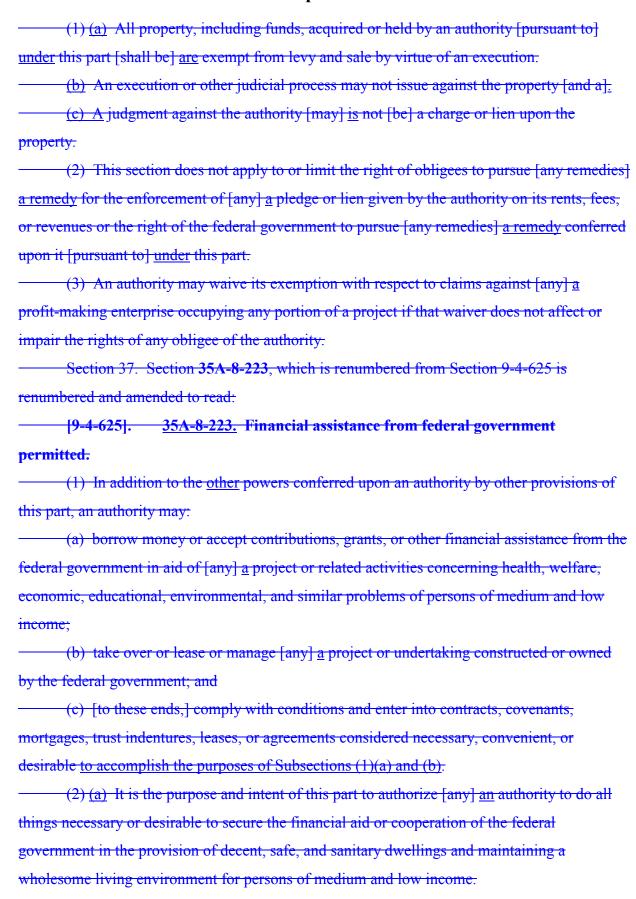
either coupon or registered, carry conversion or registration privileges, have rank or priority, be

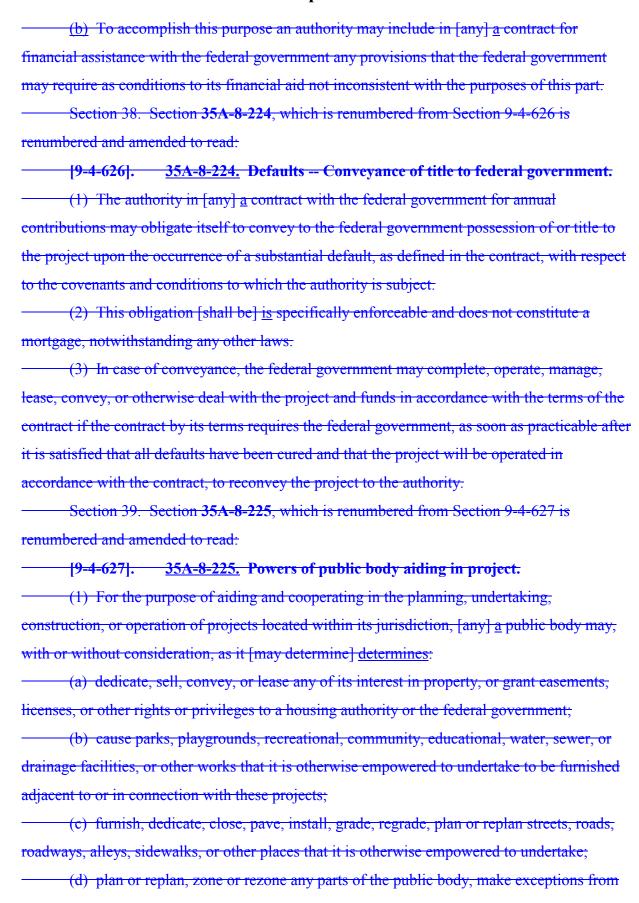
executed, be payable, and be subject to terms of redemption, with or without premium, as the resolution or its trust indenture provides. (2) (a) The bonds may bear interest at a variable interest rate as the resolution provides. (b) The resolution may establish a method, formula, or index pursuant to which the interest rate on the bonds [may be] is determined [from time to time]. (3) In connection with the bonds, the authority may authorize and enter into agreements or other arrangements with financial, banking, and other institutions for letters of credit, standby letters of credit, surety bonds, reimbursement agreements, remarketing agreements, indexing agreements, tender agent agreements, and other agreements with respect to securing the bonds, with respect to enhancing the marketability and creditworthiness of the bonds, with respect to determining a variable interest rate on the bonds, and with respect to the payment from any legally available source, including the proceeds of the bonds, of fees, charges, and other amounts coming due with respect to any such agreements. (4) The bonds may be sold at public or private sale in a manner and at prices, either at, in excess of, or below par value, as provided by resolution. (5) If members or officers of an authority whose signatures appear on bonds or coupons cease to be members or officers before the delivery of the bonds, their signatures are valid and sufficient for all purposes. (6) [Any bonds] A bond issued under this part [are] is fully negotiable. (7) In [any] a suit, action, or proceeding involving the validity or enforceability of [any] a bond of an authority or the security for it, [any] a bond reciting in substance that it has been issued by the authority to aid in financing a project [shall be] is conclusively [deemed] considered to have been issued for such purposes, and the project [shall be] is conclusively [deemed] considered to have been planned, located, and carried out in accordance with this part. Section 32. Section 35A-8-218, which is renumbered from Section 9-4-620 is renumbered and amended to read: [9-4-620]. 35A-8-218. Bonds and other obligations -- Additional powers of authority. In connection with the issuance of bonds or the incurring of obligations under leases

and in order to secure the payment of bonds or obligations, an authority[, in addition to its other powers, may: (1) pledge all or any part of its gross or net rents, fees, or revenues to which its right then exists or [thereafter] subsequently accrue; (2) mortgage all or any part of its real or personal property owned or [thereafter] subsequently acquired; (3) covenant against pledging all or any part of its rents, fees, and revenues, or against mortgaging all or any part of its real or personal property to which its right or title [then] exists or [thereafter] subsequently accrues, or against permitting or suffering any lien on [such] the revenues or property; (4) covenant with respect to limitations on its right to sell, lease, or otherwise dispose of any housing project and covenant as to what other, or additional debts or obligations may be incurred by it; (5) covenant as to bonds to be issued and as to the issuance of bonds in escrow or otherwise, and as to the use and disposition of the bond proceeds; (6) provide for the replacement of lost, destroyed, or mutilated bonds; (7) covenant against extending the time for the payment of its bonds or interest on them; (8) covenant for the redemption of the bonds and provide the terms and conditions for them; (9) covenant, subject to the limitations contained in this part as to the rents and fees to be charged in the operation of a housing project [or projects], the amount to be raised each year or other period of time by rents, fees, and other revenues, and as to the use and disposition to be made [thereof] of the revenues; (10) create or authorize the creation of special funds for money held for construction or operating costs, debt service, reserves, or other purposes, and covenant as to the use and disposition of the money held in [such] those funds; (11) prescribe the procedure[, of any,] by which the terms of [any] a contract with bondholders may be amended or abrogated, the proportion of outstanding bonds which must consent to the action, and the manner in which consent shall be given; (12) covenant as to the use, maintenance, and replacement of any or all of its real or

personal property [and], the insurance to be carried on it, and the use and disposition of insurance money; (13) covenant as to the rights, liabilities, powers, and duties arising upon breach by it of [any] a covenant, condition, or obligation; (14) covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which [such] the declaration and its consequences may be waived: (15) vest in [any] an obligee of the authority or any specified proportion of them the right to enforce the payment of bonds or any covenants securing or relating to the bonds; (16) vest [in] an obligee with the right after default by the authority to take possession of and use, operate, and manage any project or any part of it or any [funds] money connected with them, and collect the rents and revenues arising from them and dispose of them in accordance with the agreement with the authority; (17) provide the powers and duties of an obligee and limit [his] the obligee's liabilities; (18) provide the terms and conditions upon which [such] the obligees may enforce any covenant or rights securing or relating to the bonds; (19) exercise all or any part or combination of the powers granted and make any covenants, other than and in addition to the covenants expressly authorized in this section; (20) do any acts necessary, convenient, or desirable to secure its bonds; and (21) make any covenants or do any acts calculated to make the bonds more marketable. Section 33. Section 35A-8-219, which is renumbered from Section 9-4-621 is renumbered and amended to read: [9-4-621]. 35A-8-219. Issuance of bonds -- Other laws not to apply. (1) This part constitutes full authority for the authorization and issuance of bonds. (2) No other law with regard to the authorization or issuance of obligations or the deposit of their proceeds that requires a bond election or in any way impedes or restricts the carrying out of the acts authorized to be done shall be construed as applying to any proceedings taken or acts done pursuant to this part. Section 34. Section 35A-8-220, which is renumbered from Section 9-4-622 is renumbered and amended to read:







building regulations and ordinances, and make changes in its map; (e) cause the same services to be furnished to a housing authority that the public body may furnish, and provide facilities and services, including feeding facilities and services for tenants, in connection with housing projects; (f) enter into agreements with respect to the exercise by the public body of its powers relating to the repair, improvement, condemnation, closing, or demolition of unsafe, insanitary, or unfit buildings; (g) notwithstanding the provisions of any other law, use any [funds] money belonging to or within the control of the public body, including [funds] money derived from the sale or furnishing of property or facilities to a housing authority, in the purchase of the bonds or other obligations of a housing authority and exercise any related rights; (h) do any and all things necessary or convenient to aid and cooperate in the planning, undertaking, construction, or operation of any projects; (i) incur the entire expense of public improvements made by a public body in exercising the powers granted in this part; and (i) enter into agreements, that may extend over any period notwithstanding any provision or rule of law to the contrary, with a housing authority respecting action to be taken by a public body pursuant to any of the powers granted by this part. (2) If title to or possession of [any] a project is held by [any] a public governmental agency authorized by law to engage in the development or administration of low-rent housing or slum clearance projects, including [any] an agency or instrumentality of the United States, the provisions of the agreements entered into pursuant to Subsection (1)(j) [shall] inure to the benefit of and [may be enforced] are enforceable by that public body or governmental agency. (3) [Any] A sale, conveyance, lease, or agreement provided for in this section may be made by a public body without appraisal, public notice, advertisement, or public bidding, notwithstanding any other laws to the contrary. Section 40. Section 35A-8-226, which is renumbered from Section 9-4-628 is renumbered and amended to read: [9-4-628]. 35A-8-226. Agreement by public body to accept payment from authority in lieu of taxes. In connection with [any] a project of a housing authority located wholly or partly within

the area in which [any] a public body is authorized to act, [any] the public body may agree with the housing authority with respect to the payment by the authority of sums in lieu of taxes for any year or period of years that are determined by the authority to be consistent with the maintenance of the low-rent character of housing projects or the achievement of the purposes of this part.

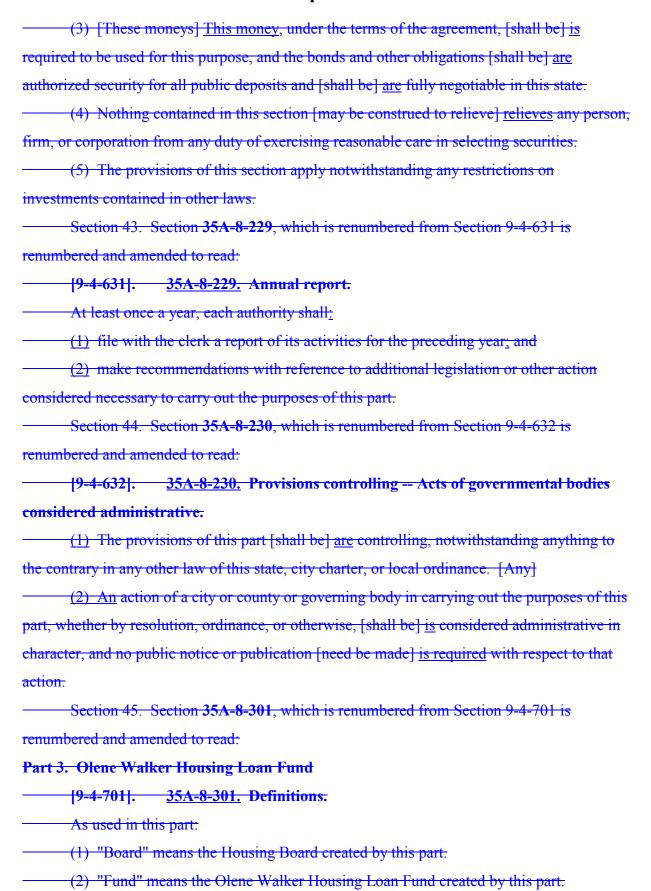
Section 41. Section 35A-8-227, which is renumbered from Section 9-4-629 is renumbered and amended to read:

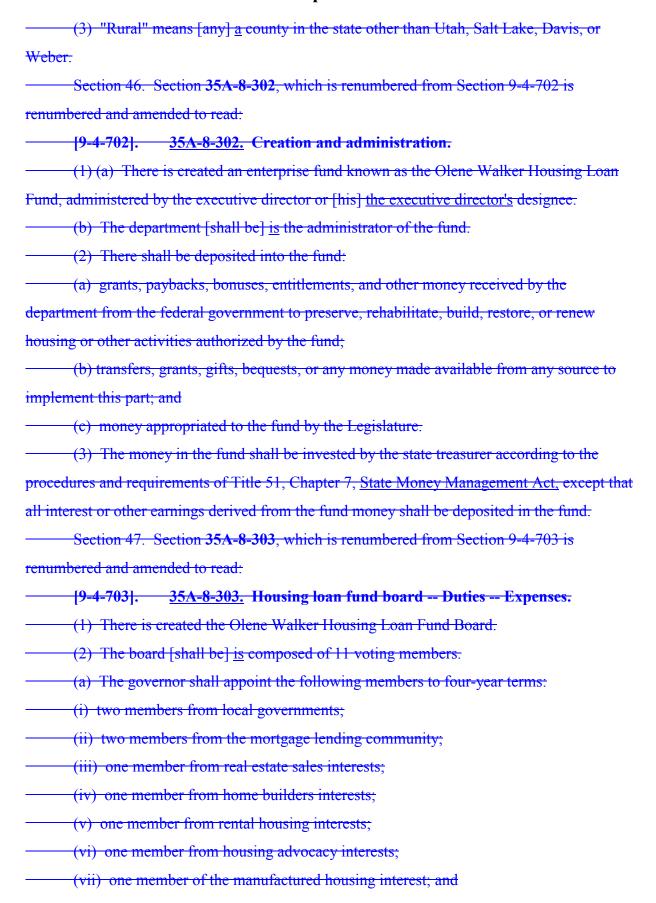
[9-4-629]. 35A-8-227. Public body may provide financial aid.

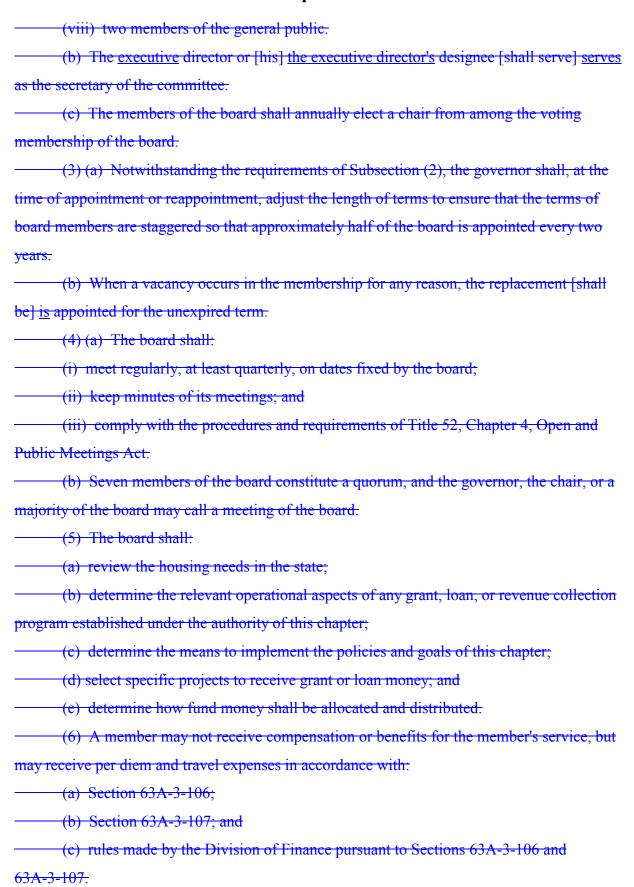
In addition to other aids provided, [any] <u>a</u> public body may provide financial aid to a housing authority by loan, donation, grant, contribution, and appropriation of money, by abatement or remission of taxes, by payments in lieu of taxes, by other charges, or by any other means.

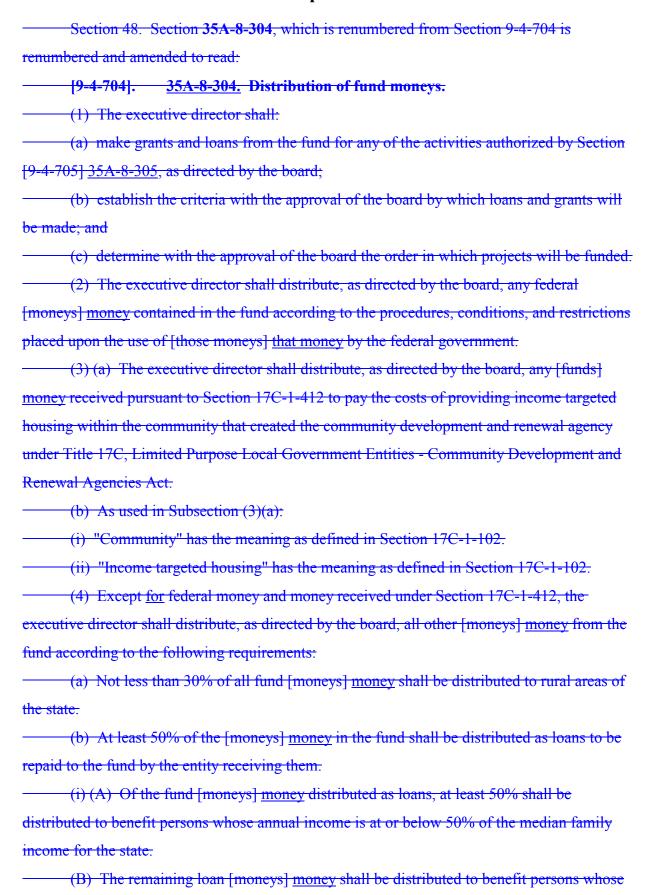
Section 42. Section **35A-8-228**, which is renumbered from Section 9-4-630 is renumbered and amended to read:

- [9-4-630]. <u>35A-8-228.</u> Investment in authority authorized.
- (1) The state, public officers, political subdivisions, public bodies, banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, insurance companies, insurance associations, other persons carrying on a banking or insurance business, executors, administrators, guardians, trustees, and other fiduciaries may legally invest money or funds belonging to them or within their control in any bonds or other obligations issued by a housing authority created under this part or issued by [any] a public housing authority or agency in the United States, any of its territories, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands.
- (2) These bonds or other obligations shall be secured by a pledge of annual contributions or other financial assistance to be paid by the United States government or any of its agencies, or by an agreement between the United States government or any of its agencies and the public housing authority or agency in which the United States government or its agency agrees to lend to the public housing authority or agency, prior to the maturity of the bonds or other obligations, [moneys] money in an amount which, together with any other [moneys] money irrevocably committed to the payment of interest on the bonds or other obligations, will suffice to pay the principal of the bonds or other obligations with interest to maturity.





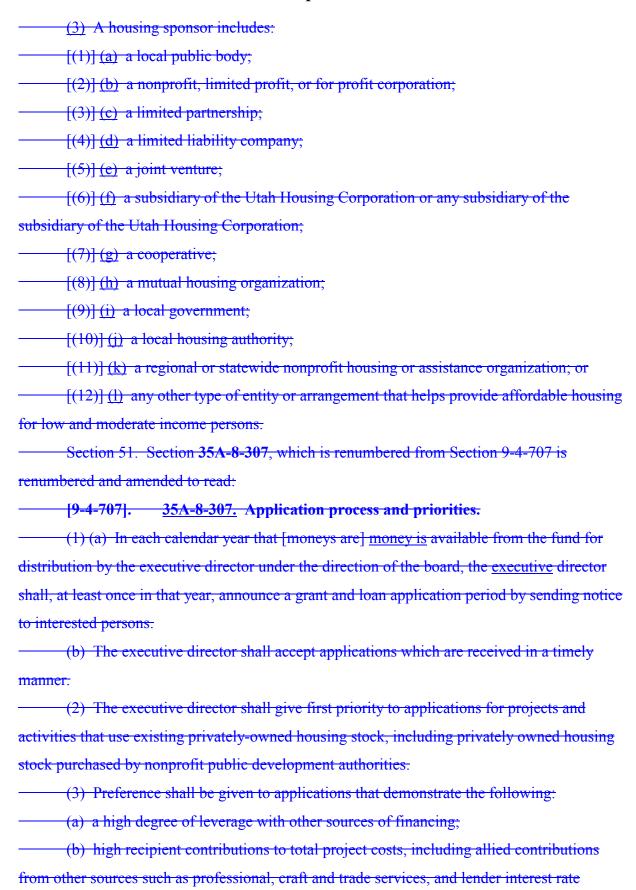




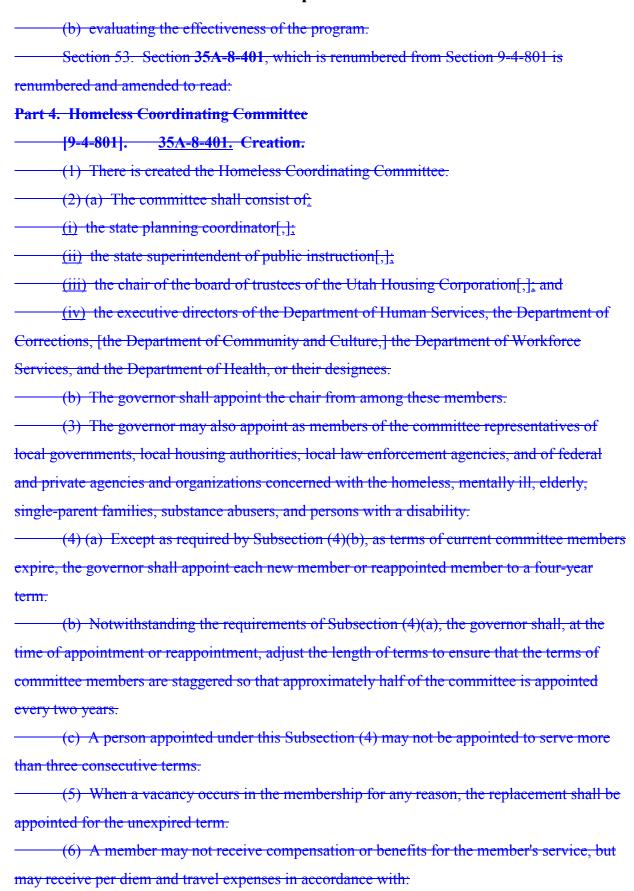
annual income is at or below 80% of the median family income for the state. (ii) The executive director or the executive director's designee shall lend [moneys] money in accordance with this Subsection (4) at a rate based upon the borrower's ability to pay. (c) Any fund moneys not distributed as loans shall be distributed as grants. (i) At least 90% of the fund moneys distributed as grants shall be distributed to benefit persons whose annual income is at or below 50% of the median family income for the state. (ii) The remaining fund moneys distributed as grants may be used by the executive director to obtain federal matching funds or for other uses consistent with the intent of this part, including the payment of reasonable loan servicing costs, but no more than 3% of the revenues of the fund may be used to offset other department or board administrative expenses. (5) The executive director may with the approval of the board: (a) enact rules to establish procedures for the grant and loan process by following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and (b) service or contract, pursuant to Title 63G, Chapter 6, Utah Procurement Code, for the servicing of loans made by the fund. Section 49. Section 35A-8-305, which is renumbered from Section 9-4-705 is renumbered and amended to read: [9-4-705]. 35A-8-305. Activities authorized to receive fund money -- Powers of the executive director. At the direction of the board, the executive director may: (1) provide fund money to any of the following activities: (a) acquisition, rehabilitation, or new construction of low-income housing units; (b) matching funds for social services projects directly related to providing housing for special-need renters in assisted projects; (c) the development and construction of accessible housing designed for low-income persons; (d) shelters and transitional housing for the homeless; and (e) other activities that will assist in improving the availability or quality of housing in the state for low-income persons; (2) do any act necessary or convenient to the exercise of the powers granted by this part

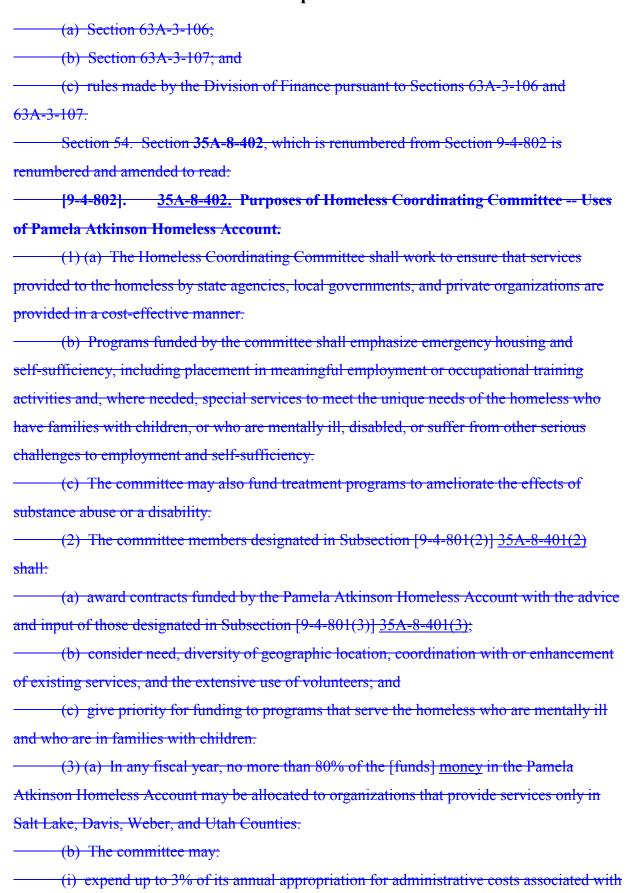
or reasonably implied [therefrom] from those granted powers, including: (a) making or executing contracts and other instruments necessary or convenient for the performance of the executive director and board's duties and the exercise of the executive director and board's powers and functions under this part, including contracts or agreements for the servicing and originating of mortgage loans; (b) procuring insurance against [any] a loss in connection with property or other assets held by the fund, including mortgage loans, in amounts and from insurers it considers desirable; (c) entering into agreements with [any] a department, agency, or instrumentality of the United States or this state and with mortgagors and mortgage lenders for the purpose of planning and regulating and providing for the financing and refinancing, purchase, construction, reconstruction, rehabilitation, leasing, management, maintenance, operation, sale, or other disposition of [any] residential housing undertaken with the assistance of the department under this part: (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate, repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of any real or personal property obtained by the fund due to the default on any mortgage loan held by the fund in preparation for disposition of the property, taking assignments of leases and rentals, proceeding with foreclosure actions, and taking other actions necessary or incidental to the performance of its duties; and (e) selling, at a public or private sale, with public bidding, [any] a mortgage or other obligation held by the fund. Section 50. Section 35A-8-306, which is renumbered from Section 9-4-706 is renumbered and amended to read: [9-4-706]. 35A-8-306. Entities authorized to receive fund money. (1) The executive director, with the approval of the board, may grant or lend fund money to housing sponsors. (2) "Housing sponsor" includes a person who constructs, develops, rehabilitates, purchases, or owns a housing development that is or will be subject to legally enforceable restrictive covenants that require the housing development to provide, at least in part,

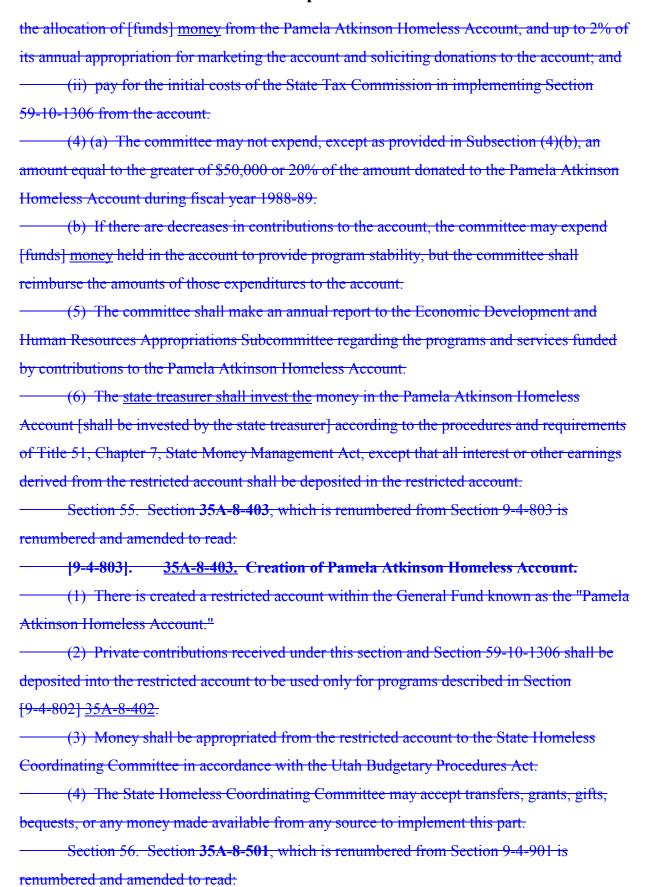
residential housing to low and moderate income persons.



subsidies: (c) high local government project contributions in the form of infrastructure improvements, or other assistance; (d) projects that encourage ownership, management, and other project-related responsibility opportunities; (e) projects that demonstrate a strong probability of serving the original target group or income level for a period of at least 15 years; (f) projects where the applicant has demonstrated the ability, stability, and resources to complete the project; (g) projects that appear to serve the greatest need; (h) projects that provide housing for persons and families with the lowest income; (i) projects that promote economic development benefits; (j) projects that allow integration into a local government housing plan; and (k) projects that would mitigate or correct existing health, safety, or welfare problems. (4) Consideration may be given to projects that increase the supply of accessible housing. Section 52. Section 35A-8-308, which is renumbered from Section 9-4-708 is renumbered and amended to read: [9-4-708]. 35A-8-308. Annual accounting. (1) The executive director shall monitor the activities of recipients of grants and loans issued under this part on a yearly basis to ensure compliance with the terms and conditions imposed on the recipient by the executive director with the approval of the board or by this part. (2) The entities receiving grants or loans shall provide the executive director with an annual accounting of how the [moneys] money they received from the fund [have] has been spent. (3) The executive director shall make an annual report to the board accounting for the expenditures authorized by the board. (4) The board shall submit an annual written report to the Workforce Services and Community and Economic Development Interim Committee before December 1 of each year: (a) accounting for expenditures authorized by the board; and

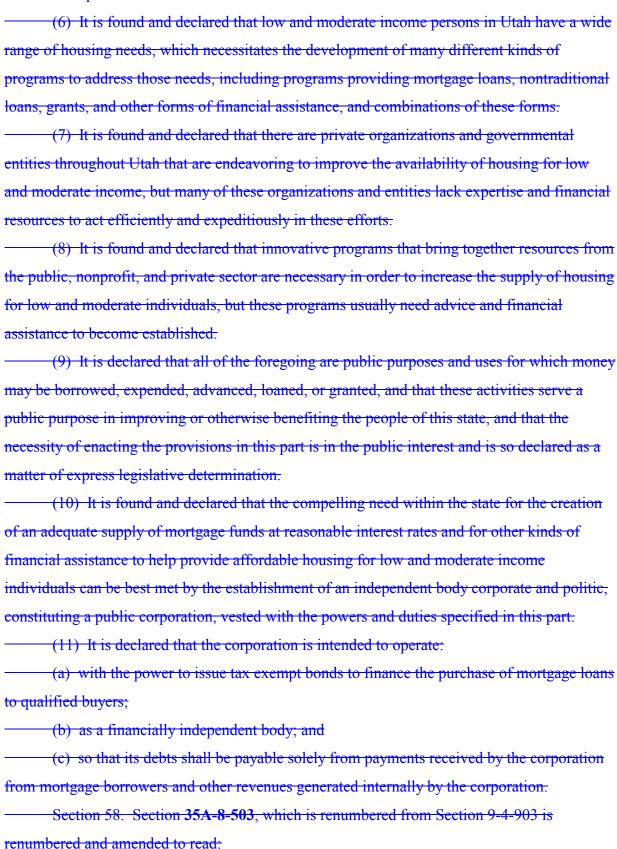


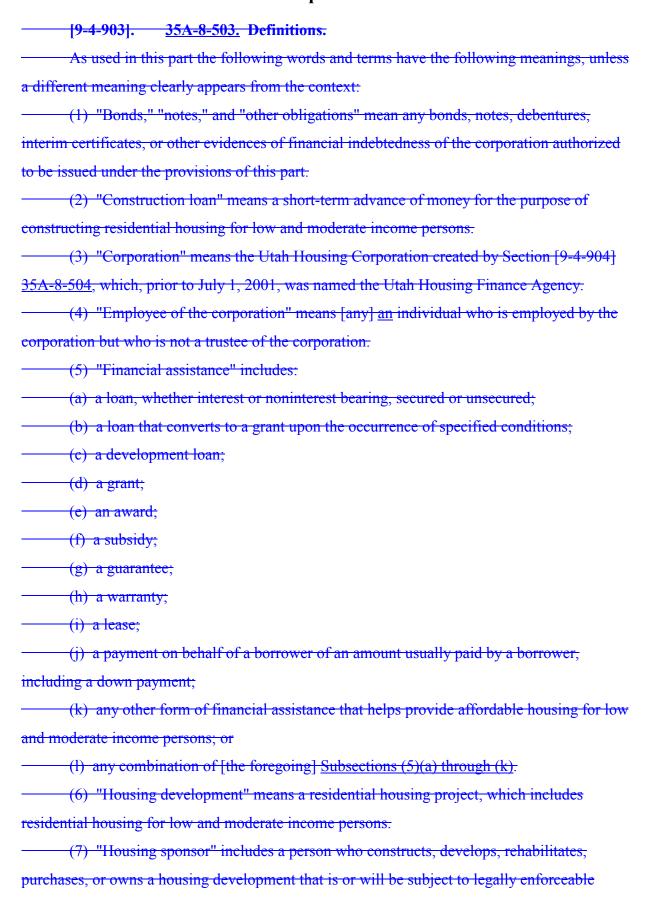




Part 5. Utah Housing Corporation Act 35A-8-501. Title. [9-4-901]. This part is known as the "Utah Housing Corporation Act." Section 57. Section 35A-8-502, which is renumbered from Section 9-4-902 is renumbered and amended to read: [9-4-902]. <u>35A-8-502.</u> Policy -- Finding and declaration. (1) It is declared that the policy of the state of Utah is to assure the health, safety, and welfare of its citizens, that an adequate supply of decent, safe, and sanitary housing is essential to the well-being of the citizens of the state, and that an adequate supply of mortgage funds for housing at reasonable interest rates is in the public interest. (2) It is found and declared that: (a) there continues to exist throughout the state a seriously inadequate supply of safe and sanitary dwelling accommodations within the financial means of persons and families of low or moderate income who wish to purchase or rent residential housing; and (b) from time to time the high rates of interest charged by mortgage lenders seriously restrict the transfer of existing housing and new housing starts. (3) It is found and declared that the reduction in residential construction starts associated with the high rates causes a condition of substantial unemployment and underemployment in the construction industry which impedes the economy of the state and affects the welfare and prosperity of all the people of the state. (4) It is found and declared that: (a) these conditions associated with the recurrent shortages of residential mortgage funds contribute to slums and blight in the cities and rural areas of the state and ultimately to the deterioration of the quality of living conditions within the state; and (b) in accordance with the purpose of this part to assist in providing housing for low and moderate income persons who otherwise could not achieve decent, safe, and sanitary housing, the agency shall make every effort to make housing available in rural, inner city, and other areas experiencing difficulty in securing construction and mortgage loans, and to make decent, safe, and sanitary housing available to low income persons and families. (5) It is found and declared that in order to assure an adequate fund of private capital into this housing, the cooperation between private enterprise and state government is essential

and is in the public interest.





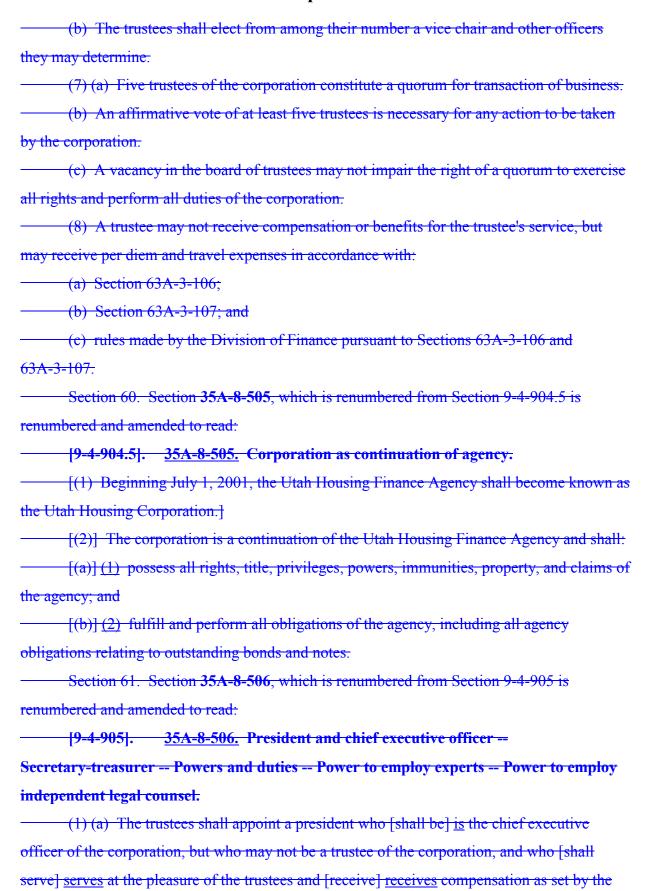
restrictive covenants that require the housing development to provide, at least in part, residential housing to low and moderate income persons, including a local public body, a nonprofit, limited profit, or for profit corporation, a limited partnership, a limited liability company, a joint venture, a subsidiary of the corporation, or any subsidiary of the subsidiary, a cooperative, a mutual housing organization, or any other type of entity or arrangement that helps provide affordable housing for low and moderate income persons.

- (8) "Interest rate contract" means interest rate exchange contracts, interest rate floor contracts, interest rate ceiling contracts, and other similar contracts authorized in a resolution or policy adopted or approved by the trustees.
- (9) "Local public body" means the state, [any] <u>a</u> municipality, county, district, or other subdivision or instrumentality of the state, including redevelopment agencies and housing authorities created under Part [6] <u>2</u>.
- (10) "Low and moderate income persons" means persons, irrespective of race, religion, ereed, national origin, or sex, as determined by the corporation to require [such] the assistance [as is] made available by this part on account of insufficient personal or family income taking into consideration factors, including:
- (a) the amount of income that persons and families have available for housing needs;
- (b) the size of family;
- (c) whether [or not] a person is a single head of household;
- (d) the cost and condition of residential housing available; and
- (e) the ability of persons and families to compete successfully in the normal private housing market and to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing.
- (11) "Mortgage lender" means [any] <u>a</u> bank, trust company, savings and loan association, credit union, mortgage banker, or other financial institution authorized to transact business in the state, [any] <u>a</u> local public body, or any other entity, profit or nonprofit, that makes mortgage loans.
- (12) "Mortgage loan" means a loan secured by a mortgage, which loan may bear interest at either a fixed or variable rate or which may be noninterest bearing, the proceeds of which are used for the purpose of financing the construction, development, rehabilitation, or purchase of residential housing for low and moderate income persons, including low and

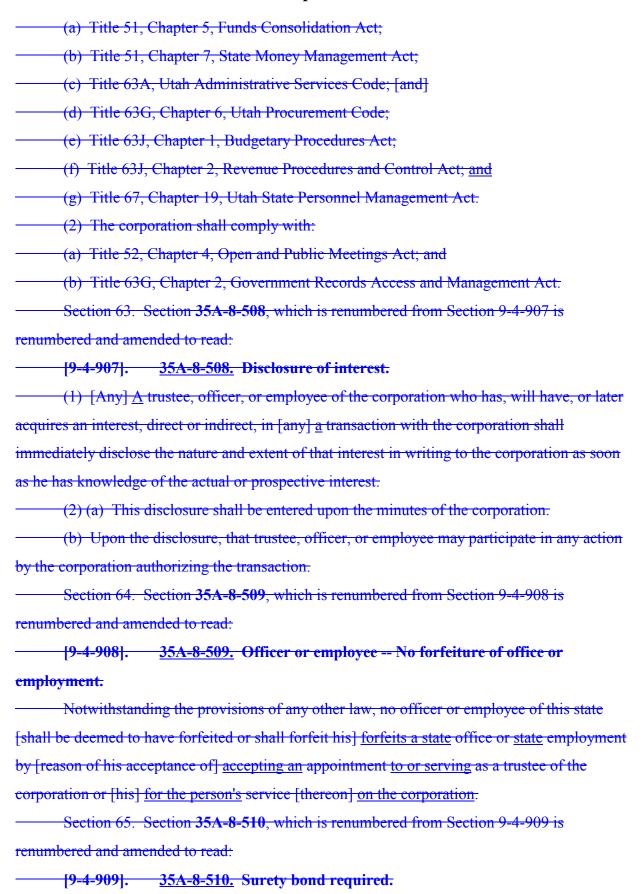
moderate income persons who are first-time homebuyers, single heads of household, elderly,

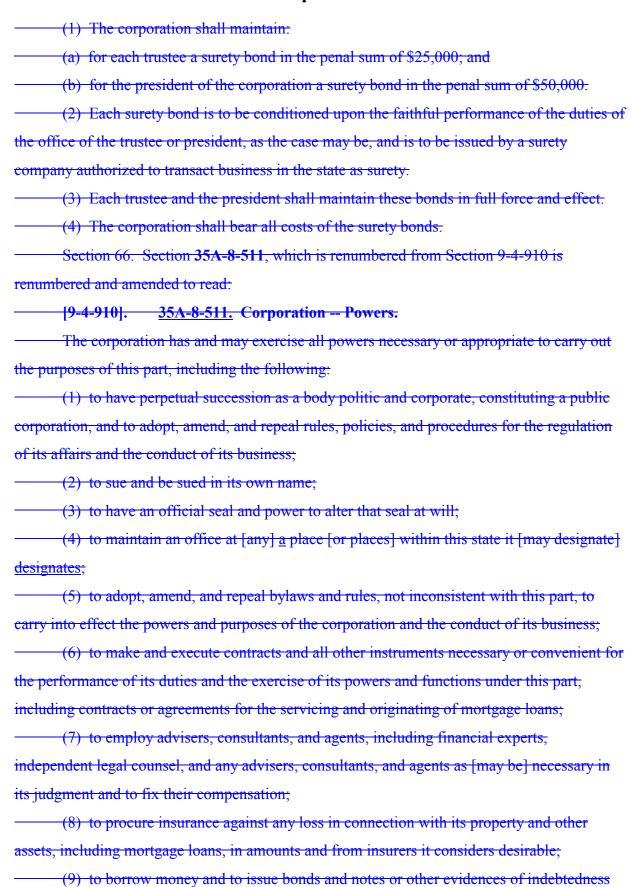
homeless, or disabled. (13) "Mortgage" means a mortgage, deed of trust, or other instrument securing a mortgage loan and constituting a lien on real property [(], the property being held in fee simple or on a leasehold under a lease having a remaining term, at the time the mortgage is acquired, of not less than the term for repayment of the mortgage loan secured by the mortgage[)], improved or to be improved by residential housing, creating a lien which may be first priority or subordinate. (14) "Rehabilitation" includes the reconstruction, rehabilitation, improvement, and repair of residential housing. (15) "Residential housing" means a specific work or improvement within this state undertaken primarily to provide dwelling accommodations, including land, buildings, and improvements to land and buildings, whether in one to four family units or multifamily units, and other incidental or appurtenant nonhousing facilities, or as otherwise specified by the agency. (16) "State" means the state of Utah. (17) "State housing credit ceiling" means the amount specified in Subsection 42(h)(3)(C) of the Internal Revenue Code for each calendar year. Section 59. Section 35A-8-504, which is renumbered from Section 9-4-904 is renumbered and amended to read: [9-4-904]. 35A-8-504. Creation -- Trustees -- Terms -- Vacancies -- Chair --Powers -- Ouorum -- Per diem and expenses. (1) (a) There is created an independent body politic and corporate, constituting a public corporation, known as the "Utah Housing Corporation." (b) The corporation may also be known and do business as the: (i) Utah Housing Finance Association; and (ii) Utah Housing Finance Agency in connection with any contract entered into when that was the corporation's legal name. (c) Any other entity may not use the names described in Subsections (1)(a) and (b) without the express approval of the corporation. (2) The corporation [shall be] is governed by a board of trustees composed of the

following nine trustees:	
(a) three ex officio trustees who [shall be] are:	
(i) the executive director of the Department of [Community and Culture] Workforce	
Services or the executive director's designee;	
(ii) the commissioner of the Department of Financial Institutions or the commissione	r's
designee; and	
(iii) the state treasurer or the treasurer's designee; and	
(b) six public trustees, [being] who are private citizens of the state, as follows:	
(i) two people representing the mortgage lending industry;	
(ii) two people representing the home building and real estate industry; and	
(iii) two people representing the public at large.	
(3) The governor shall:	
(a) appoint the six public trustees of the corporation with the consent of the Senate; a	ınc
(b) ensure that:	
(i) the six public trustees are from different counties and are residents of Utah; and	
(ii) not more than three of the public trustees belong to the same political party.	
(4) (a) Except as required by Subsection (4)(b), the governor shall appoint the six	
public trustees [shall be appointed] to terms of office of four years each.	
(b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the	
time of appointment or reappointment, adjust the length of terms to ensure that the terms of	
corporation trustees are staggered so that approximately half of the board is appointed every	
two years.	
(5) (a) Any of the six public trustees of the corporation may be removed from office	fo
cause either by the governor or by an affirmative vote of [any] six trustees of the corporation	-
(b) When a vacancy occurs in the board of trustees for any reason, the replacement	
shall be appointed for the unexpired term.	
(c) Each public trustee shall hold office for the term of appointment and until the	
trustee's successor has been appointed and qualified.	
(d) [Any] A public trustee is eligible for reappointment but may not serve more than	
two full consecutive terms.	
(6) (a) The governor shall select the chair of the corporation.	



trustees. (b) The president, who shall also be the secretary-treasurer, shall administer, manage, and direct the affairs and activities of the corporation in accordance with the policies, control, and direction of the trustees. (c) The president shall approve all accounts for salaries, allowable expenses of the corporation, or of any corporation employee or consultant, and expenses incidental to the operation of the corporation. (d) The president shall perform any other duties as may be directed by the trustees in carrying out the purposes of this part. (2) (a) The president shall: (i) attend the meetings of the corporation; (ii) keep a record of the proceedings of the corporation; and (iii) maintain and be custodian of all: (A) books, documents, and papers filed with the corporation; (B) the minute book or journal of the corporation; and (C) its official seal. (b) The president may cause copies to be made of all minutes and other records and documents of the corporation and may give certificates under seal of the corporation to the effect that those copies are true copies, and all persons dealing with the corporation may rely upon those certificates. (3) (a) The corporation may employ or engage technical experts, independent professionals and consultants, and any other officers, agents, or employees, permanent or temporary, as it considers necessary to carry out the efficient operation of the corporation, and shall determine their qualifications, duties, and compensation. (b) The trustees may delegate to one or more of the corporation's agents, representatives, or employees any administrative duties as they consider proper. (4) The corporation may employ and retain independent legal counsel. Section 62. Section 35A-8-507, which is renumbered from Section 9-4-906 is renumbered and amended to read: [9-4-906]. 35A-8-507. Relation to certain acts. (1) The corporation is exempt from:





as provided in this part;

(10) to receive and accept aid or contributions from any source of money, property, labor, or other things of value to be held, used, loaned, granted, and applied to carry out the purposes of this part subject to the conditions, if any, upon which the grants and contributions are made, including gifts or grants from [any] a department, agency, or instrumentality of the United States or of this state for any purpose consistent with this part; (11) to enter into agreements with [any] a local public body, [any] a housing sponsor, [any] a department, agency, or instrumentality of the United States or this state, or with mortgagors and mortgage lenders for the purpose of planning and regulating and providing for the financing and refinancing, construction, rehabilitation, leasing, management, maintenance, operation, sale, or other disposition of, any residential housing undertaken with the assistance of the corporation under this part; (12) to exercise all of its remedies following the default under [any] a mortgage loan, including: (a) proceeding with a foreclosure action or private sale to obtain title to the real and personal property held as collateral and taking assignments of leases and rentals; (b) to own, lease, clear, reconstruct, rehabilitate, repair, maintain, manage, and operate this property in preparation for its disposition; and (c) to assign, encumber, sell, or otherwise dispose of this property; (13) to invest [any funds] money not required for immediate disbursement, including [funds] money held in reserve, in a manner consistent with applicable provisions of Title 51, Chapter 7, State Money Management Act; (14) to provide technical and financial assistance to housing sponsors and advisory committees in the development or operation of housing for low and moderate income persons; (15) to gather and distribute data and information concerning the housing needs of low and moderate income families within the various communities of this state; (16) to the extent permitted under [any] a contract with the holders of bonds, notes, and other obligations of the corporation, to consent to any modification with respect to rate of

interest, time and payment of [any] an installment of principal or interest security, or [any] an

other term of any contract, mortgage, mortgage loan, mortgage loan commitment, contract, or

agreement of any kind to which the corporation is a party;

(17) to the extent permitted under [any] a contract with the holders of bonds, notes, and other obligations of the corporation, to enter into contracts with [any] a mortgagor or housing sponsor containing provisions enabling the mortgagor to reduce the rental or carrying charges to persons unable to pay the regular schedule of charges where, by reason of other income or payment by [any] a department, an agency, or an instrumentality of the United States or of this state, the reduction can be made without jeopardizing the economic stability of residential housing being financed; (18) to acquire property within this state for the purpose of holding it for subsequent disposition to a housing sponsor or other entity that can use it for residential housing for low and moderate income persons, except that if no person can be found to use it in this manner, the corporation may dispose of the property to any person; (19) to purchase, own and operate residential housing for the benefit, in whole or in part, of low and moderate income persons, so long as the corporation makes reasonable efforts to sell that residential housing to a housing sponsor; (20) to incorporate or form one or more subsidiaries of the corporation for the purpose of carrying out any of the powers of the corporation and accomplishing any of the purposes of the corporation, to invest in and provide financial assistance to these subsidiaries, to borrow from these subsidiaries, to guarantee the obligations of these subsidiaries, and to enter into agreements with these subsidiaries to carry out any of the corporation's powers under this part; (21) to enter into partnership and limited liability company agreements, to purchase and sell interests in housing sponsors, to serve as general partner of a partnership, and to serve as a manager of a limited liability company to carry out any of the corporation's powers under this part; (22) to require that persons receiving a mortgage loan or financial assistance from the corporation subject the property involved to restrictive covenants that shall be considered to be running with the land, regardless of whether or not the corporation enjoys privity of estate or whether or not the covenant touches and concerns the burdened property; (23) to enter into management agreements with [any] a person or entity for the performance by the person or entity for the corporation of any of its functions or powers, with

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(24) to sell, at public or private sale, with or without public bidding, [any] a mortgage

terms and conditions as may be mutually agreeable;

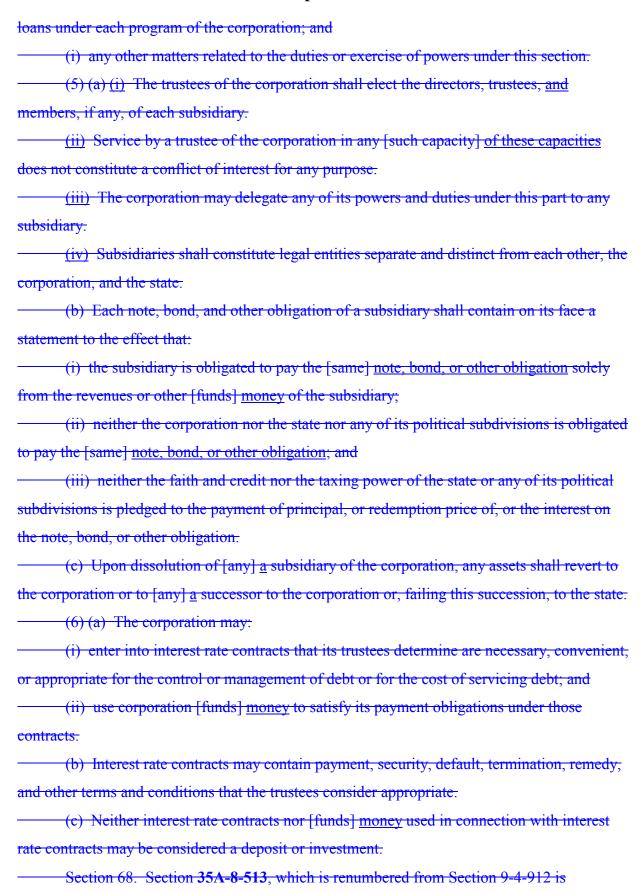
loan or other obligation held by the corporation; (25) to sell or convey real property owned by the corporation to low or moderate income persons and housing sponsors, without consideration if the sale or conveyance will inure primarily to the benefit of low or moderate income persons living in a housing development; (26) upon making a determination that the financial status of a housing development will jeopardize [any] an economic interest of the corporation in the housing development, to assume managerial and financial control of the property or the owner and to supervise and prescribe the activities of the property or the owner in a manner and under terms and conditions as the corporation may stipulate in [any] a contract; (27) to supervise housing sponsors of housing developments; (28) to service mortgage loans; (29) to give consideration to those activities which promote the availability of accessible housing; and (30) to do [any] an act necessary or convenient to the exercise of the powers granted in or reasonably implied from this part. Section 67. Section 35A-8-512, which is renumbered from Section 9-4-911 is renumbered and amended to read: [9-4-911]. <u>35A-8-512.</u> Corporation -- Additional powers. (1) To accomplish the declared purposes of this part, the corporation has the following powers [in addition to others granted in this part]: (a) to purchase mortgage loans originated by mortgage lenders or local public bodies made for the purpose of financing the construction, development, rehabilitation, or purchase of residential housing for low and moderate income persons; (b) to make mortgage loans and to provide financial assistance to housing sponsors for the purpose of financing the construction, development, rehabilitation, or purchase of residential housing for low and moderate income persons; (c) to make mortgage loans and provide financial assistance to housing sponsors for the purpose of financing the operations of a housing development that are necessary or desirable to enable the housing development to remain available as residential housing for low and

moderate income persons, whether or not the housing development has been financed by the

corporation;

(d) to provide financial assistance to [any] a housing authority created under Part [6] 2, which housing authorities may enter into commitments for and accept loans for a housing project [or projects] as defined in Section [9-4-602] 35A-8-201; and (e) to make mortgage loans and to provide financial assistance to low and moderate income persons for the construction, rehabilitation, or purchase of residential housing. (2) [Bonds] The corporation shall issue bonds to purchase loans pursuant to Subsection (1)(a) [shall be issued] only after a determination by the corporation that the loans are not otherwise available upon reasonably equivalent terms and conditions from private lenders. (3) Loans for owner-occupied housing made pursuant to Subsection (1)(a) may not include a penalty for prepayment. (4) The corporation shall make rules or adopt policies and procedures to govern the activities authorized under this section including rules, policies, and procedures as to any or all of the following: (a) procedures for the submission of requests or the invitation of proposals for the purchase and sale of mortgage loans and the making of mortgage loans; (b) rates, fees, charges, and other terms and conditions of originating or servicing mortgage loans in order to protect against a realization of an excessive financial return or benefit by the originator or servicer; (c) the type and amount of collateral, payment bonds, performance bonds, or other security to be provided for construction loans made by the corporation; (d) the nature and amounts of fees to be charged by the corporation to provide for expenses and reserves of the corporation; (e) procedures allowing the corporation to prohibit persons who fail to comply with the rules of the corporation with respect to the operations of [any] a program of the corporation from participating, either directly or indirectly, in the programs of the corporation; (f) the terms and conditions under which the corporation may purchase and make mortgage loans under each program of the corporation; (g) the terms and conditions under which the corporation may provide financial assistance under each program of the corporation;

(h) the terms and conditions under which the corporation may guarantee mortgage



renumbered and amended to read: 35A-8-513. Power to issue mortgage credit certificates -- Impact of federal legislation on tax exempt status of corporation bond. (1) In order to accomplish the purposes of this part the corporation may issue mortgage credit certificates pursuant to 26 U.S.C., Section 143, as amended, and the regulations issued under the code and has the sole responsibility for issuing or approving the issuance of mortgage credit certificates allowable to the state. (2) None of the powers granted to the corporation by this part shall in any way be diminished by the enactment of [any] federal legislation [which] that would cause the interest on any bonds, notes, or other obligations of the corporation to be subject to taxation under federal law, nor shall the exemption from state taxation granted in this part be affected by any such federal legislation. Section 69. Section 35A-8-514, which is renumbered from Section 9-4-913 is renumbered and amended to read: 35A-8-514. Power to borrow money and make loans -- Issuance of [9-4-913]. notes and bonds. (1) The corporation has the power [and is authorized] to borrow money and to issue [from time to time] its notes, bonds, and other obligations in such principal amounts as the corporation determines is necessary to provide sufficient [funds] money for: (a) the purchase of mortgage loans from mortgage lenders; (b) the making of construction loans; (c) the making of loans to housing authorities; (d) the payment of interest on bonds, notes, and other obligations of the corporation; (e) the establishment of reserves to secure the bonds, notes, and other obligations; (f) the making of mortgage loans; (g) the making of loans to mortgage lenders or other lending institutions with respect to multifamily residential rental housing under terms and conditions requiring the proceeds of these loans to be used by these mortgage lenders or other lending institutions for the making of loans for new multifamily residential rental housing or the acquisition or rehabilitation of existing multifamily residential rental housing; (h) the making of loans for the rehabilitation of residential housing; and

(i) all other expenditures of the corporation incident to and necessary or convenient to carry out its purposes and powers. (2) (a) The corporation [shall have the power to] may issue notes to renew notes and bonds to pay notes, including [the] interest [thereon], and whenever it considers refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and to issue bonds partly to refund bonds then outstanding and partly for any of its corporate purposes. (b) The refunding bonds may be: (i) sold and the proceeds applied to the purchase, redemption, or payment of the bonds to be refunded; or (ii) exchanged for the bonds to be refunded. (3) (a) Except as may otherwise be expressly provided by the corporation, every issue of its notes or bonds shall be general obligations of the corporation payable solely out of any [revenues or] money of the corporation, subject only to any agreements with the holders of particular notes or bonds pledging any particular money [or revenues]. (b) These bonds or notes may be additionally secured by a pledge of any grant or contribution from the federal government or any corporation, association, institution, or person or a pledge of any money, income, or revenues of the corporation from any source. (4) (a) The notes and bonds shall be authorized by resolution or resolutions of the corporation, shall bear the date or dates, and shall mature at the time or times as the resolution or resolutions may provide, except that no note, including any renewals thereof, shall mature more than five years from the date of its original issue, and no bond shall mature more than 50 years from the date of its issue, as the resolution [may provide] provides. (b) The notes and bonds shall bear interest at the rate or rates, including variations in the rates, be in denominations, be in a form, either coupon or registered, carry the registration privileges, be executed in the manner, be payable in a medium of payment, at the place or places, and be subject to the terms of redemption, including redemption prior to maturity, as the resolution [or resolutions may provide] provides. (c) The notes and bonds of the corporation may be sold by the corporation at public or private sale, and at the price or prices as determined by the corporation [shall determine].

(d) (i) The notes and bonds may bear interest at a variable interest rate as provided by

the resolution [may provide]. (ii) The resolution may establish a method, formula, or index pursuant to which the interest rate on the notes and bonds [may be] is determined [from time to time]. (e) In connection with the notes and bonds, the corporation may authorize and enter into agreements or other arrangements with financial, banking, and other institutions for letters of credit, standby letters of credit, surety bonds, reimbursement agreements, remarketing agreements, indexing agreements, tender agent agreements, and other agreements with respect to: (i) securing the notes and bonds[, with respect to]; (ii) enhancing the marketability and credit worthiness of the notes and bonds[, with respect to]; (iii) determining a variable interest rate on the notes and bonds[, and with respect to the payment]; and (iv) paying from any legally available source [(], which may include the proceeds of the notes and bonds[)], [of] fees, charges, and other amounts coming due with respect to [any such] these agreements. (5) [Any] A resolution [or resolutions] authorizing any notes or bonds or their issue may contain provisions, which [shall be] are a part of the contract or contracts with their holders, as to: (a) pledging all or any part of the revenues to secure the payment of the notes or bonds or of any issue [thereof] of the notes or bonds, subject to the agreements with noteholders or bondholders as may then exist; (b) pledging all or any part of the assets of the corporation, including mortgages and obligations securing the [same] assets, to secure the payment of the notes or bonds or of any issue of notes or bonds, subject to the agreements with noteholders or bondholders as may then exist; (c) the use and disposition of the gross income from mortgages owned by the corporation and payment of principal of mortgages owned by the corporation; (d) the setting aside of reserves or sinking funds and their regulation and disposition; (e) limitations on the purpose to which the proceeds of sale of notes or bonds may be applied and pledging the proceeds to secure the payment of the notes or bonds or of their issue;

(f) limitations on the issuance of additional notes or bonds, including: (i) the terms upon which additional notes or bonds may be issued and secured; and (ii) the refunding of outstanding or other notes or bonds; (g) the procedure, if any, by which the terms of [any] a contract with noteholders or bondholders may be amended or abrogated, the amount of notes or bonds to which the holders must consent, and the manner in which the consent may be given; (h) limitations on the amount of money to be expended by the corporation for operating expenses of the corporation; (i) vesting in a trustee or trustees the property, rights, powers, and duties in trust as determined by the corporation [may determine], which may include any or all of the rights, powers, and duties of the trustee appointed by the noteholders or bondholders pursuant to this act and limiting or abrogating the right of noteholders or bondholders to appoint a trustee under this act or limiting the rights, powers, and duties of the trustee; (i) defining the acts or omissions to act which shall constitute a default in the obligations and duties of the corporation to the holders of the notes or bonds and providing for the rights and remedies of the holders of the notes or bonds in the event of default, including as a matter of right the appointment of a receiver; (ii) but the rights and remedies may not be inconsistent with the general laws of the state and other provisions of this part; or (k) any other matters, of like or different character, which in any way affect the security or protection of the holders of the notes or bonds. (6) (a) [Any] A pledge made by the corporation [shall be] is valid, enforceable, and binding from the time when the pledge is made and [shall have] has a lien priority based on the time of grant or, if more than one lien is granted at a given time, as set forth in the resolution or instrument pursuant to which the pledge is made. (b) (i) The revenues, money, or property [so] pledged and [thereafter] subsequently received by the corporation [shall] are immediately [be] subject to the lien of the pledge and [shall] constitute a perfected lien without any physical delivery [thereof] or further act[, and the]. (ii) The lien of [any such] the pledge [shall be] is valid and binding as against all

parties having claims of any kind in tort, contract, or otherwise against the corporation,

irrespective of whether the parties have notice [thereof] of the lien. (c) Neither the resolution nor any other instrument by which a pledge is created need be recorded. (7) The corporation, subject to the agreements with noteholders or bondholders as may then exist, shall have power out of any [funds] money available for it to purchase notes or bonds of the corporation, which shall immediately be cancelled, at a price not exceeding: (a) if the notes or bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment [thereon] on the notes or bonds; or (b) if the notes or bonds are not then redeemable, the redemption price applicable on the first date after the purchase upon which the notes or bonds become subject to redemption plus accrued interest to the date. (8) (a) The notes and bonds shall be secured by a trust indenture by and between the corporation and a corporate trustee, which may be [any] a bank having the power of a trust company or [any] a trust company within or without the state. (b) The trust indenture may contain provisions for protecting and enforcing the rights and remedies of the noteholders or bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the corporation in relation to the exercise of its corporate powers and the custody, safeguarding, and application of all money. (c) The corporation may provide by the trust indenture for the payment of the proceeds of the notes or bonds and the revenues to the trustee under the trust indenture or other depository, and for the method of their disbursement, with any safeguards and restrictions as it may determine. (d) All expenses incurred in carrying out the trust indenture may be treated as a part of the operating expenses of the corporation. (e) If the notes or bonds [shall be] are secured by a trust indenture, the noteholders or bondholders may not have authority to appoint a separate trustee to represent them. (9) Whether or not the notes and bonds are of the form and character as to be

Commercial Code, subject only to the provisions of the notes and bonds relating to registration.

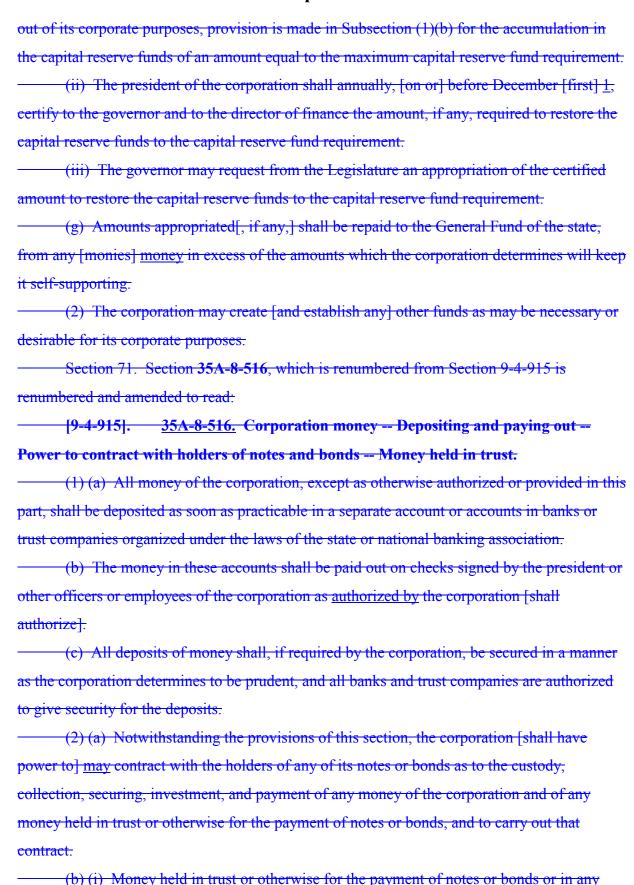
negotiable instruments under the terms of the Uniform Commercial Code, the notes and bonds

are negotiable instruments within the meaning of and for all the purposes of the Uniform

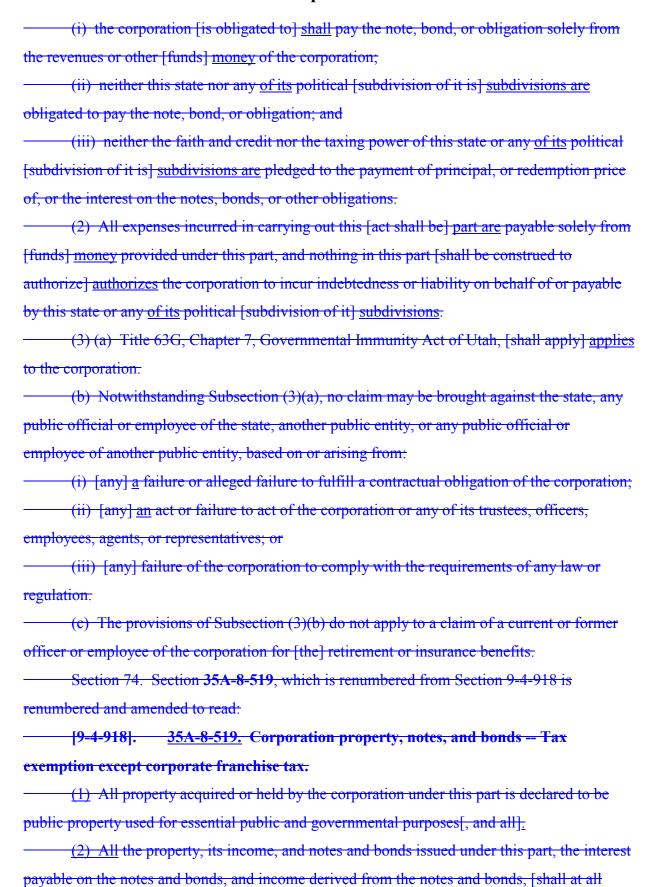
(10) In the event that any of the trustees or officers of the corporation [shall] cease to be trustees or officers of the corporation prior to the delivery of any notes or bonds or coupons signed by them, their signatures or facsimiles of their signatures [shall] are nevertheless [be] valid and sufficient for all purposes, the same as if the trustees or officers had remained in office until the delivery. (11) Neither the trustees of the corporation nor any other person executing the notes or bonds issued under this chapter are subject to personal liability or accountability by reason of the issuance [thereof] of the notes or bonds. (12) The corporation [shall have the power to] may provide for the replacement of lost, destroyed, or mutilated bonds or notes. Section 70. Section 35A-8-515, which is renumbered from Section 9-4-914 is renumbered and amended to read: [9-4-914]. 35A-8-515. Capital reserve funds -- Capital reserve fund requirement -- Establishment of other funds. (1) (a) (i) The corporation may create [and establish] one or more reserve funds, [herein] hereafter referred to as "capital reserve funds," from: (A) [any] the proceeds of sale of notes or bonds, to the extent provided in the resolution [or resolutions] of the corporation authorizing the issuance [thereof] of the notes or bonds; (B) [any monies] money appropriated and made available by the state for the purpose of the funds; (C) [any monies] money directed by the corporation to be transferred to the funds; and (D) [any] other [monies which may be] money made available to the corporation for the purpose of the funds from any other source [or sources]. (ii) [All monies] Money held in [any] a capital reserve fund shall be used[, as required,] solely for the payment of the principal of bonds or of the sinking fund payments with respect to the bonds, the purchase or redemption of bonds, the payment of interest on bonds, or the payment of any redemption premium required to be paid when the bonds are redeemed prior to maturity. (b) (i) [Monies] Money in [any] a capital reserve fund may not be withdrawn from the fund at any time in an amount as would reduce the level of [monies] money in the fund to less

than the capital reserve fund requirement, except for the purpose of paying principal and redemption price of and interest on bonds and the sinking fund payments, as the payments become due and for the payment of which other [monies] money of the corporation [are] is not available.

- (ii) [Any income] <u>Income</u> or interest earned by the investment of [monies] <u>money</u> held in [any] <u>a</u> fund may be transferred by the corporation to other funds or accounts of the corporation to the extent that the transfer does not reduce the amount of the fund to below the capital reserve fund requirement.
- (c) The corporation may provide by resolution [or resolutions] that it may not issue bonds under a resolution [or resolutions] at any time if upon issuance the amount in the capital reserve fund which will secure the bonds shall be less than the capital reserve fund requirement, unless the corporation at the time of issuance of the bonds [shall deposit] deposits in the fund from the proceeds of the bonds to be so issued, or other sources, an amount which, together with the amount then in the fund, may not be less than the capital reserve fund requirement.
- (d) In computing the amount of the capital reserve funds for the purpose of this part, securities in which all or a portion of the funds shall be invested shall be valued at par, cost, or by other method of valuation as the corporation may provide by resolution.
- (e) (i) "Capital reserve fund requirement" means, as of any particular date of computation, and with respect to any particular issue of bonds, an amount as the corporation may provide, or may have previously provided, by resolution, which amount may be in the form of a sum certain or a formula.
- (ii) In establishing reserves and setting capital reserve fund requirements, the corporation shall consider the following:
- (A) the qualifications for obtaining an investment grade rating from one or more nationally recognized bond rating agencies;
- (B) the economic feasibility and marketability of the bonds being issued, taking into account all security for the bonds, including the capital reserve fund; and
- (C) applicable requirements pertaining to reserve funds under federal and state income tax laws and regulations.
- (f) (i) To assure the continued operation and solvency of the corporation for carrying



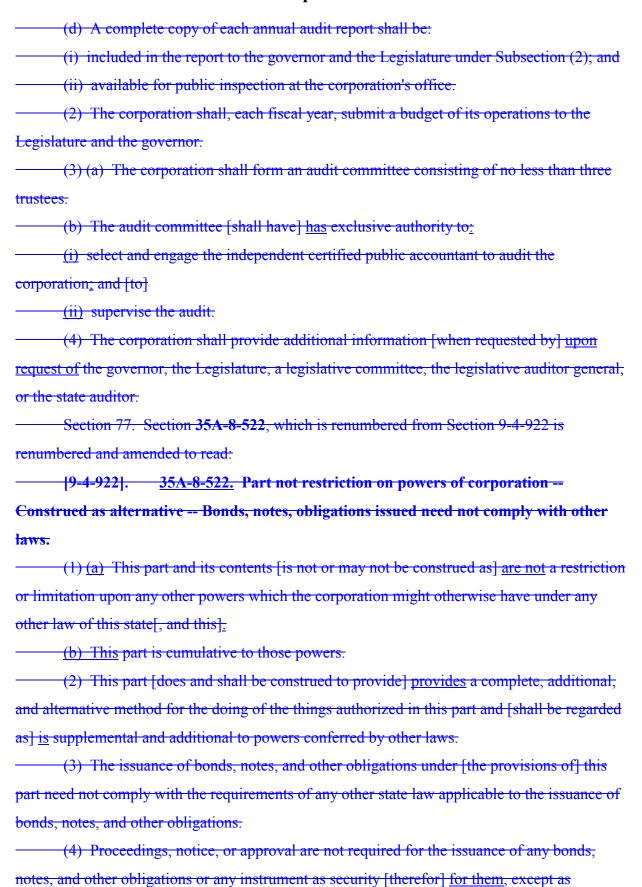
way to secure notes or bonds and deposits of money may be secured in the same manner as money of the corporation[, and all]. (ii) All banks and trust companies [are authorized to] may give security for the deposits. Section 72. Section 35A-8-517, which is renumbered from Section 9-4-916 is renumbered and amended to read: [9-4-916]. 35A-8-517. State pledge to holders of notes or bonds. (1) The state [does hereby pledge to] pledges and [agree] agrees with the holders of any notes or bonds issued under this act that the state will not limit or alter the rights hereby vested in the corporation to fulfill the terms of any agreements made with the holders [thereof] of the notes or bonds or in any way impair the rights and remedies of the holders until the notes and bonds, together with their interest, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the holders, are fully met and discharged. (2) The corporation [is authorized to] may include this pledge and agreement of the state in any agreement with the holders of the notes or bonds. Section 73. Section 35A-8-518, which is renumbered from Section 9-4-917 is renumbered and amended to read: [9-4-917]. 35A-8-518. Notes, bonds, other obligations -- Not debt liability --Expenses payable from money provided -- Corporation without authority to incur liability on behalf of state -- Relationship to Governmental Immunity Act of Utah. (1) (a) (i) Notes, bonds, and other obligations issued under this part [do] are not [constitute] a debt or liability of this state or of [any] a county, city, town, village, school district, or any other political subdivision of the state[, nor shall the]. (ii) The notes, bonds, or other obligations do not constitute the loaning of credit of the state or of [any] a county, city, town, township, district, or any other political subdivision of the state[, nor may the]. (iii) The notes, bonds, or other obligations [be] are payable from [funds] money other than [those] that of the corporation. (b) All notes, bonds, or other obligations shall contain on their face a statement to the effect that:

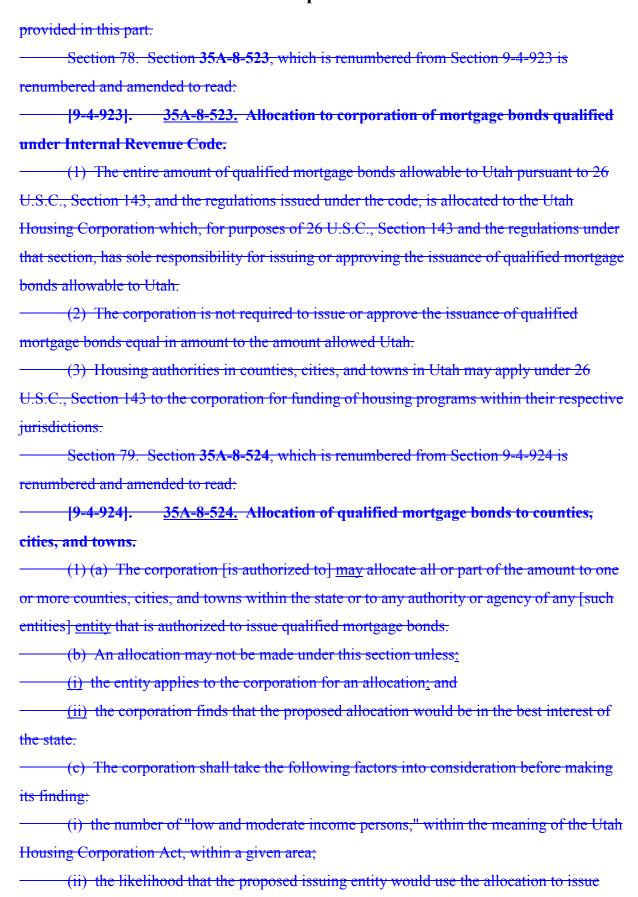


times be] is exempt from all taxation of every kind and nature whatsoever imposed by the state, any county, any municipality, or any other political subdivision of the state, except for the corporate franchise tax. Section 75. Section 35A-8-520, which is renumbered from Section 9-4-919 is renumbered and amended to read: 35A-8-520. Corporation notes, bonds, obligations -- Legal [9-4-919]. investments. (1) The notes, bonds, and other obligations issued under the authority of this part are [declared to be] securities in which all public officers and public bodies of the state and its political subdivisions, all banks, bankers, savings banks, trust companies, credit unions, savings and loan associations, building and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies and insurance associations, and others carrying on an insurance business, and all administrators, executors, guardians, trustees, and other fiduciaries, pension, profit-sharing and retirement funds, and all other persons who may now or may later be authorized to invest in notes, bonds, or other obligations of the state, may properly and legally invest any [funds] money, including capital belonging to them or within their control. (2) These notes, bonds, and other obligations are [declared] securities which may properly and legally be deposited with and received by any state, county, or municipal officer, or agency of the state for any purpose for which the deposit of notes, bonds, or other obligations of the state is now or may later be authorized by law. Section 76. Section 35A-8-521, which is renumbered from Section 9-4-920 is renumbered and amended to read: [9-4-920]. 35A-8-521. Annual report to governor and Legislature -- Contents -- Audits. (1) (a) The corporation shall, following the close of each fiscal year, submit an annual report of its activities for the preceding year to the governor and the Legislature. (b) Each report shall set forth a complete operating and financial statement of the corporation during the fiscal year it covers.

books and accounts of the corporation.

(c) At least once each year, an independent certified public accountant shall audit the





qualified mortgage bonds in a timely manner; (iii) the cost to the proposed issuing entity to issue the bonds relative to the cost to the corporation to issue the bonds; (iv) any special costs or benefits which would result from the issuance of [such] the bonds by the proposed issuing entity; (v) the capability of the proposed issuing entity to administer an issuance of qualified mortgage bonds; (vi) the needs of the proposed issuing entity relative to the needs of other counties, cities, and towns; (vii) the effects of the proposed allocation on counties, cities, and towns which are not served by the proposed issuing entity; and (viii) any other factors the corporation considers relevant to a determination of what is in the best interest of Utah with regard to single family housing. (2) (a) The corporation shall specify the time within which an issuing entity shall use the allocation. (b) Any part of the allocation which is not used within the time prescribed automatically terminates. (c) The corporation may extend the time initially prescribed for use of the allocation. Section 80. Section 35A-8-525, which is renumbered from Section 9-4-925 is renumbered and amended to read: [9-4-925]. 35A-8-525. Low-income housing tax credits. (1) The corporation is designated the "Housing Credit Agency" for the state within the meaning of 26 U.S.C. Sec. 42(h) and for the purposes of carrying out 26 U.S.C. Sec. 42 and any regulations promulgated under that section. (2) The entire state housing credit ceiling for each calendar year is allocated to the corporation. (3) The allocation of the state housing credit ceiling shall be made under the state's qualified allocation plan within the meaning of 26 U.S.C. Sec. 42(m), as amended, and as provided in Subsection (4). (4) The corporation may amend the state's qualified allocation plan as necessary to comply with revisions to the low-income housing tax credit program under 26 U.S.C. Sec. 42,

or as may be necessary to further the goals and purposes of the low-income housing tax credit

program for the state. (5) The corporation, or a subsidiary of the corporation, may have a direct or indirect ownership interest in, and may materially participate in the operation and management of, a housing development or program that has received an allocation of the state housing credit ceiling. Section 81. Section 35A-8-526, which is renumbered from Section 9-4-926 is renumbered and amended to read: [9-4-926]. 35A-8-526. Asset disposition upon dissolution of corporation. Upon dissolution of the corporation: (1) all liabilities and obligations of the corporation, including obligations to bondholders, shall be paid, satisfied, discharged, or adequately provided for; and (2) all remaining [funds] money, property, rights, claims, and interests of the corporation shall revert or be conveyed to the state. Section 82. Section 35A-8-527, which is renumbered from Section 9-4-927 is renumbered and amended to read: [9-4-927]. 35A-8-527. New housing grants -- Reimbursement from Housing **Relief Restricted Special Revenue Fund.** (1) Subject to the availability of funds in the Housing Relief Restricted Special Revenue Fund created in Section 67-4-18, the corporation shall approve, on behalf of the state, a grant of \$6,000 to a person who: (a) purchases a newly constructed, never-occupied residence in Utah using a 30-year fixed interest rate note and mortgage; and (b) meets the requirements established in Subsections (2) and (3). (2) A person may not receive a grant under this section if the person's income, as determined by the corporation, exceeds: (a) \$75,000 for a single person; or (b) \$150,000 for a married couple. (3) The corporation shall establish procedures for determining a person's eligibility for a grant under this section, including establishing a limit on the time for which the [funds] money for a grant may remain in escrow, which may not exceed 90 days.

Section 83. Section 35A-8-601, which is renumbered from Section 9-4-1201 is renumbered and amended to read: Part 6. Housing Coordination and Planning Act [9-4-1201]. <u>35A-8-601.</u> Title. This part shall be known as the "Housing Coordination and Planning Act." Section 84. Section 35A-8-602, which is renumbered from Section 9-4-1202 is renumbered and amended to read: [9-4-1202]. 35A-8-602. Legislative policy and purpose. (1) (a) It is the policy of the state that to promote the general welfare of its citizens it is necessary to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of medium and low income, in urban and rural areas. (b) These conditions cause an increase and spread of disease and crime, and constitute a menace to the health, safety, morals, and welfare of the state. (2) It is the policy of the state: (a) to make adequate provision of affordable housing for: (i) persons of medium or low income who are unable to provide themselves with decent housing including: (A) elderly persons; (B) persons with disabilities; (C) veterans; (D) special needs populations; (E) low income persons living on tribal trust lands; (F) persons receiving public assistance under self-sufficiency programs; or (G) low income persons living in mobile homes, as defined in Section 70D-2-102; and (ii) during limited periods, for disaster victims; and (b) that the provision of safe and sanitary dwelling accommodations at rents or prices that persons of medium and low income can afford will materially assist in developing more desirable neighborhoods and alleviating the effects of poverty in this state. (3) The purposes of this part and Part [6] 2, Housing Authorities, are to meet these problems by:

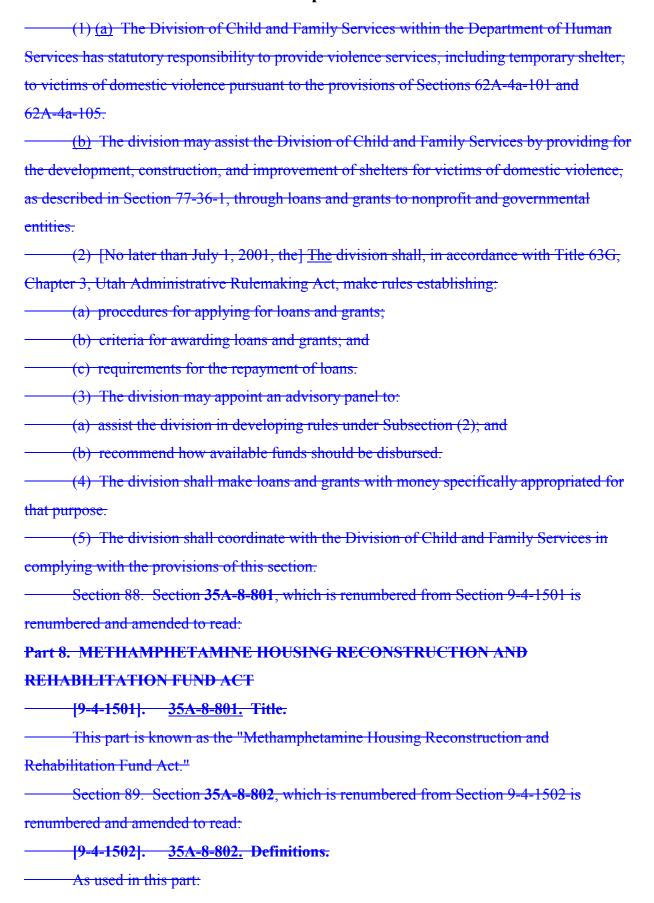
(a) providing low-cost housing for medium and low income persons; and
(b) encouraging cooperation between political subdivisions and the nonprofit sector to
make available low-cost housing in all areas of the state.
(4) It is in the public interest to use the broad financial resources and technical service
available to government in cooperation with the ingenuity and expertise of private enterprise
alleviate this lack of safe and sanitary dwellings while stimulating local industry, according to
the following principles:
(a) The private sector, including nonprofit entities, shall be the primary source of
developing and providing affordable housing with state and local incentives to encourage
housing development.
(b) State money used in the development of housing shall:
(i) be heavily leveraged when possible;
(ii) be primarily invested as loans;
(iii) be primarily spent on housing production; and
(iv) give priority to needs of persons of medium or low income who are unable to
provide themselves with decent housing including:
(A) elderly persons;
(B) persons with disabilities;
(C) veterans;
(D) special needs populations;
(E) low income persons living on tribal trust lands;
(F) persons receiving public assistance under self-sufficiency programs; and
(G) low income persons living in mobile homes, as defined in Section 70D-2-102.
(c) When possible based on economic feasibility and effectiveness, state housing
programs shall encourage:
(i) mixed income developments;
(ii) socio-economic diversity in neighborhoods; and
(iii) new, multifamily construction.
(d) State resources may be used in partnership with political subdivisions or the priva
sector to promote affordable housing.
(e) Within appropriations from the Legislature, the state may provide training and

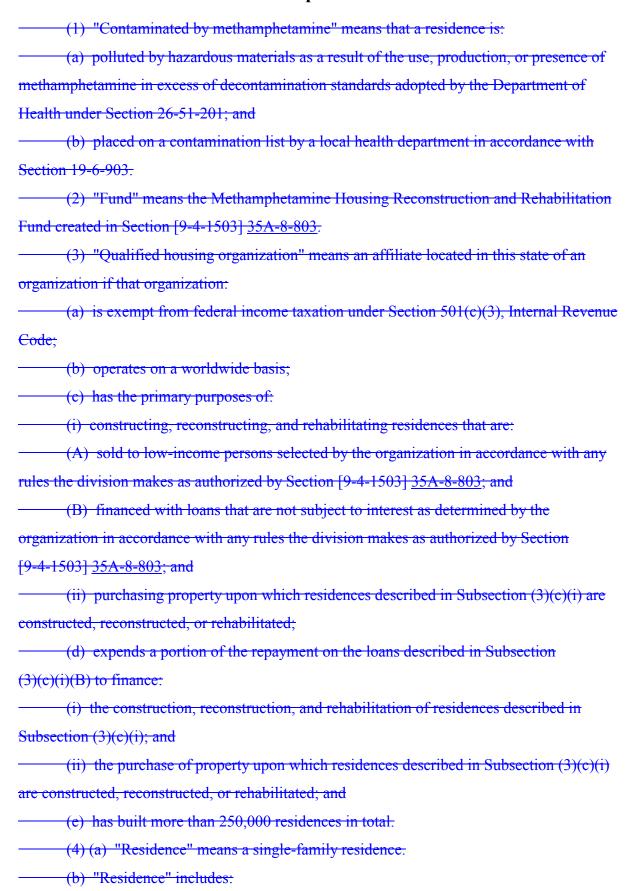
technical assistance to Utah's political subdivision, quasi-governmental, and nonprofit housing

providers. Section 85. Section 35A-8-603, which is renumbered from Section 9-4-1203 is renumbered and amended to read: [9-4-1203]. 35A-8-603. Division -- Functions. (1) In addition to any other functions the governor or Legislature may assign: (a) the division shall: (i) provide a clearinghouse of information for federal, state, and local housing assistance programs; (ii) establish, in cooperation with political subdivisions, model plans and management methods to encourage or provide for the development of affordable housing that may be adopted by political subdivisions by reference; (iii) undertake, in cooperation with political subdivisions, a realistic assessment of problems relating to housing needs, such as: (A) inadequate supply of dwellings; (B) substandard dwellings; and (C) inability of medium and low income families to obtain adequate housing; (iv) provide the information obtained under Subsection (1)(a)(iii) to: (A) political subdivisions; (B) real estate developers; (C) builders; (D) lending institutions; (E) affordable housing advocates; and (F) others having use for the information; (v) advise political subdivisions of serious housing problems existing within their jurisdiction that require concerted public action for solution; and (vi) assist political subdivisions in defining housing objectives and in preparing for adoption a plan of action covering a five-year period designed to accomplish housing objectives within their jurisdiction; and (b) within legislative appropriations, the division may accept for and on behalf of, and bind the state to, any federal housing or homeless program in which the state is invited,

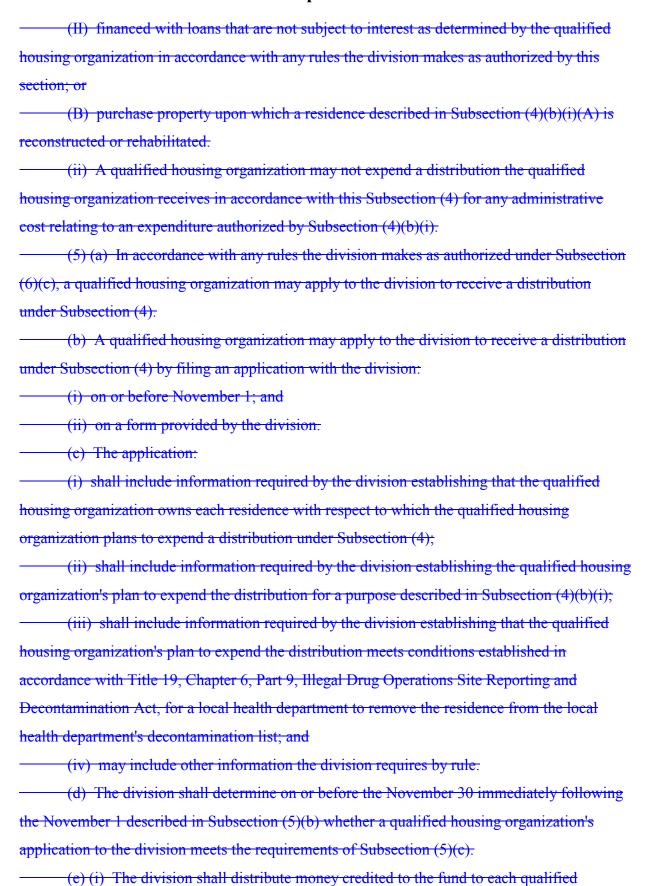
permitted, or authorized to participate in the distribution, disbursement, or administration of

any funds or service advanced, offered, or contributed in whole or in part by the federal government. (2) The administration of any federal housing program in which the state is invited, permitted, or authorized to participate in distribution, disbursement or administration of funds or services, except those administered by the Utah Housing Corporation, is governed by Sections [9-4-701] 35A-8-301 through [9-4-708] 35A-8-308. Section 86. Section 35A-8-604, which is renumbered from Section 9-4-1204 is renumbered and amended to read: [9-4-1204]. 35A-8-604. Technical assistance to political subdivisions for housing plan. (1) Within appropriations from the Legislature, the division shall establish a program to assist municipalities to meet the requirements of Section 10-9a-408 and counties to meet the requirements of Section 17-27a-408. (2) Assistance under this section may include: (a) financial assistance for the cost of developing a plan for low and moderate income housing; (b) information on how to meet present and prospective needs for low and moderate income housing; and (c) technical advice and consultation on how to facilitate the creation of low and moderate income housing. [(2)] (3) The division shall annually report to the Workforce Services and Community and Economic Development Interim Committee, and to the Health and Human Services Interim Committee regarding the scope, amount, and type of assistance provided to municipalities and counties under this section, including the number of low and moderate income housing units constructed or rehabilitated within the state. Section 87. Section 35A-8-701, which is renumbered from Section 9-4-1301 is renumbered and amended to read: Part 7. Domestic Violence Shelters [9-4-1301]. 35A-8-701. Assistance to domestic violence shelters -- Rulemaking authority.

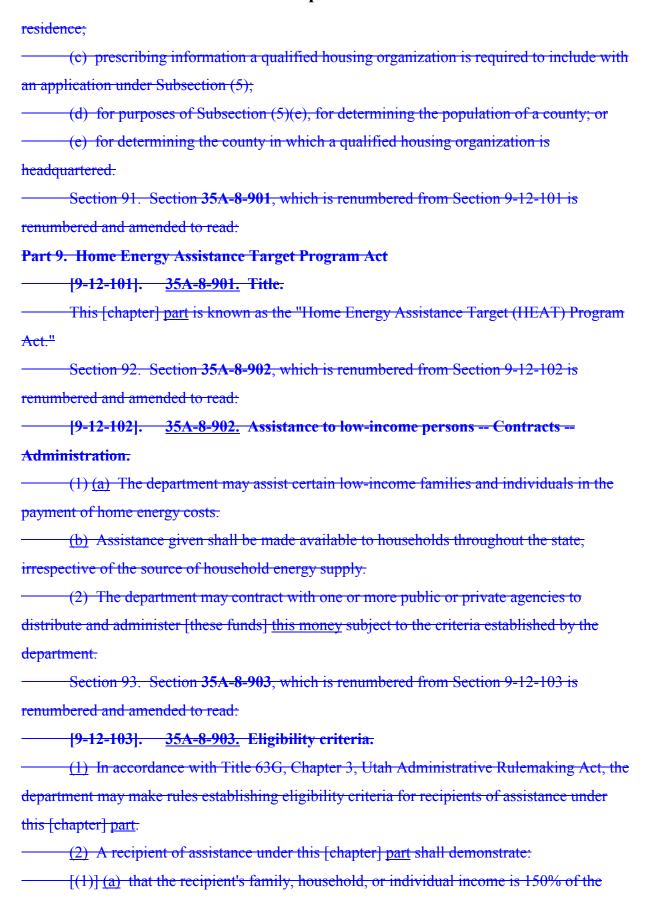


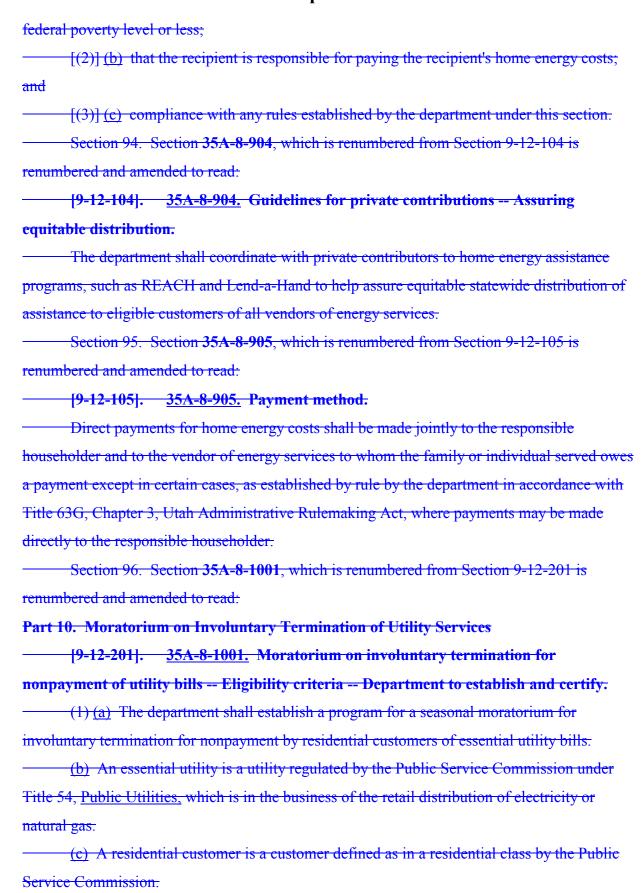


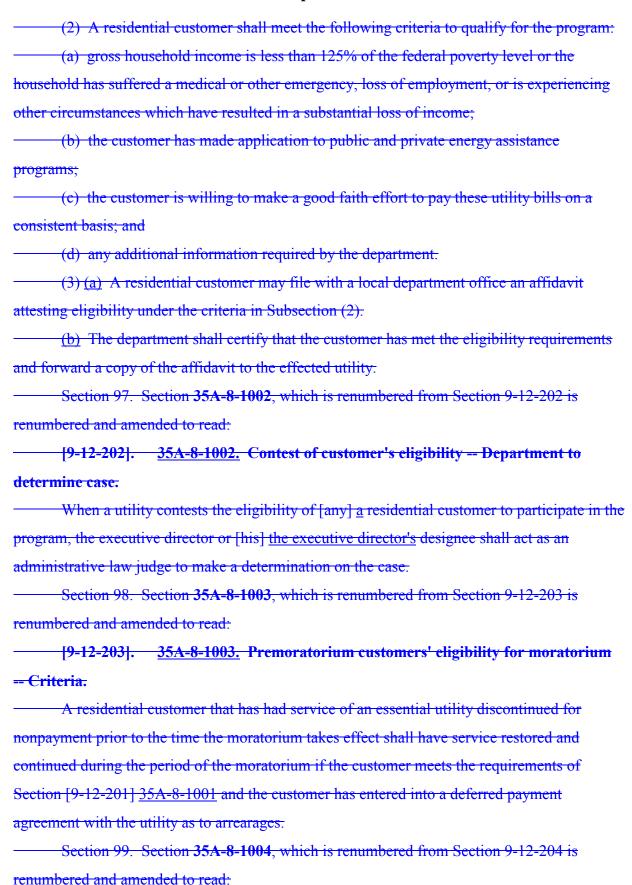
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(ii) a garage;	
(iii) real property appurtenant to a residence:	
(A) as determined by the division in accordance with any rules the division makes as	
authorized by Section [9-4-1503] 35A-8-803; and	
(B) if that real property is contaminated by methamphetamine;	
(iv) a shed; or	
(v) a town home.	
(c) "Residence" does not include:	
(i) an apartment or other rental unit as determined by the division in accordance with	
any rules the division makes as authorized by Section [9-4-1503] 35A-8-803; or	
(ii) an outbuilding except for a garage or shed.	
Section 90. Section 35A-8-803, which is renumbered from Section 9-4-1503 is	
renumbered and amended to read:	
[9-4-1503]. 35A-8-803. Methamphetamine Housing Reconstruction and	
Rehabilitation Fund Creation Interest Use of contributions and interest.	
(1) There is created within the General Fund a restricted account known as the	
Methamphetamine Housing Reconstruction and Rehabilitation Fund.	
(2) The fund [shall be] is funded by:	
(a) contributions deposited into the fund in accordance with Section 59-10-1314; and	
(b) interest described in Subsection (3).	
(3) (a) The fund shall earn interest.	
(b) Interest earned on the fund shall be deposited into the fund.	
(4) (a) The division shall distribute contributions and interest deposited into the fund	to
one or more qualified housing organizations.	
(b) (i) Subject to Subsection (4)(b)(ii), a qualified housing organization that receives a	ì
distribution from the division in accordance with Subsection (4)(a) shall expend the	
distribution to:	
(A) reconstruct or rehabilitate one or more residences that are:	
(I) sold to low-income persons selected by the qualified housing organization in	
accordance with any rules the division makes as authorized by this section; and	



housing organization that meets the requirements of Subsection (5)(c) as determined by the division: (A) on or before the December 31 immediately following the November 1 described in Subsection (5)(b); and (B) in accordance with this Subsection (5)(e). (ii) The division shall determine: (A) the population of the county in which a qualified housing organization that meets the requirements of Subsection (5)(c) is headquartered; and (B) the total population of all of the counties in which the qualified housing organizations that meet the requirements of Subsection (5)(c) are headquartered. (iii) Except as provided in Subsection (5)(e)(iv), the division shall determine a qualified housing organization's distribution by making the following calculation: (A) calculating a percentage determined by dividing the population of the county in which the qualified housing organization that meets the requirements of Subsection (5)(c) is headquartered by the population calculated under Subsection (5)(e)(ii)(B); and (B) multiplying the percentage determined under Subsection (5)(e)(iii)(A) by the fund balance. (iv) If two or more qualified housing organizations that meet the requirements of Subsection (5)(c) as determined by the division are headquartered within one county, the division shall determine each qualified housing organization's distribution by: (A) making the calculation required by Subsection (5)(e)(iii); and (B) dividing the amount calculated under Subsection (5)(e)(iii) by the number of qualified housing organizations that meet the requirements of Subsection (5)(c) as determined by the division that are headquartered within the county. (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division may make rules: (a) to define what constitutes: (i) a low-income person; (ii) a loan that is not subject to interest; or (iii) an apartment or other rental unit; (b) for determining the circumstances under which real property is appurtenant to a







- [9-12-204]. 35A-8-1004. Effective period of moratorium -- Extension by rule.
 - (1) The moratorium shall be in effect from November 15 to March 15 of each year.
- (2) The department may, by rule, begin the moratorium at an earlier date or extend it to a later date when severe weather conditions warrant that action.
 - Section 100. Section 41-1a-422 is amended to read:
- † 41-1a-422. Support special group license plates -- Contributor -- Voluntary contribution collection procedures.
 - (1) As used in this section:
- (a) (i) Except as provided in Subsection (1)(a)(ii), "contributor" means a person who has donated or in whose name at least \$25 has been donated to:
 - (A) a scholastic scholarship fund of a single named institution;
 - (B) the Department of Veterans' Affairs for veterans' programs;
- (C) the Division of Wildlife Resources for the Wildlife Resources Account created in Section 23-14-13, for conservation of wildlife and the enhancement, preservation, protection, access, and management of wildlife habitat;
 - (D) the Department of Agriculture and Food for the benefit of conservation districts;
 - (E) the Division of Parks and Recreation for the benefit of snowmobile programs;
- (F) the Guardian Ad Litem Services Account and the Children's Museum of Utah, with the donation evenly divided between the two;
- (G) the Boy Scouts of America for the benefit of a Utah Boy Scouts of America council as specified by the contributor;
- (H) No More Homeless Pets in Utah for distribution to organizations or individuals that provide spay and neuter programs that subsidize the sterilization of domestic animals;
- (I) the Utah Alliance of Boys and Girls Clubs, Inc. to provide and enhance youth development programs;
 - (J) the Utah Association of Public School Foundations to support public education;
- (K) the Utah Housing Opportunity Restricted Account created in Section 61-2-204 to assist people who have severe housing needs;
- (L) the Public Safety Honoring Heroes Restricted Account created in Section 53-1-118 to support the families of fallen Utah Highway Patrol troopers and other Department of Public Safety employees;

- (M) the Division of Parks and Recreation for distribution to organizations that provide support for Zion National Park;
- (N) the Firefighter Support Restricted Account created in Section 53-7-109 to support firefighter organizations;
- (O) the Share the Road Bicycle Support Restricted Account created in Section 72-2-127 to support bicycle operation and safety awareness programs;
- (P) the Cancer Research Restricted Account created in Section 26-21a-302 to support cancer research programs;
- (Q) Autism Awareness Restricted Account created in Section 53A-1-304 to support autism awareness programs; or
- (R) Humanitarian Service and Educational and Cultural Exchange Restricted Account created in Section [9-17-102] 67-1a-302 to support humanitarian service and educational and cultural programs.
- (ii) (A) For a veterans' special group license plate, "contributor" means a person who has donated or in whose name at least a \$25 donation at the time of application and \$10 annual donation thereafter has been made.
- (B) For a Utah Housing Opportunity special group license plate, "contributor" means a person who:
- (I) has donated or in whose name at least \$30 has been donated at the time of application and annually after the time of application; and
- (II) is a member of a trade organization for real estate licensees that has more than 15,000 Utah members.
- (C) For an Honoring Heroes special group license plate, "contributor" means a person who has donated or in whose name at least \$35 has been donated at the time of application and annually thereafter.
- (D) For a firefighter support special group license plate, "contributor" means a person who:
- (I) has donated or in whose name at least \$15 has been donated at the time of application and annually after the time of application; and
 - (II) is a currently employed, volunteer, or retired firefighter.
 - (E) For a cancer research special group license plate, "contributor" means a person who

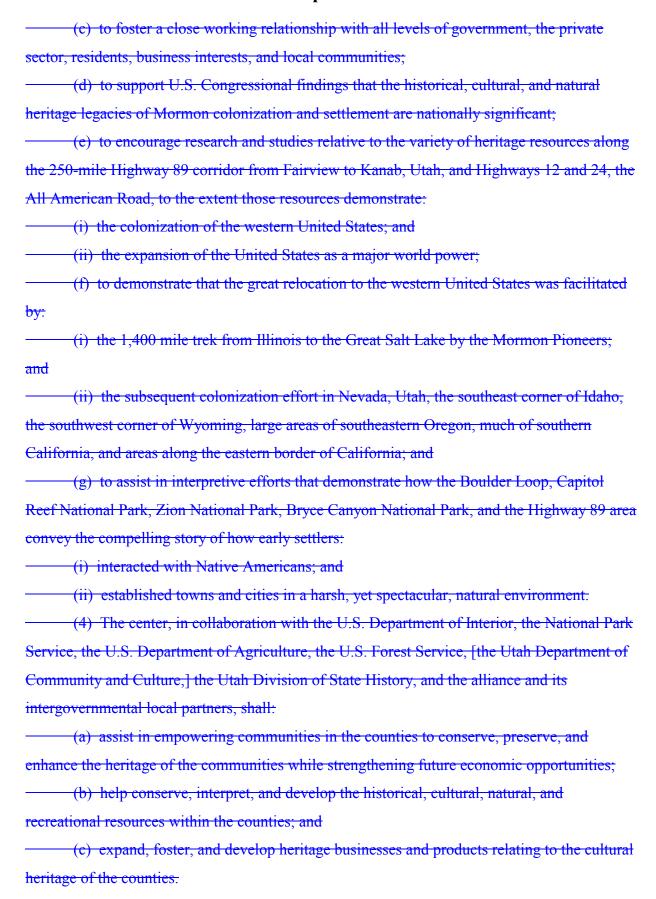
has donated or in whose name at least \$35 has been donated at the time of application and annually after the time of application.

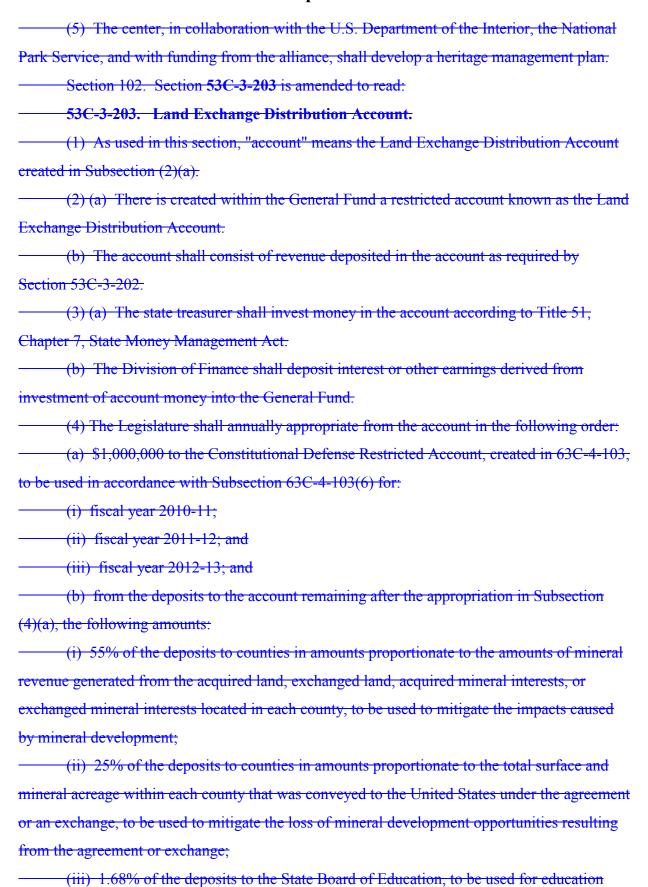
- (b) "Institution" means a state institution of higher education as defined under Section 53B-3-102 or a private institution of higher education in the state accredited by a regional or national accrediting agency recognized by the United States Department of Education.
- (2) (a) An applicant for original or renewal collegiate special group license plates under Subsection (1)(a)(i) must be a contributor to the institution named in the application and present the original contribution verification form under Subsection (2)(b) or make a contribution to the division at the time of application under Subsection (3).
- (b) An institution with a support special group license plate shall issue to a contributor a verification form designed by the commission containing:
 - (i) the name of the contributor;
 - (ii) the institution to which a donation was made:
 - (iii) the date of the donation; and
 - (iv) an attestation that the donation was for a scholastic scholarship.
- (c) The state auditor may audit each institution to verify that the moneys collected by the institutions from contributors are used for scholastic scholarships.
- (d) After an applicant has been issued collegiate license plates or renewal decals, the commission shall charge the institution whose plate was issued, a fee determined in accordance with Section 63J-1-504 for management and administrative expenses incurred in issuing and renewing the collegiate license plates.
- (e) If the contribution is made at the time of application, the contribution shall be collected, treated, and deposited as provided under Subsection (3).
- (3) (a) An applicant for original or renewal support special group license plates under this section must be a contributor to the sponsoring organization associated with the license plate.
 - (b) This contribution shall be:
- (i) unless collected by the named institution under Subsection (2), collected by the division;
- (ii) considered a voluntary contribution for the funding of the activities specified under this section and not a motor vehicle registration fee;

- (iii) deposited into the appropriate account less actual administrative costs associated with issuing the license plates; and
- (iv) for a firefighter special group license plate, deposited into the appropriate account less:
 - (A) the costs of reordering firefighter special group license plate decals; and
- (B) the costs of replacing recognition special group license plates with new license plates under Subsection 41-1a-1211(13).
- (c) The donation described in Subsection (1)(a) must be made in the 12 months prior to registration or renewal of registration.
- (d) The donation described in Subsection (1)(a) shall be a one-time donation made to the division when issuing original:
 - (i) snowmobile license plates; or
 - (ii) conservation license plates.
- (4) Veterans' license plates shall display one of the symbols representing the Army, Navy, Air Force, Marines, Coast Guard, or American Legion.

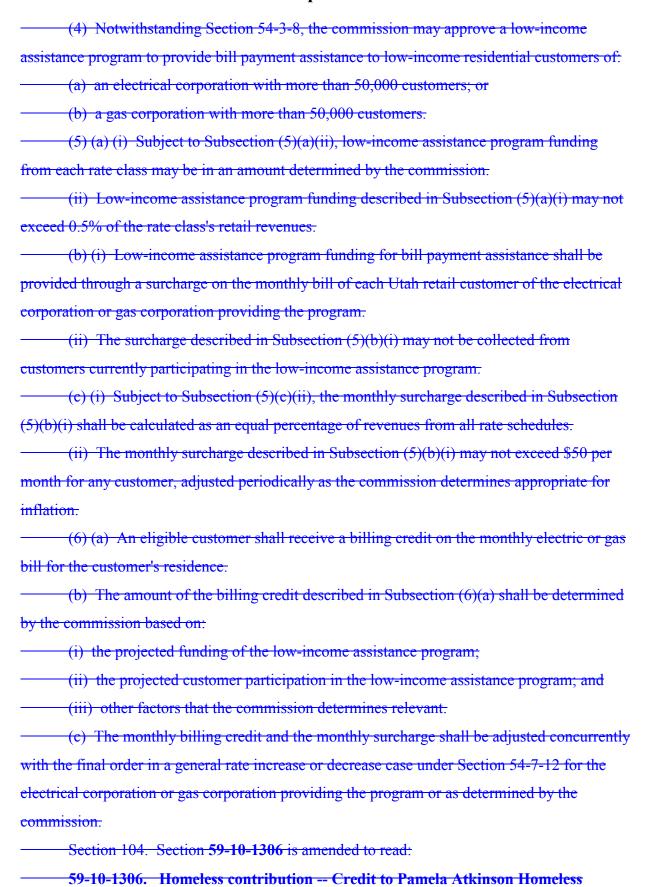
Section $\frac{\{101\}}{2}$. Section $\frac{\{53B-18-1002\}}{59-12-104}$ is amended to read:

- **53B-18-1002.** Establishment of the center -- Purpose -- Duties and responsibilities.
- (1) There is established the Mormon Pioneer Heritage Center in connection with Utah State University.
- (2) The purpose of the center is to coordinate interdepartmental research and extension efforts in recreation, heritage tourism, and agricultural extension service and to enter into cooperative contracts with the United States Departments of Agriculture and Interior, state, county, and city officers, public and private organizations, and individuals to enhance Mormon pioneer heritage.
- (3) The center has the following duties and responsibilities:
- (a) to support U.S. Congressional findings that the landscape, architecture, traditions, products, and events in the counties convey the heritage of pioneer settlements and their role in agricultural development;
- (b) to coordinate with extension agents in the counties to assist in the enhancement of heritage businesses and the creation of heritage products;





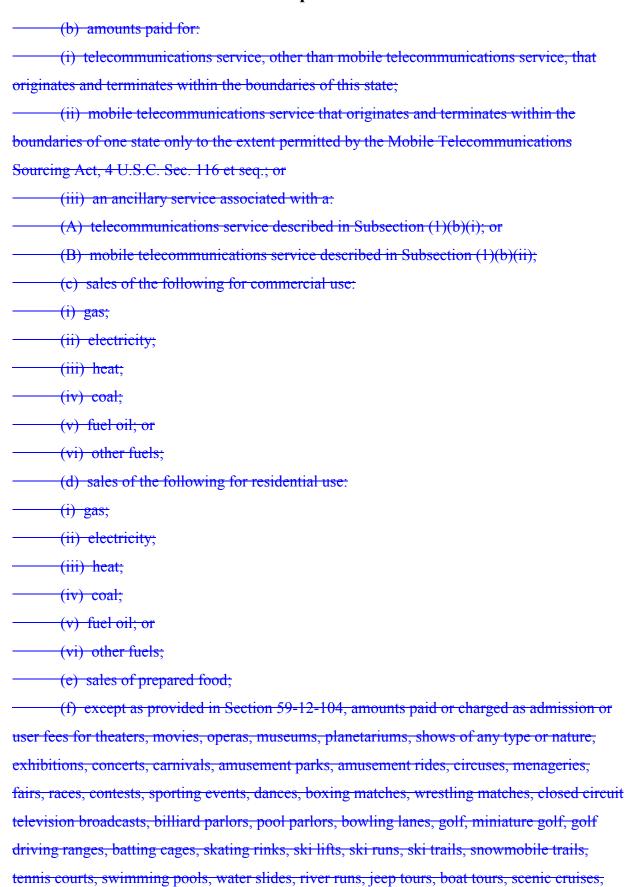
research and experimentation in the use of staff and facilities designed to improve the quality of education in Utah; (iv) 1.66% of the deposits to the Geological Survey, to be used for natural resources development in the state; (v) 1.66% of the deposits to the Water Research Laboratory at Utah State University, to be used for water development in the state; and (vi) 7.5% of the deposits to the Constitutional Defense Restricted Account created in Section 63C-4-103. (5) Beginning with fiscal year 2009-10, the Legislature shall annually appropriate 1% of the deposits remaining in the account after the appropriation is made in accordance with Subsection (4)(a) to the Geological Survey, to be used for test wells, other hydrologic studies, and air quality monitoring in the West Desert. (6) Beginning with fiscal year 2009-10, the Legislature shall annually appropriate 6.5% of the deposits remaining in the account after the appropriation is made in Subsection (4)(a) to the Permanent Community Impact Fund created in Section [9-4-303] 63M-1-3003, to be used for grants to political subdivisions of the state to mitigate the impacts resulting from the development or use of school and institutional trust lands. Section 103. Section 54-7-13.6 is amended to read: 54-7-13.6. Low-income assistance program. (1) As used in this section, "eligible customer" means an electrical corporation or a gas corporation customer: (a) that earns no more than: (i) 125% of the federal poverty level; or (ii) another percentage of the federal poverty level as determined by the commission by order; and (b) whose eligibility is certified by the Utah Department of [Community and Culture] Workforce Services. (2) A customer's income eligibility for the program described in this section shall be renewed annually. (3) An eligible customer may not receive assistance at more than one residential location at any one time.



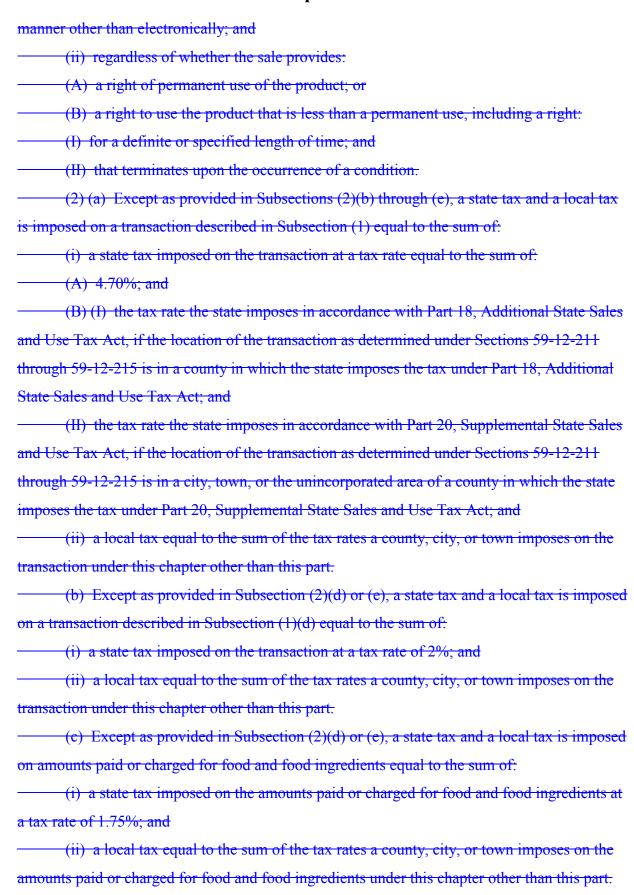
Account. (1) Except as provided in Section 59-10-1304, a resident or nonresident individual that files an individual income tax return under this chapter may designate on the resident or nonresident individual's individual income tax return a contribution to the Pamela Atkinson Homeless Account as provided in this part. (2) The commission shall: (a) determine annually the total amount of contributions designated in accordance with this section; and (b) credit the amount described in Subsection (2)(a) to the Pamela Atkinson Homeless Account created by Section [9-4-803] 35A-8-403. Section 105. Section 59-10-1314 is amended to read: 59-10-1314. Contribution to Methamphetamine Housing Reconstruction and Rehabilitation Fund. (1) For a taxable year beginning on or after January 1, 2010, but beginning on or before December 31, 2012 only, a resident or nonresident individual that files an individual income tax return under this chapter may designate on the resident or nonresident individual's individual income tax return a contribution as provided in this section to be: (a) deposited into the Methamphetamine Housing Reconstruction and Rehabilitation Fund created in Section [9-4-1503] 35A-8-803; and (b) expended for the purposes described in Section [9-4-1503] 35A-8-803. (2) The commission shall: (a) determine the total amount of contributions designated in accordance with this section for the taxable year described in Subsection (1); and (b) credit the amount described in Subsection (2)(a) to the Methamphetamine Housing Reconstruction and Rehabilitation Fund created in Section [9-4-1503] <u>35A-8-803</u>. Section 106. Section 59-12-103 is amended to read: 59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues. (1) A tax is imposed on the purchaser as provided in this part for amounts paid or

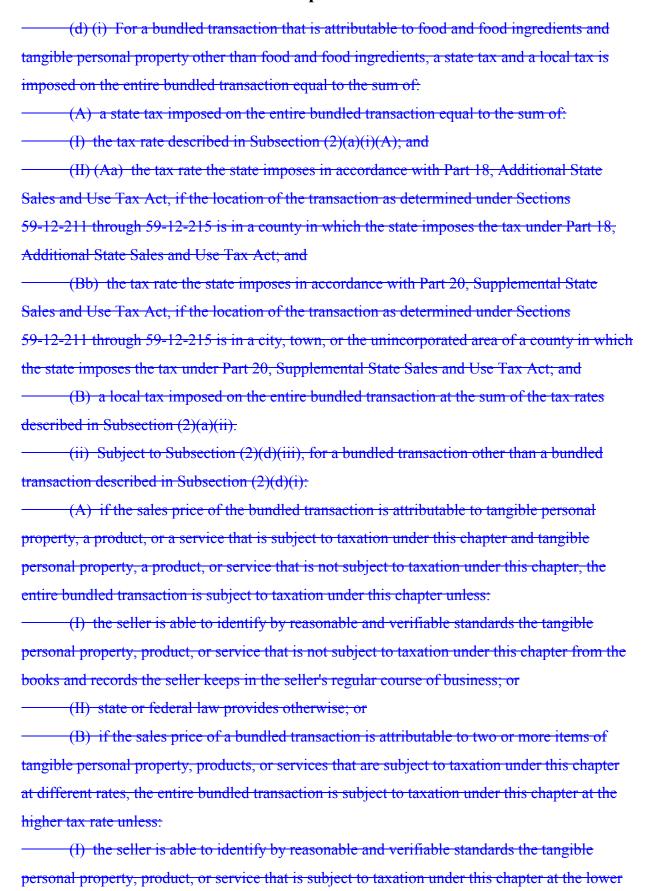
(a) retail sales of tangible personal property made within the state;

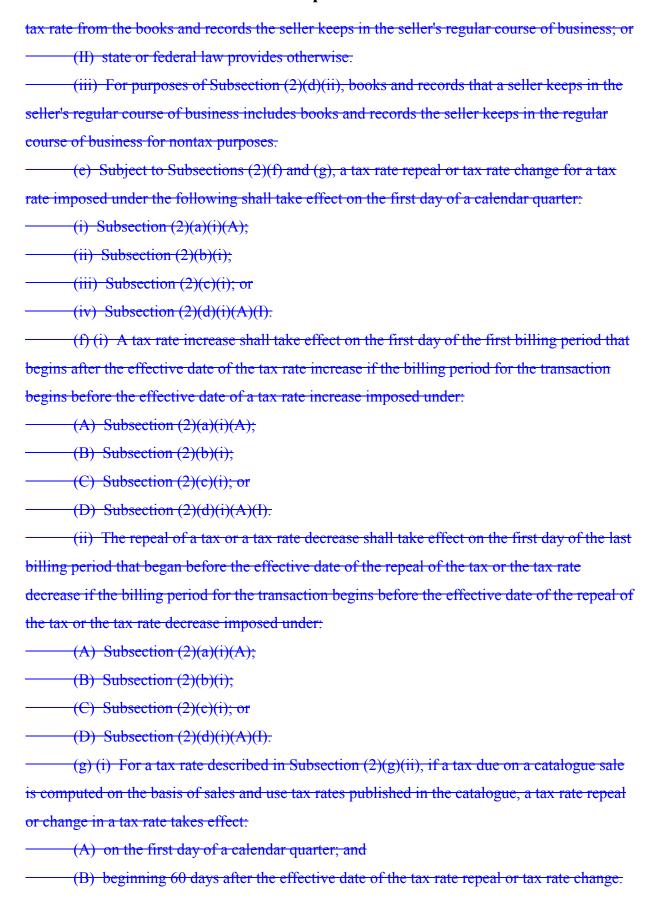
charged for the following transactions:

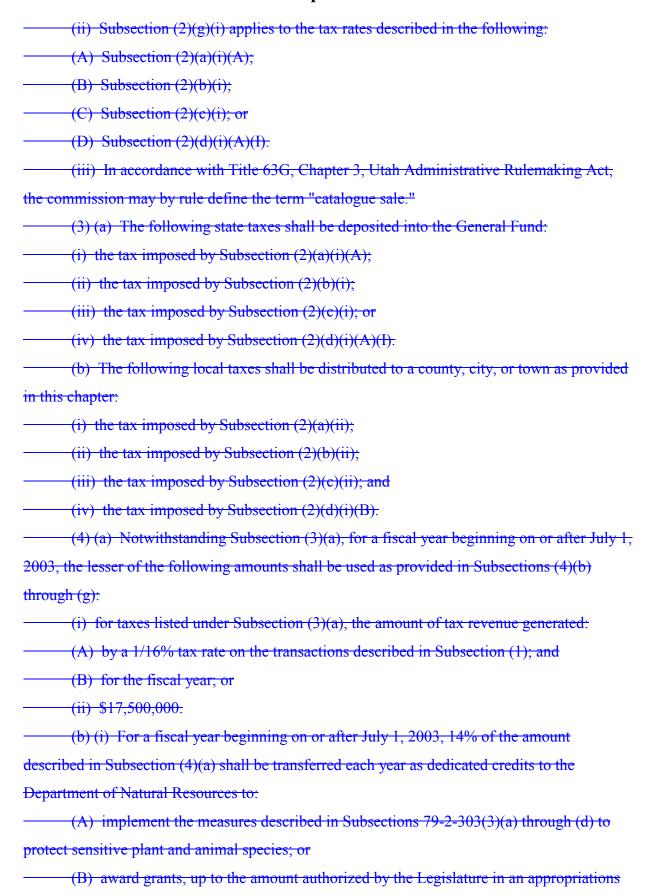


horseback rides, sports activities, or any other amusement, entertainment, recreation, exhibition, cultural, or athletic activity; (g) amounts paid or charged for services for repairs or renovations of tangible personal property, unless Section 59-12-104 provides for an exemption from sales and use tax for: (i) the tangible personal property; and (ii) parts used in the repairs or renovations of the tangible personal property described in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations of that tangible personal property: (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted cleaning or washing of tangible personal property; (i) amounts paid or charged for tourist home, hotel, motel, or trailer court accommodations and services that are regularly rented for less than 30 consecutive days; (i) amounts paid or charged for laundry or dry cleaning services; (k) amounts paid or charged for leases or rentals of tangible personal property if within this state the tangible personal property is: (i) stored; (ii) used; or (iii) otherwise consumed; (1) amounts paid or charged for tangible personal property if within this state the tangible personal property is: (i) stored; (ii) used; or (iii) consumed; and (m) amounts paid or charged for a sale: (i) (A) of a product that: (I) is transferred electronically; and (II) would be subject to a tax under this chapter if the product was transferred in a manner other than electronically; or (B) of a repair or renovation of a product that: (I) is transferred electronically; and (II) would be subject to a tax under this chapter if the product was transferred in a









act, to political subdivisions of the state to implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species. (ii) Money transferred to the Department of Natural Resources under Subsection (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq. (iii) At the end of each fiscal year: (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24; (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5. (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund created in Section 4-18-6. (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights. (ii) At the end of each fiscal year: (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24; (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5. (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources. (ii) In addition to the uses allowed of the Water Resources Conservation and

Development Fund under Section 73-10-24, the Water Resources Conservation and

Development Fund may also be used to: (A) conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource; (B) fund state required dam safety improvements; and (C) protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff. (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects. (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to: (i) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102; (ii) develop underground sources of water, including springs and wells; and (iii) develop surface water sources. (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2006, the difference between the following amounts shall be expended as provided in this Subsection (5), if that difference is greater than \$1: (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and (ii) \$17,500,000. (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be: (A) transferred each fiscal year to the Department of Natural Resources as dedicated credits; and (B) expended by the Department of Natural Resources for watershed rehabilitation or restoration.

(ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24. (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the remaining difference described in Subsection (5)(a) shall be: (A) transferred each fiscal year to the Division of Water Resources as dedicated credits; and (B) expended by the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather. (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24. (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the **Division of Water Resources for:** (i) preconstruction costs: (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act: (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii). (e) Any unexpended monies described in Subsection (5)(d) that remain in the Water Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing. (f) After making the transfers required by Subsections (5)(b) and (c) and subject to Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be

transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred for employing additional technical staff for the administration of water rights. (g) At the end of each fiscal year, any unexpended dedicated credits described in Subsection (5)(f) over \$150,000 lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24. (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in the Transportation Fund created by Section 72-2-102. (7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies, beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable transactions under Subsection (1). (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds have been paid off and the highway projects completed that are intended to be paid from revenues deposited in the Centennial Highway Fund Restricted Account as determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable transactions under Subsection (1). (8) (a) Notwithstanding Subsection (3)(a) and in addition to the amount deposited in Subsection (7)(a), for the 2010-11 fiscal year only, the Division of Finance shall deposit into the Centennial Highway Fund Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal to 1.93% of the revenues collected from the following taxes, which represents a portion of the approximately 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and vehicle-related products: (i) the tax imposed by Subsection (2)(a)(i)(A); (ii) the tax imposed by Subsection (2)(b)(i); (iii) the tax imposed by Subsection (2)(c)(i); and (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

(b) Notwithstanding Subsection (3)(a), in addition to the amount deposited in Subsection (7)(a), and until Subsection (8)(c) applies, for a fiscal year beginning on or after July 1, 2011, the Division of Finance shall deposit into the Centennial Highway Fund Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a portion of the approximately 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and vehicle-related products: (i) the tax imposed by Subsection (2)(a)(i)(A); (ii) the tax imposed by Subsection (2)(b)(i); (iii) the tax imposed by Subsection (2)(c)(i); and (iv) the tax imposed by Subsection (2)(d)(i)(A)(I). (c) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under Subsection (7)(b), when the highway general obligation bonds have been paid off and the highway projects completed that are intended to be paid from revenues deposited in the Centennial Highway Fund Restricted Account as determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a portion of the approximately 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and vehicle-related products: (i) the tax imposed by Subsection (2)(a)(i)(A); (ii) the tax imposed by Subsection (2)(b)(i); (iii) the tax imposed by Subsection (2)(c)(i); and (iv) the tax imposed by Subsection (2)(d)(i)(A)(I). (9) (a) Notwithstanding Subsection (3)(a) and for the fiscal year 2008-09 only, the Division of Finance shall deposit \$55,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125. (b) Notwithstanding Subsection (3)(a) and until Subsection (9)(c) applies, for a fiscal year beginning on or after July 1, 2009, the Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

- (c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under Subsections (7) and (8), when the general obligation bonds authorized by Section 63B-16-101 have been paid off and the highway projects completed that are included in the prioritized project list under Subsection 72-2-125(4) as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section 72-2-124.
- (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section [9-4-1409] 63M-1-3109 and expended as provided in Section [9-4-1409] 63M-1-3109.
- (11) (a) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(a)(ii), and until Subsection (11)(b) applies, beginning on January 1, 2009, the Division of Finance shall deposit into the Critical Highway Needs Fund created by Section 72-2-125 the amount of tax revenue generated by a .025% tax rate on the transactions described in Subsection (1).
- (ii) For purposes of Subsection (11)(a)(i), the Division of Finance may not deposit into the Critical Highway Needs Fund any tax revenue generated by amounts paid or charged for food and food ingredients, except for tax revenue generated by a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients described in Subsection (2)(e).
- (b) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b)(ii), and in addition to any amounts deposited under Subsections (7), (9), and (10), when the general obligation bonds authorized by Section 63B-16-101 have been paid off and the highway projects completed that are included in the prioritized project list under Subsection 72-2-125(4) as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the transactions described in Subsection (1).
- (ii) For purposes of Subsection (11)(b)(i), the Division of Finance may not deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or

charged for food and food ingredients, except for tax revenue generated by a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients described in Subsection (2)(e).

- (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a .025% tax rate on the transactions described in Subsection (1) to be expended to address chokepoints in construction management.
- (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into the Transportation Fund any tax revenue generated by amounts paid or charged for food and food ingredients, except for tax revenue generated by a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients described in Subsection (2)(e).

Section 107. Section 59-12-104 is amended to read:

† 59-12-104. Exemptions.

The following sales and uses are exempt from the taxes imposed by this chapter:

- (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax under Chapter 13, Motor and Special Fuel Tax Act;
- (2) sales to the state, its institutions, and its political subdivisions; however, this exemption does not apply to sales of:
 - (a) construction materials except:
- (i) construction materials purchased by or on behalf of institutions of the public education system as defined in Utah Constitution Article X, Section 2, provided the construction materials are clearly identified and segregated and installed or converted to real property which is owned by institutions of the public education system; and
- (ii) construction materials purchased by the state, its institutions, or its political subdivisions which are installed or converted to real property by employees of the state, its institutions, or its political subdivisions; or
- (b) tangible personal property in connection with the construction, operation, maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities providing additional project capacity, as defined in Section 11-13-103;

- (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:
- (i) the proceeds of each sale do not exceed \$1; and
- (ii) the seller or operator of the vending machine reports an amount equal to 150% of the cost of the item described in Subsection (3)(b) as goods consumed; and
 - (b) Subsection (3)(a) applies to:
 - (i) food and food ingredients; or
 - (ii) prepared food;
 - (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:
 - (i) alcoholic beverages;
 - (ii) food and food ingredients; or
 - (iii) prepared food;
 - (b) sales of tangible personal property or a product transferred electronically:
 - (i) to a passenger;
 - (ii) by a commercial airline carrier; and
 - (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
 - (c) services related to Subsection (4)(a) or (b);
- (5) (a) (i) beginning on July 1, 2008, and ending on September 30, 2008, sales of parts and equipment:
- (A) (I) by an establishment described in NAICS Code 336411 or 336412 of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget; and
 - (II) for:
- (Aa) installation in an aircraft, including services relating to the installation of parts or equipment in the aircraft;
 - (Bb) renovation of an aircraft; or
 - (Cc) repair of an aircraft; or
- (B) for installation in an aircraft operated by a common carrier in interstate or foreign commerce; or
- (ii) beginning on October 1, 2008, sales of parts and equipment for installation in an aircraft operated by a common carrier in interstate or foreign commerce; and
 - (b) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund,

a person may claim the exemption allowed by Subsection (5)(a)(i)(B) for a sale by filing for a refund:

- (i) if the sale is made on or after July 1, 2008, but on or before September 30, 2008;
- (ii) as if Subsection (5)(a)(i)(B) were in effect on the day on which the sale is made;
- (iii) if the person did not claim the exemption allowed by Subsection (5)(a)(i)(B) for the sale prior to filing for the refund;
 - (iv) for sales and use taxes paid under this chapter on the sale;
 - (v) in accordance with Section 59-1-1410; and
- (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if the person files for the refund on or before September 30, 2011;
- (6) sales of commercials, motion picture films, prerecorded audio program tapes or records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture exhibitor, distributor, or commercial television or radio broadcaster;
- (7) (a) subject to Subsection (7)(b), sales of cleaning or washing of tangible personal property if the cleaning or washing of the tangible personal property is not assisted cleaning or washing of tangible personal property;
- (b) if a seller that sells at the same business location assisted cleaning or washing of tangible personal property and cleaning or washing of tangible personal property that is not assisted cleaning or washing of tangible personal property, the exemption described in Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning or washing of the tangible personal property; and
- (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules:
- (i) governing the circumstances under which sales are at the same business location; and
- (ii) establishing the procedures and requirements for a seller to separately account for sales of assisted cleaning or washing of tangible personal property;
- (8) sales made to or by religious or charitable institutions in the conduct of their regular religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are fulfilled;
 - (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of

this state if the vehicle is:

- (a) not registered in this state; and
- (b) (i) not used in this state; or
- (ii) used in this state:
- (A) if the vehicle is not used to conduct business, for a time period that does not exceed the longer of:
 - (I) 30 days in any calendar year; or
 - (II) the time period necessary to transport the vehicle to the borders of this state; or
- (B) if the vehicle is used to conduct business, for the time period necessary to transport the vehicle to the borders of this state;
 - (10) (a) amounts paid for an item described in Subsection (10)(b) if:
 - (i) the item is intended for human use; and
 - (ii) (A) a prescription was issued for the item; or
 - (B) the item was purchased by a hospital or other medical facility; and
 - (b) (i) Subsection (10)(a) applies to:
 - (A) a drug;
 - (B) a syringe; or
 - (C) a stoma supply; and
- (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the terms:
 - (A) "syringe"; or
 - (B) "stoma supply";
- (11) sales or use of property, materials, or services used in the construction of or incorporated in pollution control facilities allowed by Sections 19-2-123 through 19-2-127;
 - (12) (a) sales of an item described in Subsection (12)(c) served by:
- (i) the following if the item described in Subsection (12)(c) is not available to the general public:
 - (A) a church; or
 - (B) a charitable institution;
 - (ii) an institution of higher education if:
 - (A) the item described in Subsection (12)(c) is not available to the general public; or

- (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan offered by the institution of higher education; or
 - (b) sales of an item described in Subsection (12)(c) provided for a patient by:
 - (i) a medical facility; or
 - (ii) a nursing facility; and
 - (c) Subsections (12)(a) and (b) apply to:
 - (i) food and food ingredients;
 - (ii) prepared food; or
 - (iii) alcoholic beverages;
- (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property or a product transferred electronically by a person:
- (i) regardless of the number of transactions involving the sale of that tangible personal property or product transferred electronically by that person; and
- (ii) not regularly engaged in the business of selling that type of tangible personal property or product transferred electronically;
 - (b) this Subsection (13) does not apply if:
- (i) the sale is one of a series of sales of a character to indicate that the person is regularly engaged in the business of selling that type of tangible personal property or product transferred electronically;
- (ii) the person holds that person out as regularly engaged in the business of selling that type of tangible personal property or product transferred electronically;
- (iii) the person sells an item of tangible personal property or product transferred electronically that the person purchased as a sale that is exempt under Subsection (25); or
- (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of this state in which case the tax is based upon:
- (A) the bill of sale or other written evidence of value of the vehicle or vessel being sold; or
- (B) in the absence of a bill of sale or other written evidence of value, the fair market value of the vehicle or vessel being sold at the time of the sale as determined by the commission; and
 - (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

commission shall make rules establishing the circumstances under which:

- (i) a person is regularly engaged in the business of selling a type of tangible personal property or product transferred electronically;
- (ii) a sale of tangible personal property or a product transferred electronically is one of a series of sales of a character to indicate that a person is regularly engaged in the business of selling that type of tangible personal property or product transferred electronically; or
- (iii) a person holds that person out as regularly engaged in the business of selling a type of tangible personal property or product transferred electronically;
- (14) (a) except as provided in Subsection (14)(b), amounts paid or charged on or after July 1, 2006, for a purchase or lease by a manufacturing facility except for a cogeneration facility, of the following:
 - (i) machinery and equipment that:
 - (A) are used:
- (I) for a manufacturing facility except for a manufacturing facility that is a scrap recycler described in Subsection 59-12-102(54)(b):
 - (Aa) in the manufacturing process;
 - (Bb) to manufacture an item sold as tangible personal property; and
- (Cc) beginning on July 1, 2009, in a manufacturing facility described in this Subsection (14)(a)(i)(A)(I) in the state; or
- (II) for a manufacturing facility that is a scrap recycler described in Subsection 59-12-102(54)(b):
 - (Aa) to process an item sold as tangible personal property; and
- (Bb) beginning on July 1, 2009, in a manufacturing facility described in this Subsection (14)(a)(i)(A)(II) in the state; and
 - (B) have an economic life of three or more years; and
 - (ii) normal operating repair or replacement parts that:
 - (A) have an economic life of three or more years; and
 - (B) are used:
- (I) for a manufacturing facility except for a manufacturing facility that is a scrap recycler described in Subsection 59-12-102(54)(b):
 - (Aa) in the manufacturing process; and

- (Bb) in a manufacturing facility described in this Subsection (14)(a)(ii)(B)(I) in the state; or
- (II) for a manufacturing facility that is a scrap recycler described in Subsection 59-12-102(54)(b):
 - (Aa) to process an item sold as tangible personal property; and
- (Bb) in a manufacturing facility described in this Subsection (14)(a)(ii)(B)(II) in the state;
- (b) amounts paid or charged on or after July 1, 2005, for a purchase or lease by a manufacturing facility that is a cogeneration facility placed in service on or after May 1, 2006, of the following:
 - (i) machinery and equipment that:
 - (A) are used:
 - (I) in the manufacturing process;
 - (II) to manufacture an item sold as tangible personal property; and
- (III) beginning on July 1, 2009, in a manufacturing facility described in this Subsection (14)(b) in the state; and
 - (B) have an economic life of three or more years; and
 - (ii) normal operating repair or replacement parts that:
 - (A) are used:
 - (I) in the manufacturing process; and
 - (II) in a manufacturing facility described in this Subsection (14)(b) in the state; and
 - (B) have an economic life of three or more years;
- (c) amounts paid or charged for a purchase or lease made on or after January 1, 2008, by an establishment described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget, of the following:
 - (i) machinery and equipment that:
 - (A) are used:
 - (I) (Aa) in the production process, other than the production of real property; or

- (Bb) in research and development; and
- (II) beginning on July 1, 2009, in an establishment described in this Subsection (14)(c) in the state; and
 - (B) have an economic life of three or more years; and
 - (ii) normal operating repair or replacement parts that:
 - (A) have an economic life of three or more years; and
 - (B) are used in:
 - (I) (Aa) the production process, except for the production of real property; and
 - (Bb) an establishment described in this Subsection (14)(c) in the state; or
 - (II) (Aa) research and development; and
 - (Bb) in an establishment described in this Subsection (14)(c) in the state;
- (d) (i) amounts paid or charged for a purchase or lease made on or after July 1, 2010, but on or before June 30, 2014, by an establishment described in NAICS Code 518112, Web Search Portals, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget, of the following:
 - (A) machinery and equipment that:
 - (I) are used in the operation of the web search portal;
 - (II) have an economic life of three or more years; and
- (III) are used in a new or expanding establishment described in this Subsection (14)(d) in the state; and
 - (B) normal operating repair or replacement parts that:
 - (I) are used in the operation of the web search portal;
 - (II) have an economic life of three or more years; and
- (III) are used in a new or expanding establishment described in this Subsection (14)(d) in the state; or
- (ii) amounts paid or charged for a purchase or lease made on or after July 1, 2014, by an establishment described in NAICS Code 518112, Web Search Portals, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget, of the following:
 - (A) machinery and equipment that:
 - (I) are used in the operation of the web search portal; and

- (II) have an economic life of three or more years; and
- (B) normal operating repair or replacement parts that:
- (I) are used in the operation of the web search portal; and
- (II) have an economic life of three or more years;
- (e) for purposes of this Subsection (14) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission:
 - (i) shall by rule define the term "establishment"; and
 - (ii) may by rule define what constitutes:
 - (A) processing an item sold as tangible personal property;
 - (B) the production process, except for the production of real property;
 - (C) research and development; or
 - (D) a new or expanding establishment described in Subsection (14)(d) in the state; and
- (f) on or before October 1, 2011, and every five years after October 1, 2011, the commission shall:
- (i) review the exemptions described in this Subsection (14) and make recommendations to the Revenue and Taxation Interim Committee concerning whether the exemptions should be continued, modified, or repealed; and
 - (ii) include in its report:
 - (A) an estimate of the cost of the exemptions;
 - (B) the purpose and effectiveness of the exemptions; and
 - (C) the benefits of the exemptions to the state;
 - (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:
 - (i) tooling;
 - (ii) special tooling;
 - (iii) support equipment;
 - (iv) special test equipment; or
- (v) parts used in the repairs or renovations of tooling or equipment described in Subsections (15)(a)(i) through (iv); and
 - (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
- (i) the tooling, equipment, or parts are used or consumed exclusively in the performance of any aerospace or electronics industry contract with the United States

government or any subcontract under that contract; and

- (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i), title to the tooling, equipment, or parts is vested in the United States government as evidenced by:
 - (A) a government identification tag placed on the tooling, equipment, or parts; or
- (B) listing on a government-approved property record if placing a government identification tag on the tooling, equipment, or parts is impractical;
 - (16) sales of newspapers or newspaper subscriptions;
- (17) (a) except as provided in Subsection (17)(b), tangible personal property or a product transferred electronically traded in as full or part payment of the purchase price, except that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:
- (i) the bill of sale or other written evidence of value of the vehicle being sold and the vehicle being traded in; or
- (ii) in the absence of a bill of sale or other written evidence of value, the then existing fair market value of the vehicle being sold and the vehicle being traded in, as determined by the commission; and
- (b) notwithstanding Subsection (17)(a), Subsection (17)(a) does not apply to the following items of tangible personal property or products transferred electronically traded in as full or part payment of the purchase price:
 - (i) money;
 - (ii) electricity;
 - (iii) water;
 - (iv) gas; or
 - (v) steam;
- (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property or a product transferred electronically used or consumed primarily and directly in farming operations, regardless of whether the tangible personal property or product transferred electronically:
 - (A) becomes part of real estate; or
 - (B) is installed by a:

- (I) farmer;
- (II) contractor; or
- (III) subcontractor; or
- (ii) sales of parts used in the repairs or renovations of tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically is exempt under Subsection (18)(a)(i); and
- (b) notwithstanding Subsection (18)(a), amounts paid or charged for the following are subject to the taxes imposed by this chapter:
- (i) (A) subject to Subsection (18)(b)(i)(B), the following if used in a manner that is incidental to farming:
 - (I) machinery;
 - (II) equipment;
 - (III) materials; or
 - (IV) supplies; and
- (B) tangible personal property that is considered to be used in a manner that is incidental to farming includes:
 - (I) hand tools; or
 - (II) maintenance and janitorial equipment and supplies;
- (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically is used in an activity other than farming; and
- (B) tangible personal property or a product transferred electronically that is considered to be used in an activity other than farming includes:
 - (I) office equipment and supplies; or
 - (II) equipment and supplies used in:
 - (Aa) the sale or distribution of farm products;
 - (Bb) research; or
 - (Cc) transportation; or
- (iii) a vehicle required to be registered by the laws of this state during the period ending two years after the date of the vehicle's purchase;
 - (19) sales of hay;

- (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or garden, farm, or other agricultural produce is sold by:
- (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other agricultural produce;
 - (b) an employee of the producer described in Subsection (20)(a); or
 - (c) a member of the immediate family of the producer described in Subsection (20)(a);
- (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
- (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags, nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor, wholesaler, or retailer for use in packaging tangible personal property to be sold by that manufacturer, processor, wholesaler, or retailer;
 - (23) a product stored in the state for resale;
 - (24) (a) purchases of a product if:
 - (i) the product is:
 - (A) purchased outside of this state;
 - (B) brought into this state:
 - (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
- (II) by a nonresident person who is not living or working in this state at the time of the purchase;
- (C) used for the personal use or enjoyment of the nonresident person described in Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and
 - (D) not used in conducting business in this state; and
 - (ii) for:
- (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of the product for a purpose for which the product is designed occurs outside of this state;
 - (B) a boat, the boat is registered outside of this state; or
- (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered outside of this state;
 - (b) the exemption provided for in Subsection (24)(a) does not apply to:

- (i) a lease or rental of a product; or
- (ii) a sale of a vehicle exempt under Subsection (33); and
- (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of Subsection (24)(a), the commission may by rule define what constitutes the following:
- (i) conducting business in this state if that phrase has the same meaning in this Subsection (24) as in Subsection (63);
- (ii) the first use of a product if that phrase has the same meaning in this Subsection (24) as in Subsection (63); or
- (iii) a purpose for which a product is designed if that phrase has the same meaning in this Subsection (24) as in Subsection (63);
- (25) a product purchased for resale in this state, in the regular course of business, either in its original form or as an ingredient or component part of a manufactured or compounded product;
- (26) a product upon which a sales or use tax was paid to some other state, or one of its subdivisions, except that the state shall be paid any difference between the tax paid and the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax Act;
- (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person for use in compounding a service taxable under the subsections;
- (28) purchases made in accordance with the special supplemental nutrition program for women, infants, and children established in 42 U.S.C. Sec. 1786;
- (29) beginning on July 1, 1999, through June 30, 2014, sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of the 1987 Standard Industrial Classification

 Manual of the federal Executive Office of the President, Office of Management and Budget;
- (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:
 - (a) not registered in this state; and
 - (b) (i) not used in this state; or

- (ii) used in this state:
- (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a time period that does not exceed the longer of:
 - (I) 30 days in any calendar year; or
- (II) the time period necessary to transport the boat, boat trailer, or outboard motor to the borders of this state; or
- (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time period necessary to transport the boat, boat trailer, or outboard motor to the borders of this state;
 - (31) sales of aircraft manufactured in Utah;
- (32) amounts paid for the purchase of telecommunications service for purposes of providing telecommunications service;
 - (33) sales, leases, or uses of the following:
 - (a) a vehicle by an authorized carrier; or
 - (b) tangible personal property that is installed on a vehicle:
 - (i) sold or leased to or used by an authorized carrier; and
 - (ii) before the vehicle is placed in service for the first time;
 - (34) (a) 45% of the sales price of any new manufactured home; and
 - (b) 100% of the sales price of any used manufactured home;
 - (35) sales relating to schools and fundraising sales;
 - (36) sales or rentals of durable medical equipment if:
 - (a) a person presents a prescription for the durable medical equipment; and
 - (b) the durable medical equipment is used for home use only;
- (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in Section 72-11-102; and
- (b) the commission shall by rule determine the method for calculating sales exempt under Subsection (37)(a) that are not separately metered and accounted for in utility billings;
 - (38) sales to a ski resort of:
 - (a) snowmaking equipment;
 - (b) ski slope grooming equipment;
 - (c) passenger ropeways as defined in Section 72-11-102; or

- (d) parts used in the repairs or renovations of equipment or passenger ropeways described in Subsections (38)(a) through (c);
 - (39) sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;
- (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for amusement, entertainment, or recreation an unassisted amusement device as defined in Section 59-12-102;
- (b) if a seller that sells or rents at the same business location the right to use or operate for amusement, entertainment, or recreation one or more unassisted amusement devices and one or more assisted amusement devices, the exemption described in Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for the assisted amusement devices; and
- (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules:
- (i) governing the circumstances under which sales are at the same business location; and
- (ii) establishing the procedures and requirements for a seller to separately account for the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for assisted amusement devices;
 - (41) (a) sales of photocopies by:
 - (i) a governmental entity; or
 - (ii) an entity within the state system of public education, including:
 - (A) a school; or
 - (B) the State Board of Education; or
 - (b) sales of publications by a governmental entity;
- (42) amounts paid for admission to an athletic event at an institution of higher education that is subject to the provisions of Title IX of the Education Amendments of 1972, 20 U.S.C. Sec. 1681 et seq.;
 - (43) (a) sales made to or by:
 - (i) an area agency on aging; or
 - (ii) a senior citizen center owned by a county, city, or town; or
 - (b) sales made by a senior citizen center that contracts with an area agency on aging;

- (44) sales or leases of semiconductor fabricating, processing, research, or development materials regardless of whether the semiconductor fabricating, processing, research, or development materials:
 - (a) actually come into contact with a semiconductor; or
 - (b) ultimately become incorporated into real property;
- (45) an amount paid by or charged to a purchaser for accommodations and services described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section 59-12-104.2;
- (46) beginning on September 1, 2001, the lease or use of a vehicle issued a temporary sports event registration certificate in accordance with Section 41-3-306 for the event period specified on the temporary sports event registration certificate;
 - (47) sales or uses of electricity, if the sales or uses are:
- (a) made under a tariff adopted by the Public Service Commission of Utah only for purchase of electricity produced from a new wind, geothermal, biomass, or solar power energy source, as designated in the tariff by the Public Service Commission of Utah; and
 - (b) for an amount of electricity that is:
- (i) unrelated to the amount of electricity used by the person purchasing the electricity under the tariff described in Subsection (47)(a); and
- (ii) equivalent to the number of kilowatthours specified in the tariff described in Subsection (47)(a) that may be purchased under the tariff described in Subsection (47)(a);
- (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for the mobility enhancing equipment;
 - (49) sales of water in a:
 - (a) pipe;
 - (b) conduit;
 - (c) ditch; or
 - (d) reservoir;
- (50) sales of currency or coinage that constitute legal tender of the United States or of a foreign nation;
 - (51) (a) sales of an item described in Subsection (51)(b) if the item:
 - (i) does not constitute legal tender of any nation; and

- (ii) has a gold, silver, or platinum content of 80% or more; and
- (b) Subsection (51)(a) applies to a gold, silver, or platinum:
- (i) ingot;
- (ii) bar;
- (iii) medallion; or
- (iv) decorative coin;
- (52) amounts paid on a sale-leaseback transaction;
- (53) sales of a prosthetic device:
- (a) for use on or in a human; and
- (b) (i) for which a prescription is required; or
- (ii) if the prosthetic device is purchased by a hospital or other medical facility;
- (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of machinery or equipment by an establishment described in Subsection (54)(c) if the machinery or equipment is primarily used in the production or postproduction of the following media for commercial distribution:
 - (i) a motion picture;
 - (ii) a television program;
 - (iii) a movie made for television;
 - (iv) a music video;
 - (v) a commercial;
 - (vi) a documentary; or
- (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the commission by administrative rule made in accordance with Subsection (54)(d); or
- (b) notwithstanding Subsection (54)(a), purchases, leases, or rentals of machinery or equipment by an establishment described in Subsection (54)(c) that is used for the production or postproduction of the following are subject to the taxes imposed by this chapter:
 - (i) a live musical performance;
 - (ii) a live news program; or
 - (iii) a live sporting event;
- (c) the following establishments listed in the 1997 North American Industry

 Classification System of the federal Executive Office of the President, Office of Management

and Budget, apply to Subsections (54)(a) and (b):

- (i) NAICS Code 512110; or
- (ii) NAICS Code 51219; and
- (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule:
- (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi); or
 - (ii) define:
 - (A) "commercial distribution";
 - (B) "live musical performance";
 - (C) "live news program"; or
 - (D) "live sporting event";
- (55) (a) leases of seven or more years or purchases made on or after July 1, 2004 but on or before June 30, 2019, of machinery or equipment that:
 - (i) is leased or purchased for or by a facility that:
 - (A) is a renewable energy production facility;
 - (B) is located in the state; and
 - (C) (I) becomes operational on or after July 1, 2004; or
- (II) has its generation capacity increased by one or more megawatts on or after July 1, 2004 as a result of the use of the machinery or equipment;
 - (ii) has an economic life of five or more years; and
- (iii) is used to make the facility or the increase in capacity of the facility described in Subsection (55)(a)(i) operational up to the point of interconnection with an existing transmission grid including:
 - (A) a wind turbine;
 - (B) generating equipment;
 - (C) a control and monitoring system;
 - (D) a power line;
 - (E) substation equipment;
 - (F) lighting;
 - (G) fencing;

- (H) pipes; or
- (I) other equipment used for locating a power line or pole; and
- (b) this Subsection (55) does not apply to:
- (i) machinery or equipment used in construction of:
- (A) a new renewable energy production facility; or
- (B) the increase in the capacity of a renewable energy production facility;
- (ii) contracted services required for construction and routine maintenance activities; and
- (iii) unless the machinery or equipment is used or acquired for an increase in capacity of the facility described in Subsection (55)(a)(i)(C)(II), machinery or equipment used or acquired after:
- (A) the renewable energy production facility described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
- (B) the increased capacity described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(iii);
- (56) (a) leases of seven or more years or purchases made on or after July 1, 2004 but on or before June 30, 2019, of machinery or equipment that:
 - (i) is leased or purchased for or by a facility that:
 - (A) is a waste energy production facility;
 - (B) is located in the state; and
 - (C) (I) becomes operational on or after July 1, 2004; or
- (II) has its generation capacity increased by one or more megawatts on or after July 1, 2004 as a result of the use of the machinery or equipment;
 - (ii) has an economic life of five or more years; and
- (iii) is used to make the facility or the increase in capacity of the facility described in Subsection (56)(a)(i) operational up to the point of interconnection with an existing transmission grid including:
 - (A) generating equipment;
 - (B) a control and monitoring system;
 - (C) a power line;
 - (D) substation equipment;

- (E) lighting;
- (F) fencing;
- (G) pipes; or
- (H) other equipment used for locating a power line or pole; and
- (b) this Subsection (56) does not apply to:
- (i) machinery or equipment used in construction of:
- (A) a new waste energy facility; or
- (B) the increase in the capacity of a waste energy facility;
- (ii) contracted services required for construction and routine maintenance activities; and
- (iii) unless the machinery or equipment is used or acquired for an increase in capacity described in Subsection (56)(a)(i)(C)(II), machinery or equipment used or acquired after:
- (A) the waste energy facility described in Subsection (56)(a)(i) is operational as described in Subsection (56)(a)(iii); or
- (B) the increased capacity described in Subsection (56)(a)(i) is operational as described in Subsection (56)(a)(iii);
- (57) (a) leases of five or more years or purchases made on or after July 1, 2004 but on or before June 30, 2019, of machinery or equipment that:
 - (i) is leased or purchased for or by a facility that:
 - (A) is located in the state;
 - (B) produces fuel from biomass energy including:
 - (I) methanol; or
 - (II) ethanol; and
 - (C) (I) becomes operational on or after July 1, 2004; or
- (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004 as a result of the installation of the machinery or equipment;
 - (ii) has an economic life of five or more years; and
 - (iii) is installed on the facility described in Subsection (57)(a)(i);
 - (b) this Subsection (57) does not apply to:
 - (i) machinery or equipment used in construction of:
 - (A) a new facility described in Subsection (57)(a)(i); or

- (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or
- (ii) contracted services required for construction and routine maintenance activities; and
- (iii) unless the machinery or equipment is used or acquired for an increase in capacity described in Subsection (57)(a)(i)(C)(II), machinery or equipment used or acquired after:
 - (A) the facility described in Subsection (57)(a)(i) is operational; or
 - (B) the increased capacity described in Subsection (57)(a)(i) is operational;
- (58) (a) subject to Subsection (58)(b) or (c), sales of tangible personal property or a product transferred electronically to a person within this state if that tangible personal property or product transferred electronically is subsequently shipped outside the state and incorporated pursuant to contract into and becomes a part of real property located outside of this state;
- (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other state or political entity to which the tangible personal property is shipped imposes a sales, use, gross receipts, or other similar transaction excise tax on the transaction against which the other state or political entity allows a credit for sales and use taxes imposed by this chapter; and
- (c) notwithstanding the time period of Subsection 59-1-1410(8) for filing for a refund, a person may claim the exemption allowed by this Subsection (58) for a sale by filing for a refund:
 - (i) if the sale is made on or after July 1, 2004, but on or before June 30, 2008;
- (ii) as if this Subsection (58) as in effect on July 1, 2008, were in effect on the day on which the sale is made:
- (iii) if the person did not claim the exemption allowed by this Subsection (58) for the sale prior to filing for the refund;
 - (iv) for sales and use taxes paid under this chapter on the sale;
 - (v) in accordance with Section 59-1-1410; and
- (vi) subject to any extension allowed for filing for a refund under Section 59-1-1410, if the person files for the refund on or before June 30, 2011;
 - (59) purchases:
 - (a) of one or more of the following items in printed or electronic format:
 - (i) a list containing information that includes one or more:
 - (A) names; or

- (B) addresses; or
- (ii) a database containing information that includes one or more:
- (A) names; or
- (B) addresses; and
- (b) used to send direct mail;
- (60) redemptions or repurchases of a product by a person if that product was:
- (a) delivered to a pawnbroker as part of a pawn transaction; and
- (b) redeemed or repurchased within the time period established in a written agreement between the person and the pawnbroker for redeeming or repurchasing the product;
 - (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:
- (i) is purchased or leased by, or on behalf of, a telecommunications service provider; and
 - (ii) has a useful economic life of one or more years; and
 - (b) the following apply to Subsection (61)(a):
 - (i) telecommunications enabling or facilitating equipment, machinery, or software;
 - (ii) telecommunications equipment, machinery, or software required for 911 service;
 - (iii) telecommunications maintenance or repair equipment, machinery, or software;
 - (iv) telecommunications switching or routing equipment, machinery, or software; or
 - (v) telecommunications transmission equipment, machinery, or software;
- (62) (a) beginning on July 1, 2006, and ending on June 30, 2016, purchases of tangible personal property or a product transferred electronically that are used in the research and development of coal-to-liquids, oil shale, or tar sands technology; and
- (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may, for purposes of Subsection (62)(a), make rules defining what constitutes purchases of tangible personal property or a product transferred electronically that are used in the research and development of coal-to-liquids, oil shale, and tar sands technology;
- (63) (a) purchases of tangible personal property or a product transferred electronically if:
 - (i) the tangible personal property or product transferred electronically is:
 - (A) purchased outside of this state;
 - (B) brought into this state at any time after the purchase described in Subsection

(63)(a)(i)(A); and

- (C) used in conducting business in this state; and
- (ii) for:
- (A) tangible personal property or a product transferred electronically other than the tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property for a purpose for which the property is designed occurs outside of this state; or
- (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered outside of this state;
 - (b) the exemption provided for in Subsection (63)(a) does not apply to:
- (i) a lease or rental of tangible personal property or a product transferred electronically; or
 - (ii) a sale of a vehicle exempt under Subsection (33); and
- (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of Subsection (63)(a), the commission may by rule define what constitutes the following:
- (i) conducting business in this state if that phrase has the same meaning in this Subsection (63) as in Subsection (24);
- (ii) the first use of tangible personal property or a product transferred electronically if that phrase has the same meaning in this Subsection (63) as in Subsection (24); or
- (iii) a purpose for which tangible personal property or a product transferred electronically is designed if that phrase has the same meaning in this Subsection (63) as in Subsection (24);
 - (64) sales of disposable home medical equipment or supplies if:
- (a) a person presents a prescription for the disposable home medical equipment or supplies;
- (b) the disposable home medical equipment or supplies are used exclusively by the person to whom the prescription described in Subsection (64)(a) is issued; and
- (c) the disposable home medical equipment and supplies are listed as eligible for payment under:
 - (i) Title XVIII, federal Social Security Act; or
 - (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

- (65) sales:
- (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District Act; or
- (b) of tangible personal property to a subcontractor of a public transit district, if the tangible personal property is:
 - (i) clearly identified; and
 - (ii) installed or converted to real property owned by the public transit district;
 - (66) sales of construction materials:
 - (a) purchased on or after July 1, 2010;
 - (b) purchased by, on behalf of, or for the benefit of an international airport:
 - (i) located within a county of the first class; and
 - (ii) that has a United States customs office on its premises; and
 - (c) if the construction materials are:
 - (i) clearly identified;
 - (ii) segregated; and
 - (iii) installed or converted to real property:
 - (A) owned or operated by the international airport described in Subsection (66)(b); and
 - (B) located at the international airport described in Subsection (66)(b);
 - (67) sales of construction materials:
 - (a) purchased on or after July 1, 2008;
 - (b) purchased by, on behalf of, or for the benefit of a new airport:
 - (i) located within a county of the second class; and
- (ii) that is owned or operated by a city in which an airline as defined in Section

59-2-102 is headquartered; and

- (c) if the construction materials are:
- (i) clearly identified;
- (ii) segregated; and
- (iii) installed or converted to real property:
- (A) owned or operated by the new airport described in Subsection (67)(b);
- (B) located at the new airport described in Subsection (67)(b); and
- (C) as part of the construction of the new airport described in Subsection (67)(b);

- (68) sales of fuel to a common carrier that is a railroad for use in a locomotive engine;
- (69) purchases and sales described in Section [9-3-511] 63H-4-111; and
- (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration lists a state or country other than this state as the location of registry of the fixed wing turbine powered aircraft; or
- (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration lists a state or country other than this state as the location of registry of the fixed wing turbine powered aircraft.

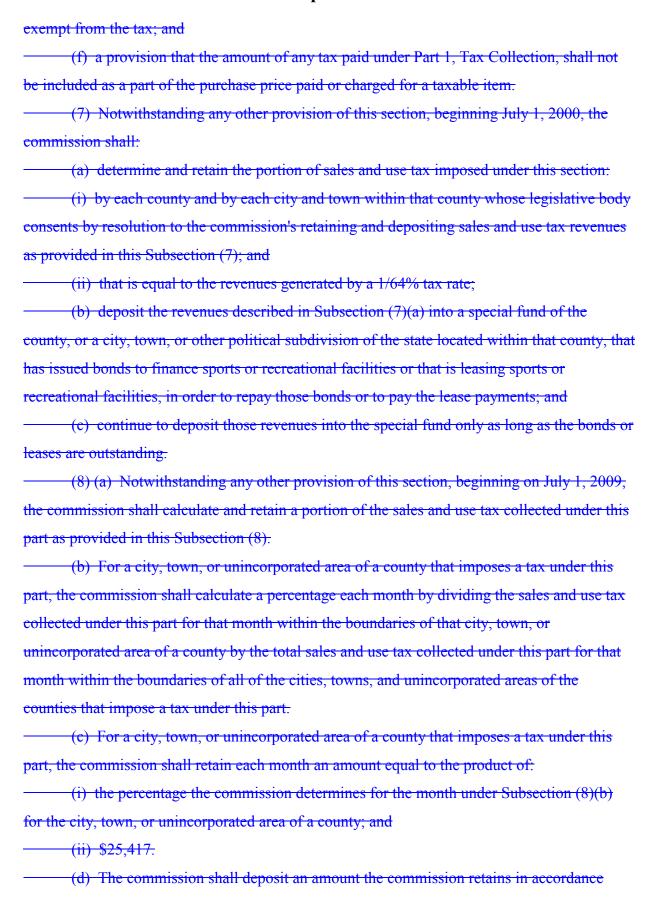
Section \$\frac{\{108\}\frac{3}{2}}{2}\$. Section \$\frac{\{59-12-204\}\frac{\{63A-5-306}}{\}\$ is amended to read:

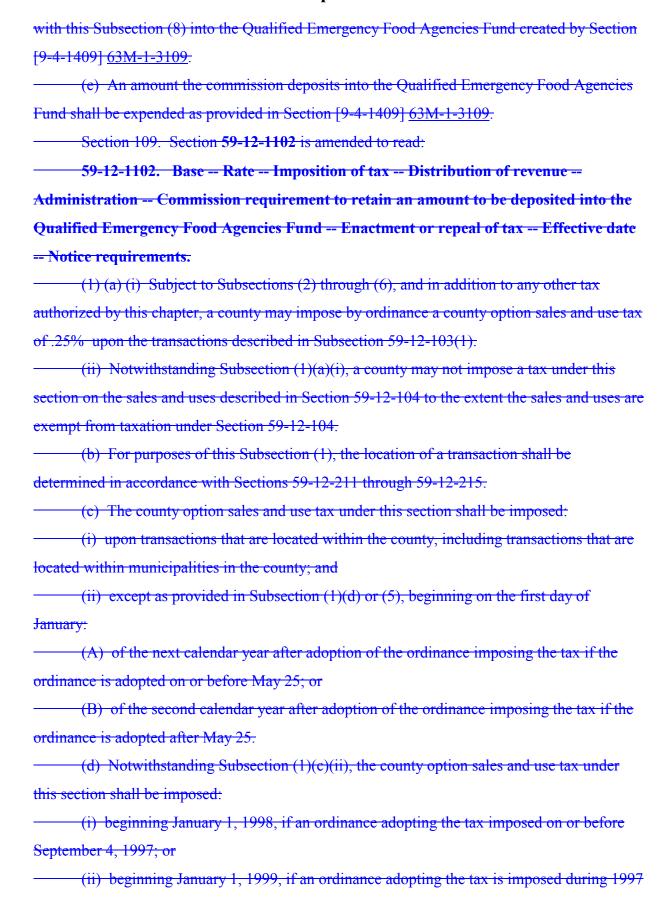
\$\frac{\{59-12-204\}\cdot \frac{50}{2} \text{ Sales and use tax ordinance provisions -- Tax rate -- Distribution of tax revenues -- Commission requirement to retain an amount to be deposited into the Qualified Emergency Food Agencies Fund.

- (1) The tax ordinance adopted pursuant to this part shall impose a tax upon those transactions listed in Subsection 59-12-103(1).
- (2) (a) The tax ordinance under Subsection (1) shall include a provision imposing a tax upon every transaction listed in Subsection 59-12-103(1) made within a county, including areas contained within the cities and towns located in the county:
- (i) at the rate of 1% of the purchase price paid or charged; and
- (ii) if the transaction is consummated within the county in accordance with Section 59-12-205.
- (b) Notwithstanding Subsection (2)(a), a tax ordinance under this Subsection (2) shall include a provision prohibiting a county, city, or town from imposing a tax under this section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104.
- (3) Such tax ordinance shall include provisions substantially the same as those contained in Part 1, Tax Collection, insofar as they relate to sales or use tax, except that the name of the county as the taxing agency shall be substituted for that of the state where

necessary for the purpose of this part and that an additional license is not required if one has been or is issued under Section 59-12-106.

- (4) Such tax ordinance shall include a provision that the county shall contract, prior to the effective date of the ordinance, with the commission to perform all functions incident to the administration or operation of the ordinance.
- (5) Such tax ordinance shall include a provision that the sale, storage, use, or other consumption of tangible personal property, the purchase price or the cost of which has been subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this part by any county, city, or town in any other county in this state, shall be exempt from the tax due under this ordinance.
- (6) Such tax ordinance shall include a provision that any person subject to the provisions of a city or town sales and use tax shall be exempt from the county sales and use tax if the city or town sales and use tax is levied under an ordinance including provisions in substance as follows:
- (a) a provision imposing a tax upon every transaction listed in Subsection 59-12-103(1) made within the city or town at the rate imposed by the county in which it is situated pursuant to Subsection (2);
- (b) notwithstanding Subsection (2)(a), a provision prohibiting the city or town from imposing a tax under this section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104;
- (c) provisions substantially the same as those contained in Part 1, Tax Collection, insofar as they relate to sales and use taxes, except that the name of the city or town as the taxing agency shall be substituted for that of the state where necessary for the purposes of this part;
- (d) a provision that the city or town shall contract prior to the effective date of the city or town sales and use tax ordinance with the commission to perform all functions incident to the administration or operation of the sales and use tax ordinance of the city or town;
- (e) a provision that the sale, storage, use, or other consumption of tangible personal property, the gross receipts from the sale of or the cost of which has been subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this part by any county other than the county in which the city or town is located, or city or town in this state, shall be



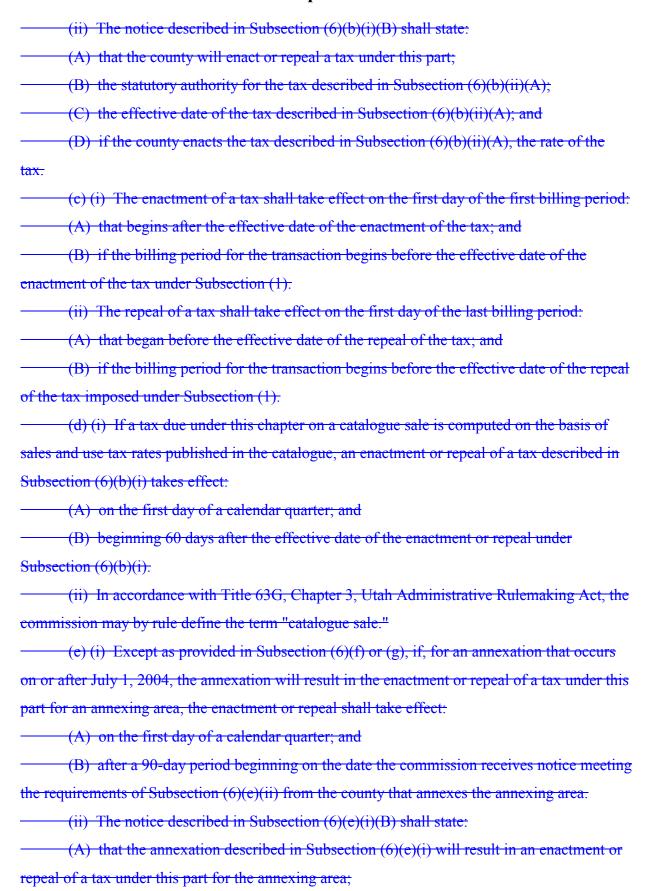


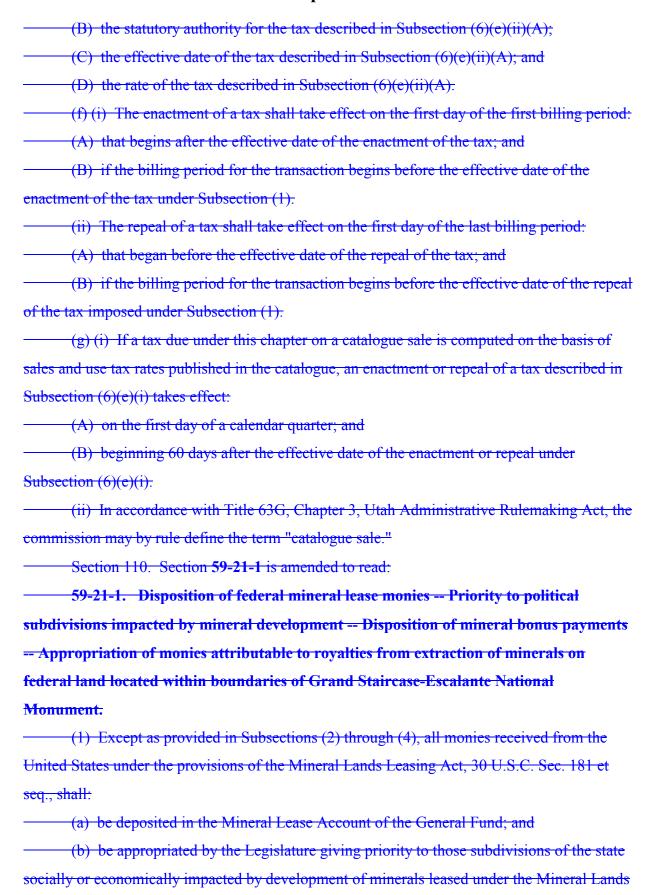
but after September 4, 1997. (2) (a) Before imposing a county option sales and use tax under Subsection (1), a county shall hold two public hearings on separate days in geographically diverse locations in the county. (b) (i) At least one of the hearings required by Subsection (2)(a) shall have a starting time of no earlier than 6 p.m. (ii) The earlier of the hearings required by Subsection (2)(a) shall be no less than seven days after the day the first advertisement required by Subsection (2)(c) is published. (c) (i) Before holding the public hearings required by Subsection (2)(a), the county shall advertise: (A) its intent to adopt a county option sales and use tax; (B) the date, time, and location of each public hearing; and (C) a statement that the purpose of each public hearing is to obtain public comments regarding the proposed tax. (ii) The advertisement shall be published: (A) in a newspaper of general circulation in the county once each week for the two weeks preceding the earlier of the two public hearings; and (B) on the Utah Public Notice Website created in Section 63F-1-701, for two weeks preceding the earlier of the two public hearings. (iii) The advertisement described in Subsection (2)(c)(ii)(A) shall be no less than 1/8 page in size, and the type used shall be no smaller than 18 point and surrounded by a 1/4-inch border. (iv) The advertisement described in Subsection (2)(c)(ii)(A) may not be placed in that portion of the newspaper where legal notices and classified advertisements appear. (v) In accordance with Subsection (2)(c)(ii)(A), whenever possible: (A) the advertisement shall appear in a newspaper that is published at least five days a week, unless the only newspaper in the county is published less than five days a week; and (B) the newspaper selected shall be one of general interest and readership in the community, and not one of limited subject matter. (d) The adoption of an ordinance imposing a county option sales and use tax is subject

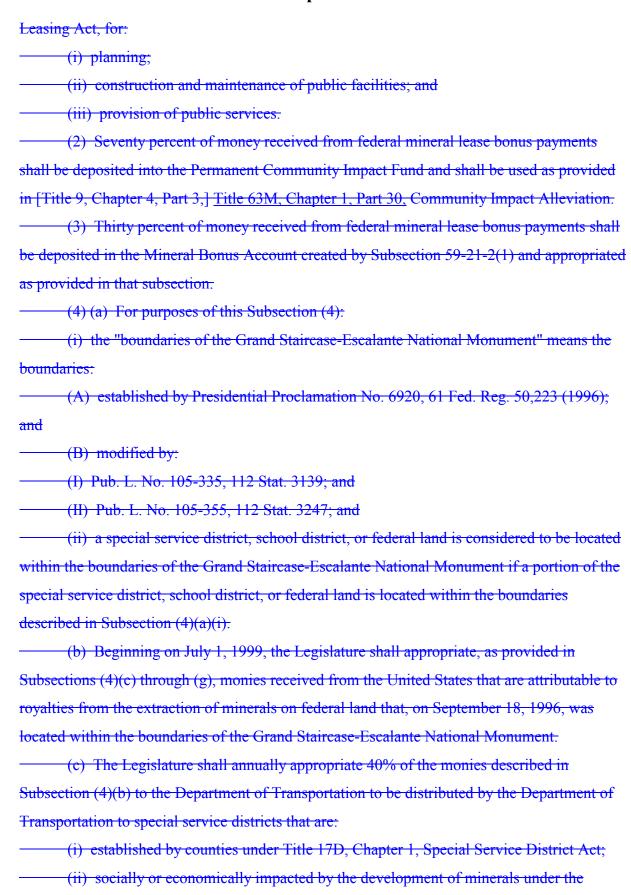
to a local referendum election and shall be conducted as provided in Title 20A, Chapter 7, Part

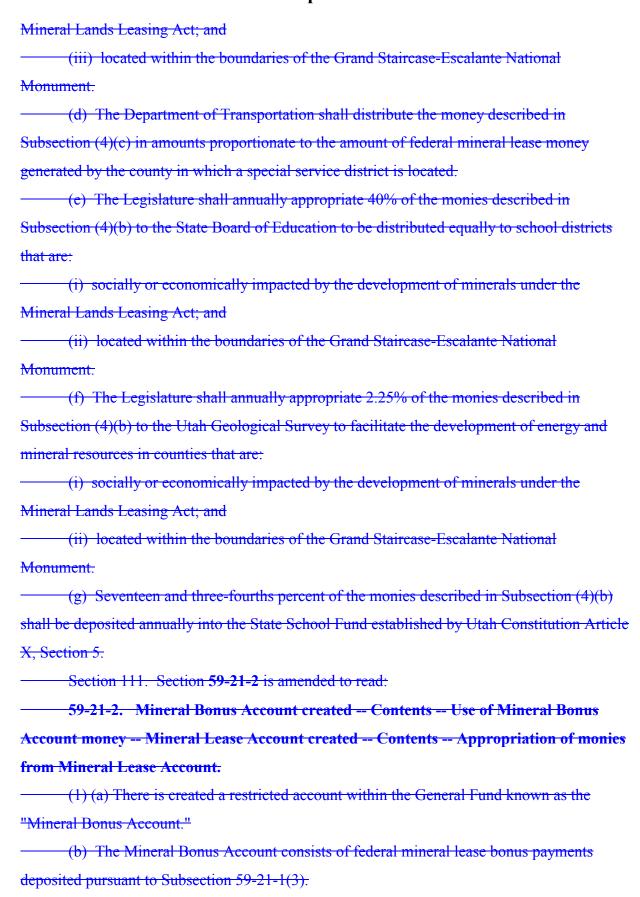
6. Local Referenda - Procedures. (3) (a) Subject to Subsection (5), if the aggregate population of the counties imposing a county option sales and use tax under Subsection (1) is less than 75% of the state population, the tax levied under Subsection (1) shall be distributed to the county in which the tax was collected. (b) Subject to Subsection (5), if the aggregate population of the counties imposing a county option sales and use tax under Subsection (1) is greater than or equal to 75% of the state population: (i) 50% of the tax collected under Subsection (1) in each county shall be distributed to the county in which the tax was collected; and (ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection (1) in each county shall be distributed proportionately among all counties imposing the tax, based on the total population of each county. (c) Except as provided in Subsection (5), the amount to be distributed annually to a county under Subsection (3)(b)(ii), when combined with the amount distributed to the county under Subsection (3)(b)(i), does not equal at least \$75,000, then: (i) the amount to be distributed annually to that county under Subsection (3)(b)(ii) shall be increased so that, when combined with the amount distributed to the county under Subsection (3)(b)(i), the amount distributed annually to the county is \$75,000; and (ii) the amount to be distributed annually to all other counties under Subsection (3)(b)(ii) shall be reduced proportionately to offset the additional amount distributed under Subsection (3)(c)(i). (d) The commission shall establish rules to implement the distribution of the tax under Subsections (3)(a), (b), and (c). (4) (a) Except as provided in Subsection (4)(b) or (c), a tax authorized under this part shall be administered, collected, and enforced in accordance with: (i) the same procedures used to administer, collect, and enforce the tax under: (A) Part 1, Tax Collection; or (B) Part 2, Local Sales and Use Tax Act; and (ii) Chapter 1, General Taxation Policies. (b) Notwithstanding Subsection (4)(a), a tax under this part is not subject to

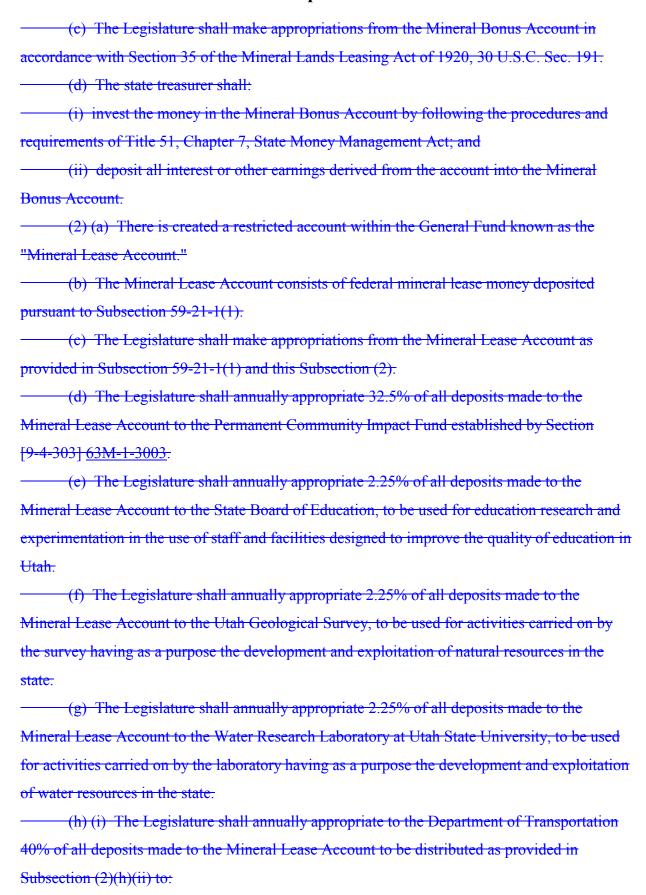
Subsections 59-12-205(2) through (6). (c) Notwithstanding Subsection (4)(a), the fee charged by the commission under Section 59-12-206 shall be based on the distribution amounts resulting after: (i) the applicable distribution calculations under Subsection (3) have been made; and (ii) the commission retains the amount required by Subsection (5). (5) (a) Beginning on July 1, 2009, the commission shall calculate and retain a portion of the sales and use tax collected under this part as provided in this Subsection (5). (b) For a county that imposes a tax under this part, the commission shall calculate a percentage each month by dividing the sales and use tax collected under this part for that month within the boundaries of that county by the total sales and use tax collected under this part for that month within the boundaries of all of the counties that impose a tax under this part. (c) For a county that imposes a tax under this part, the commission shall retain each month an amount equal to the product of: (i) the percentage the commission determines for the month under Subsection (5)(b) for the county; and (ii) \$6,354. (d) The commission shall deposit an amount the commission retains in accordance with this Subsection (5) into the Qualified Emergency Food Agencies Fund created by Section [9-4-1409] 63M-1-3109. (e) An amount the commission deposits into the Qualified Emergency Food Agencies Fund shall be expended as provided in Section [9-4-1409] 63M-1-3109. (6) (a) For purposes of this Subsection (6): (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, County Consolidations and Annexations. (ii) "Annexing area" means an area that is annexed into a county. (b) (i) Except as provided in Subsection (6)(c) or (d), if, on or after July 1, 2004, a county enacts or repeals a tax under this part: (A) (I) the enactment shall take effect as provided in Subsection (1)(c); or (II) the repeal shall take effect on the first day of a calendar quarter; and (B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (6)(b)(ii) from the county.



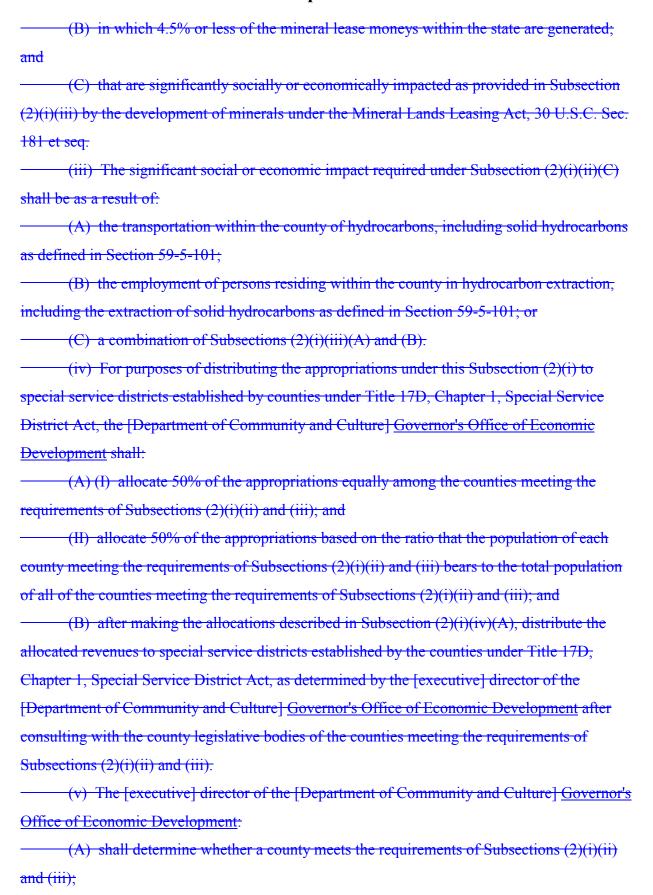


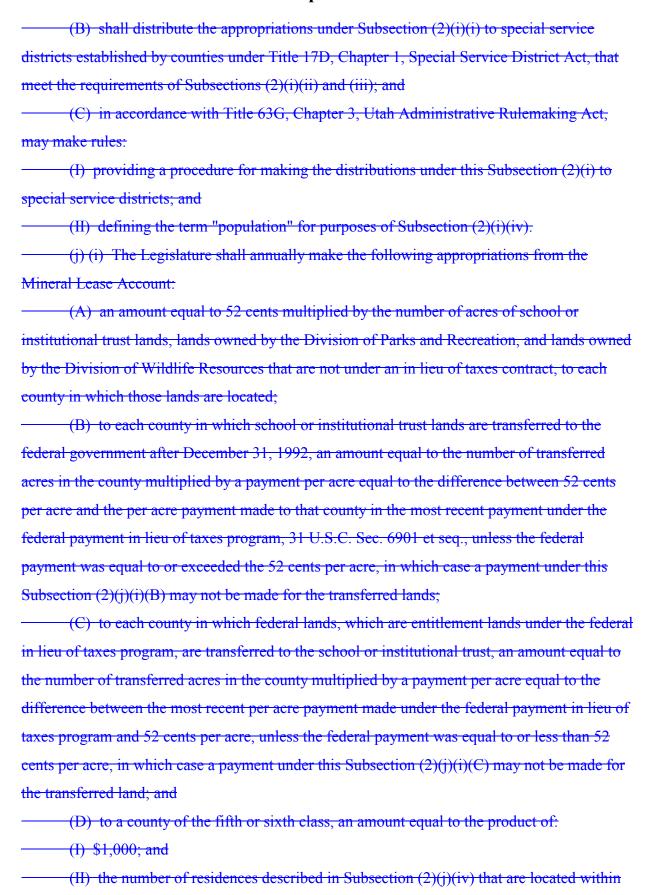


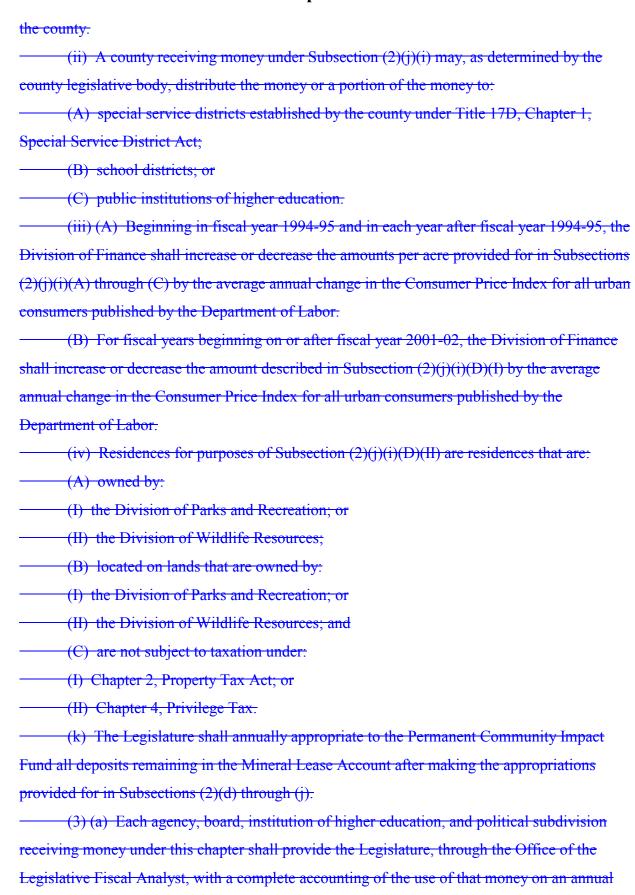




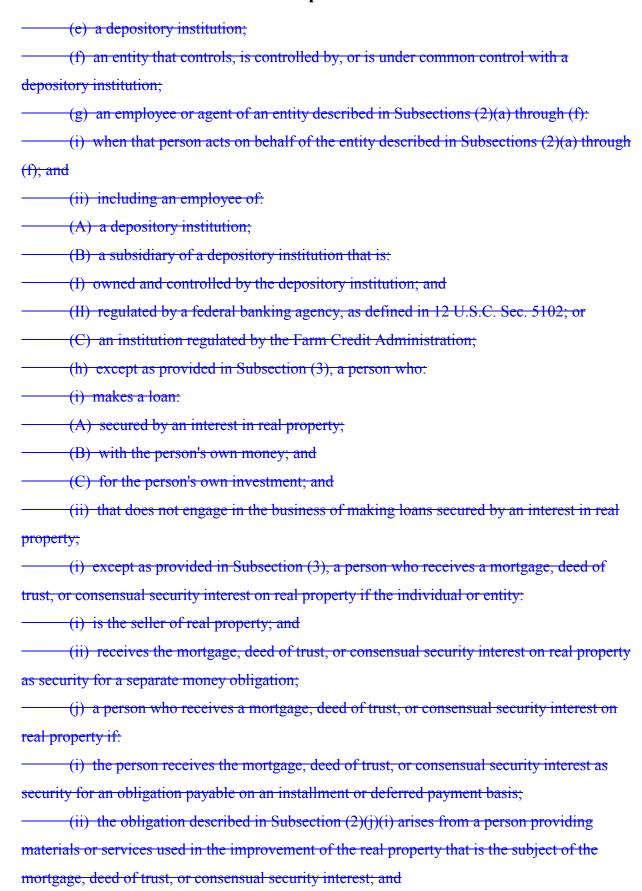
(A) counties;	
(B) special service districts established:	
(I) by counties;	
(II) under Title 17D, Chapter 1, Special Service District Act; and	
(III) for the purpose of constructing, repairing, or maintaining roads; or	
(C) special service districts established:	
(I) by counties;	
(II) under Title 17D, Chapter 1, Special Service District Act; and	
(III) for other purposes authorized by statute.	
(ii) The Department of Transportation shall allocate the funds specified in Subsection	711
(2)(h)(i):	
(A) in amounts proportionate to the amount of mineral lease money generated by ea	cl
county; and	
(B) to a county or special service district established by a county under Title 17D,	
Chapter 1, Special Service District Act, as determined by the county legislative body.	
(i) (i) The Legislature shall annually appropriate 5% of all deposits made to the	
Mineral Lease Account to the Department of [Community and Culture] Workforce Services	to
be distributed to:	
(A) special service districts established:	
(I) by counties;	
(II) under Title 17D, Chapter 1, Special Service District Act; and	
(III) for the purpose of constructing, repairing, or maintaining roads; or	
(B) special service districts established:	
(I) by counties;	
(II) under Title 17D, Chapter 1, Special Service District Act; and	
(III) for other purposes authorized by statute.	
(ii) The [Department of Community and Culture] Governor's Office of Economic	
Development may distribute the amounts described in Subsection (2)(i)(i) only to special	
service districts established under Title 17D, Chapter 1, Special Service District Act, by	
counties:	
(A) of the third, fourth, fifth, or sixth class;	

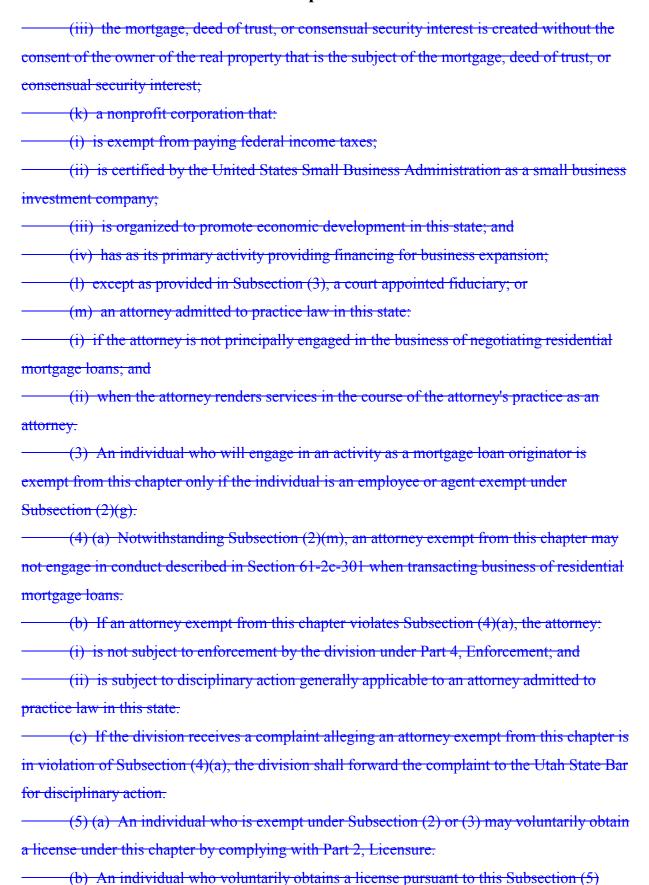


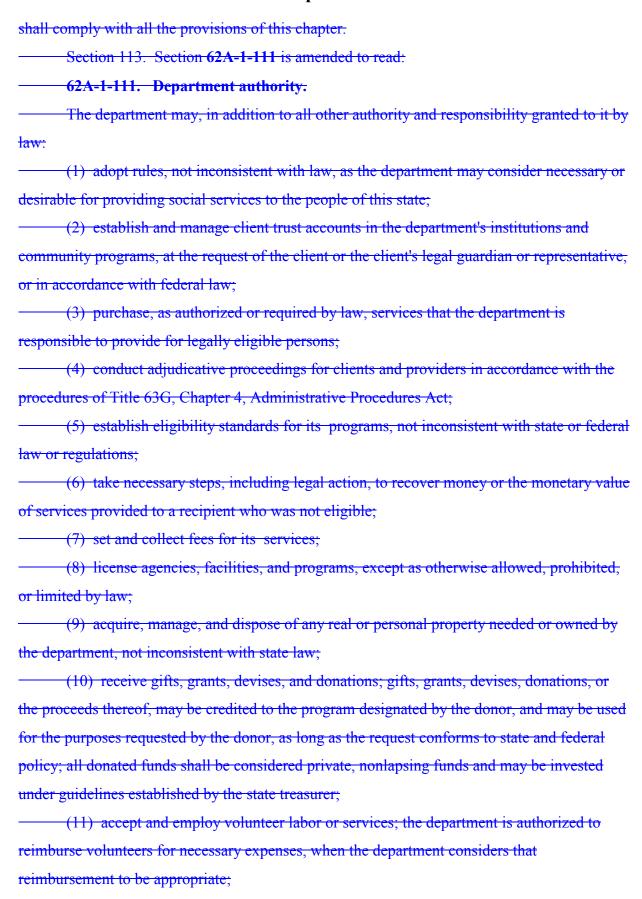


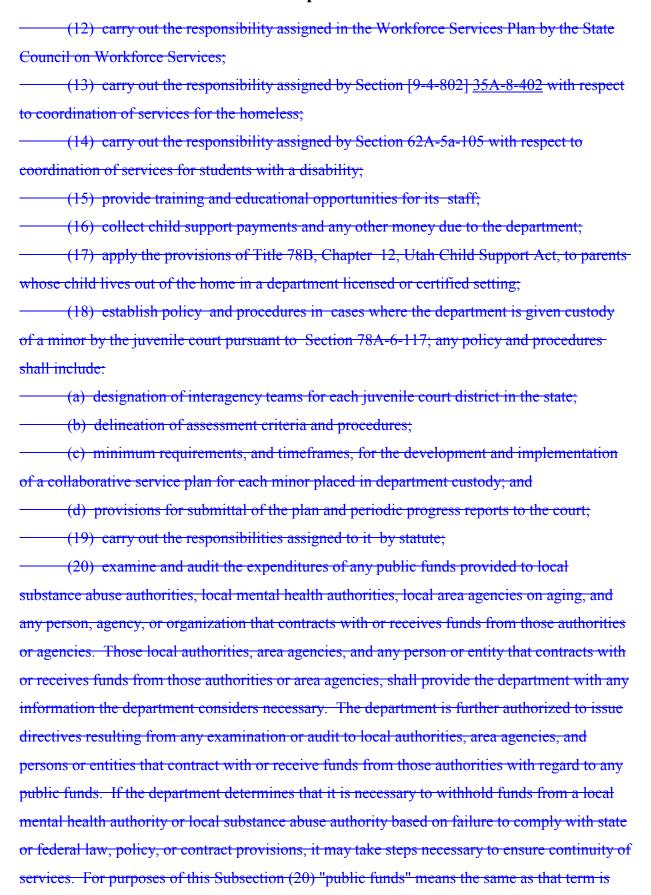


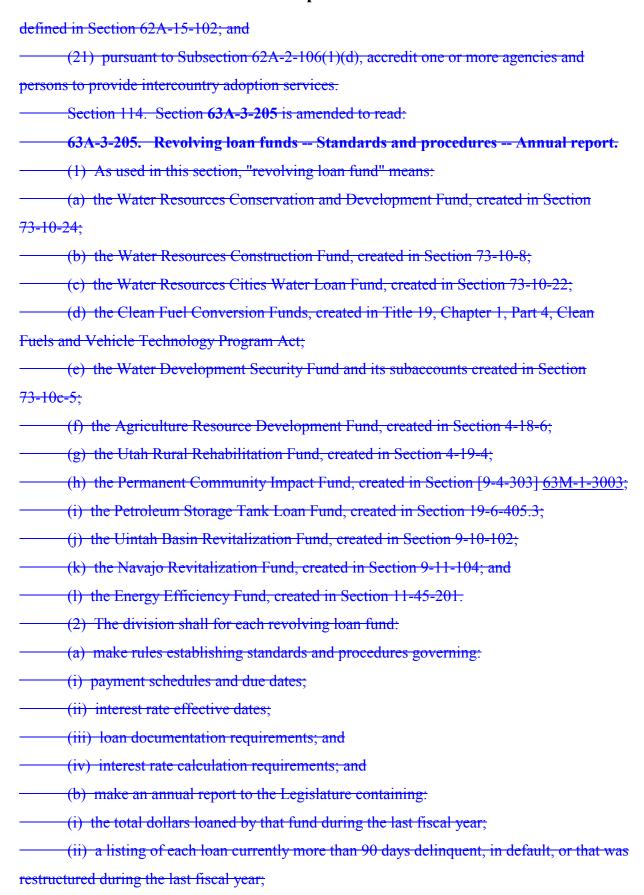
basis.	
(b) The accounting required under Subsection (3)(a) shall:	
(i) include actual expenditures for the prior fiscal year, budgeted expenditures for the	ıe
current fiscal year, and planned expenditures for the following fiscal year; and	
(ii) be reviewed by the Economic Development and Human Resources Appropriation)11
Subcommittee as part of its normal budgetary process under Title 63J, Chapter 1, Budgetary	₹
Procedures Act.	
Section 112. Section 61-2c-105 is amended to read:	
61-2c-105. Scope of chapter Exemptions.	
(1) (a) Except as to an individual who will engage in an activity as a mortgage loan	
originator, this chapter applies to a closed-end residential mortgage loan secured by a first li	ieı
or equivalent security interest on a dwelling.	
(b) This chapter does not apply to a transaction covered by Title 70C, Utah Consum	ıcı
Credit Code.	
(2) The following are exempt from this chapter:	
(a) the federal government;	
(b) a state;	
(c) a political subdivision of a state;	
(d) an agency of or entity created by a governmental entity described in Subsections	;
(2)(a) through (c) including:	
(i) the Utah Housing Corporation created in [Title 9, Chapter 4, Part 9,] <u>Title 35A</u> ,	
Chapter 8, Part 5, Utah Housing Corporation Act;	
(ii) the Federal National Mortgage Corporation;	
(iii) the Federal Home Loan Mortgage Corporation;	
(iv) the Federal Deposit Insurance Corporation;	
(v) the Resolution Trust Corporation;	
(vi) the Government National Mortgage Association;	
(vii) the Federal Housing Administration;	
(viii) the National Credit Union Administration;	
(ix) the Farmers Home Administration; and	
(x) the United States Department of Veterans Affairs:	











- (iii) a description of each project that received money from that revolving loan fund;
 - (iv) the amount of each loan made to that project;
 - (v) the specific purpose for which the proceeds of the loan were to be used, if any;
 - (vi) any restrictions on the use of the loan proceeds;
- (vii) the present value of each loan at the end of the fiscal year calculated using the interest rate paid by the state on the bonds providing the revenue on which the loan is based or, if that is unknown, on the average interest rate paid by the state on general obligation bonds issued during the most recent fiscal year in which bonds were sold; and
- (viii) the financial position of each revolving loan fund, including the fund's cash investments, cash forecasts, and equity position.
 - Section 115. Section 63A-5-306 is amended to read:
- 63A-5-306. Leasing of state fair park -- Lease -- Terms -- Demolition of facilities
 Limits on debt or obligations.
 - (1) As used in this section:
- (a) "Corporation" means the Utah State Fair Corporation created in Section [9-4-1103] 63H-6-103.
 - (b) "Division" means the Division of Facilities Construction and Management.
- (c) "State fair park" means the property and buildings owned by the state located at 155 North 1000 West, Salt Lake City, Utah.
 - (2) The division:
 - (a) may lease the state fair park to the corporation for a period not to exceed 50 years:
 - (i) subject to the corporation satisfying the requirements of Subsection (5)(b)(i); and
- (ii) except that on June 30, 2017, that portion of the state fair park known as the White Ball Field located on the south side of North Temple Street shall revert to the division and not be a part of any continuing lease agreement between the division and the corporation, unless otherwise agreed upon by the division and the corporation prior to June 30, 2017;
 - (b) shall ensure that any lease entered into under Subsection (2)(a):
- (i) defines which party is responsible for repairs and maintenance to the grounds and buildings;
- (ii) defines any restrictions on the use of the property or buildings, including the construction of any new buildings or facilities at the state fair park;

- (iii) requires that for each year under the lease the corporation holds a state fair meeting the requirements of Subsection [9-4-1103] 63H-6-103(5)(a)(vi); and
 - (iv) provides for the renegotiation or termination of the lease if the corporation:
- (A) no longer operates as an independent public nonprofit corporation as provided in Title [9] 63H, Chapter [4] 6, [Part 11,] Utah State Fair Corporation Act; or
- (B) engages in any activity inconsistent with Title [9] <u>63H</u>, Chapter [4] <u>6</u>, [Part 11,] Utah State Fair Corporation Act;
 - (c) may:
- (i) require that any lease entered into under Subsection (2)(a) grants the division the right to unilaterally terminate the lease at its discretion; and
- (ii) provide a process to determine compensation, if any, the division shall pay the corporation for termination of the lease under Subsection (2)(c)(i); and
- (d) if the lease described in Subsection (2)(a) is amended or renewed after the effective date of this act and except as provided in Subsection (3), shall require the corporation under the lease to:
- (i) obtain the approval of the State Building Board before demolishing a facility at the state fair park; and
- (ii) include the approval requirement described in Subsection (2)(d)(i) in any sublease entered into, renewed, or amended after the effective date of this act.
- (3) (a) The approval required under Subsection (2)(d) does not apply to a facility demolished in accordance with a contract entered into but not amended before the effective date of this act.
- (b) Notwithstanding Subsection (3)(a), before a facility described in Subsection (3)(a) is demolished, the corporation shall notify the division concerning any demolishing of the facility.
- (4) The State Building Board shall notify the state historic preservation office of any State Building Board meeting at which consideration will be given to a proposal to demolish facilities at the state fair park.
- (5) (a) Notwithstanding Subsection (2), the division may review and adjust the amount of any payments made by the corporation under the lease every three years beginning July 1, 2000.

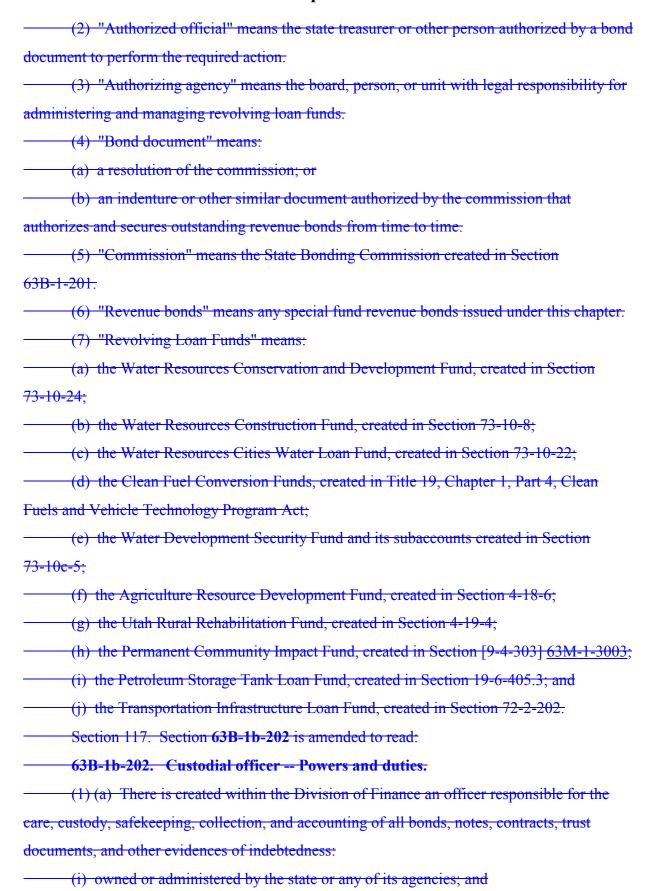
- (b) (i) The division may lease the state fair park to the corporation for a period not to exceed 50 years, if the corporation demonstrates to the satisfaction of the division that the lease period will result in significant capital improvements at the state fair park by a private or public entity.
- (ii) The corporation may enter into a sublease of up to 50 years, subject to satisfying the requirements of Subsections (2)(d)(i) and (5)(b)(i).
- (6) The state shall assume the responsibilities of the corporation under any contract that is in effect on the day a lease between the division and the corporation terminates if:
- (a) the contract is for the lease or construction of a building or facility at the state park; and
- (b) the lease between the division and the corporation is terminated in accordance with Subsection (2)(b)(iv).
- (7) (a) Payments made by the corporation under a lease with the division shall be deposited into the Capital Project Fund.
- (b) If, in accordance with Subsection (5), the payments made by the corporation under a lease with the division are increased from the amount paid on July 1, 1997, the lease payments made by the division shall be dedicated to capital improvements at the state fair park unless, as part of the capital budget, the Legislature directs that the money be used for other capital improvements.
- (8) (a) A debt or obligation contracted by the corporation is a debt or obligation of the corporation.
- (b) The state is not liable for and assumes no legal or moral responsibility for any debt or obligation described in Subsection (8)(a), unless the Legislature through statute or an appropriation act specifically:
 - (i) authorizes the corporation to contract for that debt or obligation; and
 - (ii) accepts liability for or assumes responsibility for the debt or obligation.

Section $\frac{\{116\}4}{2}$. Section $\frac{\{63B-1b-102\}63E-1-102}{2}$ is amended to read:

63B-1b-102. Definitions.

As used in this chapter:

(1) "Agency bonds" means any bond, note, contract, or other evidence of indebtedness representing loans or grants made by an authorizing agency.



(ii) except as provided in Subsection (1)(b), relating to revolving loan funds. (b) Notwithstanding Subsection (1)(a), the officer described in Subsection (1)(a) is not responsible for the care, custody, safekeeping, collection, and accounting of a bond, note, contract, trust document, or other evidence of indebtedness relating to the: (i) Agriculture Resource Development Fund, created in Section 4-18-6; (ii) Utah Rural Rehabilitation Fund, created in Section 4-19-4; (iii) Petroleum Storage Tank Loan Fund, created in Section 19-6-405.3; (iv) Olene Walker Housing Loan Fund, created in Section [9-4-702] 35A-8-302; (v) Business Development for Disadvantaged Rural Communities Restricted Account, created in Section 63M-1-2003; and (vi) Brownfields Fund, created in Section 19-8-120. (2) (a) Each authorizing agency shall deliver to this officer for the officer's care, custody, safekeeping, collection, and accounting all bonds, notes, contracts, trust documents, and other evidences of indebtedness: (i) owned or administered by the state or any of its agencies; and (ii) except as provided in Subsection (1)(b), relating to revolving loan funds. (b) This officer shall: (i) establish systems, programs, and facilities for the care, custody, safekeeping, collection, and accounting for the bonds, notes, contracts, trust documents, and other evidences of indebtedness submitted to the officer under this Subsection (2); and (ii) shall make available updated reports to each authorizing agency as to the status of loans under their authority. (3) The officer described in Section 63B-1b-201 shall deliver to the officer described in Subsection (1)(a) for the care, custody, safekeeping, collection, and accounting by the officer described in Subsection (1)(a) of all bonds, notes, contracts, trust documents, and other evidences of indebtedness closed as provided in Subsection 63B-1b-201(2)(b). Section 118. Section 63E-1-102 is amended to read: } 63E-1-102. Definitions.

As used in this title:

- (1) "Authorizing statute" means the statute creating an entity as an independent entity.
- (2) "Committee" means the Retirement and Independent Entities Committee created in

Section 63E-1-201.

- (3) "Independent corporation" means a corporation incorporated in accordance with Chapter 2, Independent Corporations Act.
- (4) (a) "Independent entity" means an entity having a public purpose relating to the state or its citizens that is individually created by the state or is given by the state the right to exist and conduct its affairs as an:
 - (i) independent state agency; or
 - (ii) independent corporation.
 - (b) "Independent entity" includes the:
 - (i) Dairy Commission created in Title 4, Chapter 22, Dairy Promotion Act;
- (ii) Heber Valley Railroad Authority created in [Title 9, Chapter 3, Part 5,] <u>Title 63H</u>, <u>Chapter 4</u>, Heber Valley Historic Railroad Authority;
- (iii) Utah State Railroad Museum Authority created in [Title 9, Chapter 3, Part 6] <u>Title</u> 63H, Chapter 5, Utah State Railroad Museum Authority;
- (iv) Utah Science Center Authority created in [Title 9, Chapter 3, Part 4] <u>Title 63H</u>, <u>Chapter 3</u>, Utah Science Center Authority;
- (v) Utah Housing Corporation created in {{}}Title 9, Chapter 4, Part 9,{{}} <u>Title 35A</u>, <u>Chapter 8, Part 5,</u>} Utah Housing Corporation Act;
- (vi) Utah State Fair Corporation created in [Title 9, Chapter 4, Part 11] <u>Title 63H</u>, <u>Chapter 6</u>, Utah State Fair Corporation Act;
- (vii) Workers' Compensation Fund created in Title 31A, Chapter 33, Workers' Compensation Fund;
- (viii) Utah State Retirement Office created in Title 49, Chapter 11, Utah State Retirement Systems Administration;
- (ix) School and Institutional Trust Lands Administration created in Title 53C, Chapter 1, Part 2, School and Institutional Trust Lands Administration;
- (x) Utah Communications Agency Network created in Title 63C, Chapter 7, Utah Communications Agency Network Act;
- (xi) Utah Generated Renewable Energy Electricity Network Authority created in Title 63H, Chapter 2, Utah Generated Renewable Energy Electricity Network Authority Act; and
 - (xii) Utah Capital Investment Corporation created in Title 63M, Chapter 1, Part 12,

Utah Venture Capital Enhancement Act.

- (c) Notwithstanding this Subsection (4), "independent entity" does not include:
- (i) the Public Service Commission of Utah created in Section 54-1-1;
- (ii) an institution within the state system of higher education;
- (iii) a city, county, or town;
- (iv) a local school district;
- (v) a local district under Title 17B, Limited Purpose Local Government Entities Local Districts; or
 - (vi) a special service district under Title 17D, Chapter 1, Special Service District Act.
- (5) "Independent state agency" means an entity that is created by the state, but is independent of the governor's direct supervisory control.
 - (6) "Money held in trust" means money maintained for the benefit of:
 - (a) one or more private individuals, including public employees;
 - (b) one or more public or private entities; or
 - (c) the owners of a quasi-public corporation.
- (7) "Public corporation" means an artificial person, public in ownership, individually created by the state as a body politic and corporate for the administration of a public purpose relating to the state or its citizens.
- (8) "Quasi-public corporation" means an artificial person, private in ownership, individually created as a corporation by the state which has accepted from the state the grant of a franchise or contract involving the performance of a public purpose relating to the state or its citizens.

Section 119. Section 63E-1-203 is amended to read:

63E-1-203. Exemptions from committee activities.

Notwithstanding the other provisions of this Part 2, Retirement and Independent

Entities Committee, and Subsection 63E-1-102(4), the following independent entities are exempt from the study by the committee under Section 63E-1-202:

- (1) the Utah Housing Corporation created in [Title 9, Chapter 4, Part 9,] <u>Title 35A</u>, <u>Chapter 8, Part 5, Utah Housing Corporation Act; and</u>
- (2) the Workers' Compensation Fund created in Title 31A, Chapter 33, Workers' Compensation Fund.

Section \(\frac{120}{2}\). Section \(63\)H-3-101, which is renumbered from Section 9-3-401 is renumbered and amended to read:

CHAPTER 3. UTAH SCIENCE CENTER AUTHORITY

[9-3-401]. 63H-3-101. Short title.

This [part] chapter is known as the "Utah Science Center Authority."

Section \$\frac{\{121\}6}{\subseteq}\$. Section **63H-3-102**, which is renumbered from Section 9-3-402 is renumbered and amended to read:

[9-3-402]. <u>63H-3-102.</u> Legislative findings -- State purpose.

- (1) The Legislature finds and declares that:
- (a) a Utah Science Center Authority can promote science, Utah's effort in high technology, engineering, the arts, culture, Utah's unique origins, and can enhance tourism and provide a valuable educational forum, and other benefits for Utah's citizens; and
- (b) fostering the development of science, arts, tourism, culture, and educational facilities is a state purpose affecting the welfare of all state citizens and the growth of the economy statewide.
- (2) It is therefore the purpose of this [part] chapter that the state provide a means to foster the development of science, technology, engineering, arts, tourism, cultural, and educational facilities in order to further the welfare of the citizens of the state and its economic growth.

Section $\frac{\{122\}}{2}$. Section 63H-3-103, which is renumbered from Section 9-3-403 is renumbered and amended to read:

[9-3-403]. <u>63H-3-103.</u> Creation -- Members -- Chair -- Powers -- Quorum -- Per diem and expenses.

- (1) There is created an independent state agency and a body politic and corporate known as the "Utah Science Center Authority."
 - (2) (a) The authority [shall be] is composed of 13 members.
 - (b) The governor shall appoint:
- (i) three members representing the informal science and arts community that could include members from the board of directors of the Hansen Planetarium, the Hogle Zoo, the Children's Museum of Utah, the Utah Museum of Natural History, and other related museums, centers, and agencies;

- (ii) one member of the State Board of Education;
- (iii) one member of the Division of Housing and Community Development of the Department of {{}}Community and Culture{{}} Workforce Services};
 - (iv) one member of the Board of Tourism Development;
 - (v) one member of the State Board of Regents; and
- (vi) three public members representing Utah industry, the diverse regions of the state, and the public at large.
- (c) The county legislative body of Salt Lake County shall appoint one member to represent Salt Lake County.
- (d) The mayor of Salt Lake City shall appoint one member to represent Salt Lake City Corporation.
- (e) The State Science Advisor or the advisor's designee is also a member of the authority.
- (f) In appointing the three public members, the governor shall ensure that there is representation from the science, technology, and business communities.
 - (3) All members shall be residents of Utah.
- (4) Each member [shall be] is appointed for four-year terms beginning July 1 of the year appointed.
- (5) (a) Except as required by Subsection (5)(b), as terms of current authority members expire, the governor shall appoint each new member or reappointed member to a four-year term.
- (b) Notwithstanding the requirements of Subsection (5)(a), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of authority members are staggered so that approximately half of the authority is appointed every two years.
- (6) A member may be removed from office by the governor or for cause by an affirmative vote of nine members of the authority.
- (7) When a vacancy occurs in the membership for any reason, the replacement [shall be] is appointed by the governor for the unexpired term.
- (8) Each public member shall hold office for the term of [his] the member's appointment and until the member's successor has been appointed and qualified.

- (9) A public member is eligible for reappointment, but may not serve more than two full consecutive terms.
 - (10) The governor shall appoint the chair of the authority from among its members.
- (11) The members shall elect from among their number a vice chair and other officers they may determine.
 - (12) The chair and vice chair [shall be] are elected for two-year terms.
 - (13) The powers of the authority [shall be] are vested in its members.
 - (14) Seven members constitute a quorum for transaction of authority business.
- (15) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
 - (a) Section 63A-3-106;
 - (b) Section 63A-3-107; and
- (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.

[9-3-404]. 63H-3-104. Executive director -- Powers and duties.

- (1) (a) The members shall appoint an executive director who shall be an employee of the authority, but who may not be a member of the authority[, and who shall serve].
- (b) The executive director serves at the pleasure of the members and [receive] receives compensation as set by the members and approved by the governor.
 - (2) The executive director shall:
- (a) administer, manage, and direct the affairs and activities of the authority in accordance with the policies, control, and direction of the members;
- (b) approve all accounts for allowable expenses of the authority or of any of its employees and expenses incidental to the operation of the authority;
 - (c) attend the meetings of the authority;
 - (d) keep a record of the proceedings of the authority;
- (e) maintain and be custodian of all books, documents, and papers filed with the authority; and
 - (f) perform other duties as directed by the members in carrying out the purposes of this

part.

Section \(\frac{124}{2}\). Section \(63\)H-3-105, which is renumbered from Section 9-3-405 is renumbered and amended to read:

[9-3-405]. 63H-3-105. Member or employee -- Disclosure of interest.

[Any] (1) A member or employee of the authority who has, will have, or later acquires an interest, direct or indirect, in [any] a transaction with the authority shall immediately disclose the nature and extent of that interest in writing to the authority as soon as the member has knowledge of the actual or prospective interest.

- (2) This disclosure shall be entered upon the minutes of the authority.
- (3) Upon this disclosure that member or employee may participate in any action by the authority authorizing the transaction.

Section $\frac{\{125\}}{10}$. Section 63H-3-106, which is renumbered from Section 9-3-406 is renumbered and amended to read:

[9-3-406]. 63H-3-106. Officer or employee -- No forfeiture of office or employment.

Notwithstanding the provisions of any other law, [no] an officer or employee of this state [shall be deemed to have forfeited or shall forfeit his] does not forfeit an office of or employment within the state by reason of [his] the person's acceptance of membership on the authority or [his] service on it.

Section {126}11. Section 63H-3-107, which is renumbered from Section 9-3-407 is renumbered and amended to read:

[9-3-407]. 63H-3-107. Authority -- Powers.

- (1) (a) The authority shall create, operate, and maintain a center that [shall promote] promotes the purposes described in Section [9-3-402] 63H-3-102.
 - (b) The center shall:
 - (i) have an extensive outreach program that serves all regions of the state; and
- (ii) collaborate and coordinate with education, arts, technology, and engineering entities, including schools and industries.
 - (2) The authority has perpetual succession as a body politic and corporate and may:
- (a) adopt, amend, and repeal rules, policies, and procedures for the regulation of its affairs and the conduct of its business;

- (b) sue and be sued in its own name;
- (c) maintain an office at [any] <u>a</u> place [or places] within this state it [may designate] <u>designates</u>;
- (d) adopt, amend, and repeal bylaws and rules, not inconsistent with this [part] chapter, to carry into effect the powers and purposes of the authority and the conduct of its business;
 - (e) purchase, lease, sell, and otherwise dispose of property and rights-of-way;
 - (f) employ experts, advisory groups, and other professionals it considers necessary;
 - (g) employ and retain independent legal counsel;
- (h) make and execute contracts and all other instruments necessary or convenient for the performance of its duties and the exercise of its duties under this [part] chapter to create, operate, and maintain a Science Center in Utah;
- (i) procure insurance for liability and against any loss in connection with its property and other assets in amounts and from insurers it considers desirable;
- (j) borrow money, receive [appropriation] appropriations from the Legislature, and receive other public money and accept aid or contributions from any source of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of this [part] chapter subject to the conditions upon which the grants and contributions are made, including gifts or grants from any department, agency, or instrumentality of the United States or of this state for any purpose consistent with this [part] chapter;
- (k) enter into agreements with any department, agency, or instrumentality or political subdivision of the United States or this state for the purpose of providing for the creation, operation, and maintenance of a Science Center in Utah; and
- (l) to do any act necessary or convenient to the exercise of the powers granted by this [part] chapter.
- (3) (a) All money received by the authority under Subsection (2)(j) and from any other source [shall be] is for the exclusive use of the authority to create, operate, maintain, improve, and provide for a Science Center in Utah.
- (b) The money received by the authority may not be used for any other purpose or by any other entity.

Section $\frac{\{127\}}{12}$. Section 63H-3-108, which is renumbered from Section 9-3-409 is renumbered and amended to read:

[9-3-409]. <u>63H-3-108.</u> Actions on validity or enforceability of bonds -- Time for bringing action.

- (1) In [any] a suit, action, or proceeding involving the validity or enforceability of [any] a bond issued under this chapter or the security for them, [any such] the bond reciting in substance that it has been issued by the authority in connection with the Utah Science Center [shall be] is conclusively considered to have been issued for that purpose.
 - (2) (a) After receiving notice described in Subsection (2)(a)(ii), a person may contest:
 - (i) (A) the legality of a resolution;
 - (B) notice of bonds to be issued; or
 - (C) a provision made for the security and payment of the bonds; and
- (ii) for a period of 30 days after the publication of the resolution authorizing the bonds, or a notice of bonds to be issued by the authority containing those items described in Section 11-14-316:
 - (A) in a newspaper having general circulation in the area of operation; and
 - (B) as required in Section 45-1-101.
- (b) After the 30-day period no one has any cause of action to contest the regularity, formality, or legality of the notice of bonds to be issued or the bonds for any cause whatsoever.

Section \(\frac{128}{12}\)\(\frac{13}{2}\). Section \(63\)H-3-109, which is renumbered from Section 9-3-410 is renumbered and amended to read:

[9-3-410]. 63H-3-109. Relation to certain acts.

- (1) The authority is exempt from:
- (a) Title 51, Chapter 5, Funds Consolidation Act;
- (b) Title 63A, Chapter 1, Department of Administrative Services;
- (c) Title 63G, Chapter 6, Utah Procurement Code;
- (d) Title 63J, Chapter 1, Budgetary Procedures Act; and
- (e) Title 67, Chapter 19, Utah State Personnel Management Act.
- (2) The authority [shall be] is subject to audit by:
- (a) the state auditor pursuant to Title 67, Chapter 3, Auditor; and
- (b) the legislative auditor general pursuant to Section 36-12-15.
- (3) The authority shall annually report to the Retirement and Independent Entities

 Committee created under Section 63E-1-201 concerning the authority's implementation of this

part.

Section $\frac{\{129\}}{14}$. Section 63H-3-110, which is renumbered from Section 9-3-411 is renumbered and amended to read:

[9-3-411]. 63H-3-110. Sales tax exemption.

The authority and its operators are exempt from sales and use tax imposed under Title 59, Chapter 12, Sales and Use Tax Act.

Section \(\frac{\{130\}}{\llog15}\). Section \(63\text{H-4-101}\), which is renumbered from Section 9-3-501 is renumbered and amended to read:

CHAPTER 4. HEBER VALLEY HISTORIC RAILROAD AUTHORITY [9-3-501]. 63H-4-101. Title.

This [part] chapter is known as the "Heber Valley Historic Railroad Authority."

Section {131}16. Section 63H-4-102, which is renumbered from Section 9-3-502 is renumbered and amended to read:

[9-3-502]. <u>63H-4-102.</u> Creation -- Members -- Chair -- Powers -- Quorum -- Per diem and expenses.

- (1) There is created an independent state agency and a body politic and corporate known as the "Heber Valley Historic Railroad Authority."
 - (2) The authority [shall be] is composed of eight members as follows:
 - (a) one member of the county legislative body of Wasatch County;
 - (b) the mayor of Heber City;
 - (c) the mayor of Midway;
- (d) the executive director of the Department of Transportation or the executive director's designee;
- (e) the executive director of Parks and Recreation, or the executive director's designee; and
- (f) three public members appointed by the governor with the consent of the Senate, being private citizens of the state, as follows:
- (i) two people representing the tourism industry, one each from Wasatch and Utah counties; and
 - (ii) one person representing the public at large.
 - (3) All members shall be residents of the state.

- (4) (a) Except as required by Subsection (4)(b), the three public members [shall be] are appointed for four-year terms beginning July 1, 2010.
- (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of authority members are staggered so that approximately half of the authority is appointed every two years.
- (5) Any of the three public members may be removed from office by the governor or for cause by an affirmative vote of any four members of the authority.
- (6) When a vacancy occurs in the membership for any reason, the replacement [shall be] is appointed for the unexpired term by the governor with consent of the Senate for the unexpired term.
- (7) Each public member shall hold office for the term of appointment and until a successor has been appointed and qualified.
- (8) [Any] A public member is eligible for reappointment, but may not serve more than two full consecutive terms.
 - (9) The governor shall appoint the chair of the authority from among its members.
- (10) The members shall elect from among their number a vice chair and other officers they may determine.
 - (11) The powers of the authority [shall be] are vested in its members.
 - (12) (a) Four members constitute a quorum for transaction of authority business.
- (b) An affirmative vote of at least four members is necessary for any action [to be] taken by the authority.
- (13) (a) (i) Members who are not government employees [shall] may not receive [no] compensation or benefits for their services, but may receive per diem and expenses incurred in the performance of the member's official duties at the rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
 - (ii) Members may decline to receive per diem and expenses for their service.
- (b) (i) State government officer and employee members who do not receive salary, per diem, or expenses from their agency for their service may receive per diem and expenses incurred in the performance of their official duties from the authority at the rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

- (ii) State government officer and employee members may decline to receive per diem and expenses for their service.
- (c) (i) Local government members who do not receive salary, per diem, or expenses from the entity that they represent for their service may receive per diem and expenses incurred in the performance of their official duties at the rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
- (ii) Local government members may decline to receive per diem and expenses for their service.

Section $\frac{\{132\}}{17}$. Section 63H-4-103, which is renumbered from Section 9-3-503 is renumbered and amended to read:

[9-3-503]. 63H-4-103. Executive director -- Powers and duties.

- (1) (a) The members shall appoint an executive director who [shall be] is an employee of the authority, but who [may] is not [be] a member of the authority[, and who shall serve].
- (b) The executive director serves at the pleasure of the members and [receive] receives compensation as set by the members and approved by the governor.
 - (2) The executive director shall:
- (a) administer, manage, and direct the affairs and activities of the authority in accordance with the policies, control, and direction of the members;
- (b) approve all accounts for allowable expenses of the authority or of any of its employees and expenses incidental to the operation of the authority;
 - (c) attend the meetings of the authority;
 - (d) keep a record of the proceedings of the authority;
- (e) maintain and be custodian of all books, documents, and papers filed with the authority; and
- (f) perform other duties as directed by the members in carrying out the purposes of this [part] chapter.

Section $\frac{\{133\}}{18}$. Section 63H-4-104, which is renumbered from Section 9-3-504 is renumbered and amended to read:

[9-3-504]. 63H-4-104. Member or employee -- Disclosure of interest.

[Any] (1) A member or employee of the authority who has, will have, or later acquires an interest, direct or indirect, in [any] a transaction with the authority shall immediately

disclose the nature and extent of that interest in writing to the authority as soon as the member or employee has knowledge of the actual or prospective interest.

- (2) This disclosure shall be entered upon the minutes of the authority.
- (3) Upon this disclosure that member or employee may participate in any action by the authority authorizing the transaction.

Section \(\frac{1134}{19}\). Section \(63\)H-4-105, which is renumbered from Section 9-3-505 is renumbered and amended to read:

[9-3-505]. <u>63H-4-105.</u> Officer or employee -- No forfeiture of office or employment.

Notwithstanding the provisions of any other law, [no] an officer or employee of this state [shall be considered to have forfeited or shall] does not forfeit an officer's or employee's office or employment by reason of acceptance of membership on the authority or service on it.

Section \$\frac{\{135\}20}{20}\$. Section **63H-4-106**, which is renumbered from Section 9-3-506 is renumbered and amended to read:

[9-3-506]. <u>63H-4-106.</u> Authority -- Powers.

- (1) The authority shall operate and maintain a scenic and historic railroad in and around the Heber Valley.
 - (2) The authority has perpetual succession as a body politic and corporate and may:
- (a) adopt, amend, and repeal rules, policies, and procedures for the regulation of its affairs and the conduct of its business;
 - (b) sue and be sued in its own name;
- (c) maintain an office at [any] <u>a</u> place [or places] within this state it [may designate] <u>designates;</u>
- (d) adopt, amend, and repeal bylaws and rules, not inconsistent with this [part] chapter, to carry into effect the powers and purposes of the authority and the conduct of its business;
 - (e) purchase, lease, sell, and otherwise dispose of property and rights-of-way;
 - (f) employ experts and other professionals it considers necessary;
 - (g) employ and retain independent legal counsel;
- (h) make and execute contracts and all other instruments necessary or convenient for the performance of its duties and the exercise of its duties under this [part] chapter to operate and maintain a scenic railroad in and around the Heber Valley;

- (i) procure insurance for liability and against any loss in connection with its property and other assets in amounts and from insurers it considers desirable;
- (j) receive [appropriation] appropriations from the Legislature and receive other public money and accept aid or contributions from any source of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of this [part] chapter, subject to the conditions upon which the grants and contributions are made, including[, but not limited to,] gifts or grants from any department, agency, or instrumentality of the United States or of this state for any purpose consistent with this [part] chapter;
- (k) enter into agreements with any department, agency, or instrumentality of the United States or this state for the purpose of providing for the operation and maintenance of a scenic railway in and around the Heber Valley; and
- (l) do any act necessary or convenient to the exercise of the powers granted by this [part] chapter.
- (3) (a) All money received by the authority under Subsection (2)(j) and from any other source [shall be] is for the exclusive use of the authority to operate, maintain, improve, and provide for a scenic and historic railway in and around the Heber Valley.
- (b) The money received by the authority may not be used for any other purpose or by any other entity.

Section \(\frac{1136}{21}\). Section \(63\text{H-4-107}\), which is renumbered from Section 9-3-507 is renumbered and amended to read:

- [9-3-507]. 63H-4-107. Notes, bonds, other obligation -- Not debt liability -- Expenses payable from funds provided -- Agency without authority to incur liability on behalf of state.
- (1) (a) An obligation or liability of the authority does not constitute a debt or liability of this state or of any of its political subdivisions nor does any obligation or liability constitute the loaning of credit of the state or of any of its political subdivisions nor may any obligation or liability of the authority be payable from funds other than those of the authority.
- (b) All obligations of the authority shall contain a statement to the effect that the authority is obligated to pay them solely from the revenues or other funds of the authority and that this state or its political subdivisions are not obligated to pay them and that neither the faith and credit nor the taxing power of this state or any of its political subdivisions is pledged

to the payment of them.

(2) All expenses incurred in carrying out this part [shall be] are payable solely from [funds] money of the authority provided under this [part] chapter, and nothing in this [part] chapter may be construed to authorize the authority to incur indebtedness or liability on behalf of or payable by this state or any of its political subdivisions.

Section \(\frac{\{137\}22}{\}\). Section \(63\)H-4-108, which is renumbered from Section 9-3-508 is renumbered and amended to read:

[9-3-508]. 63H-4-108. Relation to certain acts.

- (1) The authority is exempt from:
- (a) Title 51, Chapter 5, Funds Consolidation Act;
- (b) Title 63A, Utah Administrative Services Code;
- (c) Title 63G, Chapter 6, Utah Procurement Code;
- (d) Title 63J, Chapter 1, Budgetary Procedures Act; and
- (e) Title 67, Chapter 19, Utah State Personnel Management Act.
- (2) The authority [shall be] is subject to audit by the state auditor pursuant to Title 67, Chapter 3, Auditor, and by the legislative auditor general pursuant to Section 36-12-15.

Section \$\frac{\{138\}23}{\}23\$. Section **63H-4-109**, which is renumbered from Section 9-3-509 is renumbered and amended to read:

[9-3-509]. 63H-4-109. Duty to maintain rails.

The authority shall maintain the rails, bed, right-of-way, and related property upon which the authority's train shall operate in compliance with state and federal statutes, rules, and regulations.

Section {139}24. Section **63H-4-110**, which is renumbered from Section 9-3-510 is renumbered and amended to read:

[9-3-510]. <u>63H-4-110.</u> Lease of rails from Department of Transportation and Division of Parks and Recreation.

The Department of Transportation and the Division of Parks and Recreation shall jointly lease the rails, bed, right-of-way, and related property for not more than \$1 per year to the authority.

Section \(\frac{140}{25}\). Section 63H-4-111, which is renumbered from Section 9-3-511 is renumbered and amended to read:

[9-3-511]. 63H-4-111. Sales tax exemption.

The authority and its operators are exempt from sales and use tax imposed under Title 59, Chapter 12, Sales and Use Tax Act, for their purchases and sales related to the operation and maintenance of a scenic and historic railroad in and around the Heber Valley.

Section {141}26. Section **63H-5-101**, which is renumbered from Section 9-3-601 is renumbered and amended to read:

CHAPTER 5. UTAH STATE RAILROAD MUSEUM AUTHORITY [9-3-601]. 63H-5-101. Title.

This [part] chapter is known as the "Utah State Railroad Museum Authority."

Section \(\frac{142}{27}\). Section \(63\text{H-5-102}\), which is renumbered from Section 9-3-602 is renumbered and amended to read:

[9-3-602]. <u>63H-5-102.</u> Creation -- Members -- Chair -- Powers -- Quorum -- Per diem and expenses.

- (1) There is created an independent body politic and corporate known as the "Utah State Railroad Museum Authority," hereafter referred to in this [part] chapter as "the authority."
 - (2) The authority is composed of 11 members as follows:
- (a) one member of the county legislative body of Weber County appointed by that legislative body;
- (b) two members of the county legislative body of Box Elder County appointed by that legislative body;
- (c) the executive director of the Department of Transportation or the director's designee; and
 - (d) seven public members appointed by the governor, as follows:
- (i) two individuals representing the tourism industry, one each from Weber and Box Elder Counties:
 - (ii) one individual representing the public at large; and
- (iii) four individuals representing railroad historic and heritage preservation organizations active in Weber and Box Elder Counties, as follows:
- (A) one individual representing the Railroad and Locomotive Historical Society Golden Spike Chapter;
 - (B) one individual representing the Golden Spike Heritage Foundation;

- (C) one individual representing the Golden Spike Association; and
- (D) one individual representing the Corinne Historical Society.
- (3) All members shall be residents of the state.
- (4) (a) Except as required by Subsection (4)(b), the governor shall appoint the seven public members for four-year terms beginning July 1.
- (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of authority members appointed under Subsection (2)(d) are staggered so that approximately one-half of the seven public members are appointed every two years.
- (5) Any of the seven public members may be removed from office by the governor or for cause by an affirmative vote of six members of the authority.
- (6) When a vacancy occurs in the public membership for any reason, the governor shall appoint a replacement for the unexpired term.
- (7) Each public member shall hold office for the term of the member's appointment and until a successor has been appointed and qualified.
- (8) A public member is eligible for reappointment, but may not serve more than two full consecutive terms.
 - (9) The governor shall appoint the chair of the authority from among its members.
- (10) (a) The members shall elect from among their membership a vice chair and other officers as they may determine.
 - (b) The officers serve as the executive committee for the authority.
 - (11) The powers of the authority are vested in its members.
 - (12) (a) Six members constitute a quorum for transaction of authority business.
- (b) An affirmative vote of at least six members is necessary for an action to be taken by the authority.
- (13) (a) A member who is not a government employee receives no compensation or benefits for the member's services, but may receive per diem and expenses incurred in the performance of the member's official duties at rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
- (b) A state government officer or employee member who does not receive salary, per diem, or expenses from the member's agency for the member's service may receive per diem

and expenses incurred in the performance of official duties from the authority at rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

- (c) A local government member who does not receive salary, per diem, or expenses for the member's service from the entity that the member represents may receive per diem and expenses incurred in the performance of the member's official duties at rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
- (d) A member may decline to receive per diem and expenses for the member's services. Section \$\frac{1143}{28}\$. Section \$63\text{H-5-103}\$, which is renumbered from Section 9-3-603 is renumbered and amended to read:

[9-3-603]. Executive director -- Powers and duties.

- (1) (a) The members of the authority shall appoint an executive director who is an employee of the authority, but who is not a member of the authority.
- (b) The executive director serves at the pleasure of the members and receives compensation as set by the members and approved by the governor.
 - (2) The executive director shall:
- (a) administer, manage, and direct the affairs and activities of the authority in accordance with the policies, control, and direction of the members of the authority;
- (b) approve all accounts for allowable expenses of the authority or of any of its employees and expenses incidental to the operation of the authority;
 - (c) attend meetings of the authority;
 - (d) keep a record of the proceedings of the authority;
- (e) maintain and be the custodian of all books, documents, and papers filed with the authority;
- (f) document and maintain records concerning ownership of all assets owned or under the control of the authority; and
- (g) perform other duties as directed by the members of the authority in carrying out the purposes of this [part] chapter.

Section \(\frac{1144}{29}\). Section \(63\text{H-5-104}\), which is renumbered from Section 9-3-604 is renumbered and amended to read:

[9-3-604]. 63H-5-104. Member or employee -- Disclosure of interest.

(1) A member or employee of the authority who has, will have, or later acquires an

interest, direct or indirect, in a transaction with the authority shall immediately disclose the nature and extent of that interest in writing to the authority as soon as the individual has knowledge of the actual or prospective interest.

- (2) The disclosure shall be entered upon the minutes of the authority.
- (3) After making the disclosure, the member or employee may participate in any action by the authority authorizing the transaction.

Section \$\frac{\{145\}30}{20}\$. Section **63H-5-105**, which is renumbered from Section 9-3-605 is renumbered and amended to read:

[9-3-605]. 63H-5-105. Officer or employee -- No forfeiture of office or employment.

Notwithstanding any other provision of law, an officer or employee of this state does not forfeit the office or employment with the state by reason of acceptance of membership on the authority or service on it.

Section \(\frac{1146}{31}\). Section 63H-5-106, which is renumbered from Section 9-3-606 is renumbered and amended to read:

[9-3-606]. <u>63H-5-106.</u> Authority -- Powers.

- (1) The authority shall:
- (a) facilitate or operate and maintain a scenic and historic railroad in and around Weber and Box Elder Counties;
- (b) facilitate or operate and maintain one or more railroad history museums in and around Weber and Box Elder Counties;
- (c) facilitate the restoration, preservation, and public display of railroad artifacts and heritage in and around Weber and Box Elder Counties; and
- (d) facilitate the restoration, preservation, and operation of historically significant railroad related properties in and around Weber and Box Elder Counties for public benefit.
 - (2) The authority has perpetual succession as a body politic and corporate and may:
- (a) adopt, amend, and repeal policies and procedures for the regulation of its affairs and the conduct of its business;
 - (b) sue and be sued in its own name;
 - (c) maintain an office at a place [or places] it designates within the state;
 - (d) adopt, amend, and repeal bylaws and rules, consistent with this [part] chapter, to

carry into effect the powers and purposes of the authority and the conduct of its business;

- (e) purchase, lease, sell, and otherwise dispose of property and rights-of-way;
- (f) employ experts and other professionals it considers necessary;
- (g) employ and retain independent legal counsel;
- (h) make and execute contracts and all other instruments necessary or convenient for the performance of its duties under this [part] chapter as described in Subsection (1);
- (i) procure insurance for liability and against any loss in connection with its property and other assets in amounts and from insurers it considers desirable;
- (j) receive appropriations from the Legislature and receive other public [moneys] money and accept aid or contributions from any source of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of this [part] chapter, subject to the conditions upon which the grants and contributions are made, including gifts or grants from a department, agency, or instrumentality of the United States or of this state for any purpose consistent with this [part] chapter;
- (k) enter into agreements with a department, agency, or instrumentality of the United States or this state for the purpose of providing for the operation and maintenance of a scenic railway in and around Weber and Box Elder Counties; and
- (l) do any act necessary or convenient to the exercise of the powers granted to the authority by this [part] chapter.
- (3) (a) All [monies] money received by the authority under Subsection (2)(j) and from any other source [are] is for the exclusive use of the authority in the performance and exercise of its duties under this [part] chapter as described in Subsection (1).
- (b) [Monies] Money received by the authority may not be used for any other purpose or by any other entity.

Section \(\frac{1147}{32}\). Section \(63\)H-5-107, which is renumbered from Section 9-3-607 is renumbered and amended to read:

[9-3-607]. 63H-5-107. Notes, bonds, other obligation -- Not debt liability -- Expenses payable from funds provided -- Agency without authority to incur liability on behalf of state.

- (1) (a) An obligation or liability of the authority does not constitute:
- (i) a debt or liability of the state or of any of its political subdivisions; or

- (ii) the loaning of credit of the state or of any of its political subdivisions.
- (b) An obligation or liability of the authority is payable only from [funds] money of the authority.
 - (2) An obligation of the authority shall contain a statement to the effect:
- (a) that the authority is obligated to pay the obligation solely from the revenues or other [funds] money of the authority;
 - (b) that neither the state nor its political subdivisions are obligated to pay it; and
- (c) that neither the faith and credit nor the taxing power of the state or any of its political subdivisions is pledged to the payment of the obligation.
- (3) (a) Expenses incurred in carrying out this [part] chapter are payable solely from [funds] money of the authority provided under this [part] chapter.
- (b) Nothing in this [part] <u>chapter</u> authorizes the authority to incur indebtedness or liability on behalf of or payable by the state or any of its political subdivisions.

Section \(\frac{1148}{33}\). Section \(63\text{H-5-108}\), which is renumbered from Section 9-3-608 is renumbered and amended to read:

[9-3-608]. 63H-5-108. Relation to certain acts.

- (1) The authority is exempt from:
- (a) Title 51, Chapter 5, Funds Consolidation Act;
- (b) Title 63A, Chapter 1, Department of Administrative Services;
- (c) Title 63G, Chapter 6, Utah Procurement Code;
- (d) Title 63J, Chapter 1, Budgetary Procedures Act; and
- (e) Title 67, Chapter 19, Utah State Personnel Management Act.
- (2) The authority is subject to audit by the state auditor pursuant to Title 67, Chapter 3, Auditor, and by the legislative auditor general pursuant to Section 36-12-15.

Section \(\frac{1149}{34}\). Section \(63\text{H-5-109}\), which is renumbered from Section 9-3-609 is renumbered and amended to read:

[9-3-609]. 63H-5-109. Duty to maintain rails and operating equipment.

The authority shall maintain the rails, bed, right-of-way, and related property owned by the authority upon which the authority's train operates in compliance with state and federal statutes, rules, and regulations.

Section $\frac{150}{35}$. Section 63H-5-110, which is renumbered from Section 9-3-610 is

renumbered and amended to read:

[9-3-610]. 63H-5-110. Lease of rails or equipment from Department of Transportation and Division of Parks and Recreation.

The Department of Transportation and the Division of Parks and Recreation may jointly lease the rails, bed, right-of-way, and related property for the operation of a scenic and historic railroad in and around Weber and Box Elder Counties, for not more than \$1 per year to the authority.

Section \$\frac{\{151\}36}{\}\$. Section **63H-6-101**, which is renumbered from Section 9-4-1101 is renumbered and amended to read:

CHAPTER 6. UTAH STATE FAIR CORPORATION ACT

[9-4-1101]. <u>63H-6-101.</u> Title.

This [part] chapter is known as the "Utah State Fair Corporation Act."

Section $\frac{\{152\}}{37}$. Section 63H-6-102, which is renumbered from Section 9-4-1102 is renumbered and amended to read:

[9-4-1102]. 63H-6-102. Definitions.

As used in this [part] chapter:

- (1) "Board" means the board of directors of the corporation.
- (2) "Corporation" means the Utah State Fair Corporation created by this [part] chapter.
- (3) "State fair park" means the property owned by the state located at 155 North 1000 West, Salt Lake City, Utah.

Section \$\frac{\{153\}38}{28}\$. Section **63H-6-103**, which is renumbered from Section 9-4-1103 is renumbered and amended to read:

[9-4-1103]. 63H-6-103. Utah State Fair Corporation -- Legal status -- Powers.

- (1) There is created an independent public nonprofit corporation known as the "Utah State Fair Corporation."
- (2) The board shall file articles of incorporation for the corporation with the Division of Corporations and Commercial Code.
- (3) The corporation [shall], subject to this [part] chapter, [have] has all powers and authority permitted nonprofit corporations by law.
 - (4) The corporation shall, subject to approval of the board:
 - (a) have general management, supervision, and control over all activities relating to the

state fair and have charge of all state expositions except as otherwise provided by statute;

- (b) for public entertainment, displays, and exhibits or similar events:
- (i) provide, sponsor, or arrange the events;
- (ii) publicize and promote the events; and
- (iii) secure funds to cover the cost of the exhibits from:
- (A) private contributions;
- (B) public appropriations;
- (C) admission charges; and
- (D) other lawful means;
- (c) establish the time, place, and purpose of state expositions; and
- (d) acquire and designate exposition sites.
- (5) (a) The corporation shall:
- (i) use generally accepted accounting principals in accounting for its assets, liabilities, and operations;
- (ii) seek corporate sponsorships for the state fair park and for individual buildings or facilities within the fair park;
- (iii) work with county and municipal governments, the Salt Lake Convention and Visitor's Bureau, the Utah Travel Council, and other entities to develop and promote expositions and the use of the state fair park;
- (iv) develop and maintain a marketing program to promote expositions and the use of the state fair park;
- (v) in cooperation with the Division of Facilities Construction and Management, maintain the physical appearance and structural integrity of the state fair park and the buildings located at the state fair park;
 - (vi) hold an annual exhibition that:
 - (A) is called the state fair or a similar name;
- (B) includes expositions of livestock, poultry, agricultural, domestic science, horticultural, floricultural, mineral, and industrial products, manufactured articles, and domestic animals that, in the corporation's opinion will best stimulate agricultural, industrial, artistic, and educational pursuits and the sharing of talents among the people of Utah;
 - (C) includes the award of premiums for the best specimens of the exhibited articles and

animals;

- (D) permits competition by livestock exhibited by citizens of other states and territories of the United States; and
 - (E) is arranged according to plans approved by the board;
 - (vii) fix the conditions of entry to the exposition described in Subsection (5)(a)(vi); and
- (viii) publish a list of premiums that will be awarded at the exhibition described in Subsection (5)(a)(vi) for the best specimens of exhibited articles and animals.
- (b) In addition to the state fair to be held in accordance with Subsection (5)(a)(vi), the corporation may hold other exhibitions of livestock, poultry, agricultural, domestic science, horticultural, floricultural, mineral, and industrial products, manufactured articles, and domestic animals that, in its opinion, will best stimulate agricultural, industrial, artistic, and educational pursuits and the sharing of talents among the people of Utah.
 - (6) The corporation may:
- (a) employ advisers, consultants, and agents, including financial experts and independent legal counsel, and fix their compensation;
- (b) procure insurance against any loss in connection with its property and other assets, including mortgage loans;
- (c) receive and accept aid or contributions of money, property, labor, or other things of value from any source, including any grants or appropriations from any department, agency, or instrumentality of the United States or Utah;
- (d) hold, use, loan, grant, and apply that aid and those contributions to carry out the purposes of the corporation, subject to the conditions, if any, upon which the aid and contributions were made;
- (e) enter into management agreements with any person or entity for the performance of its functions or powers;
- (f) establish whatever accounts and procedures as necessary to budget, receive, and disburse, account for, and audit all funds received, appropriated, or generated;
- (g) enter into agreements for the leasing of any of the facilities at the state fair park, if approved by the board; and
 - (h) sponsor events as approved by the board.
 - (7) (a) Except as provided in Subsection (7)(c), as an independent agency of Utah, the

corporation is exempt from:

- (i) Title 51, Chapter 5, Funds Consolidation Act;
- (ii) Title 51, Chapter 7, State Money Management Act;
- (iii) Title 63A, Utah Administrative Services Code;
- (iv) Title 63G, Chapter 6, Utah Procurement Code;
- (v) Title 63J, Chapter 1, Budgetary Procedures Act; and
- (vi) Title 67, Chapter 19, Utah State Personnel Management Act.
- (b) The board shall adopt policies parallel to and consistent with:
- (i) Title 51, Chapter 5, Funds Consolidation Act;
- (ii) Title 51, Chapter 7, State Money Management Act;
- (iii) Title 63A, Utah Administrative Services Code;
- (iv) Title 63G, Chapter 6, Utah Procurement Code; and
- (v) Title 63J, Chapter 1, Budgetary Procedures Act.
- (c) The corporation shall comply with the legislative approval requirements for new facilities established in Subsection 63A-5-104(3).

Section $\frac{\{154\}39}{2}$. Section 63H-6-104, which is renumbered from Section 9-4-1104 is renumbered and amended to read:

[9-4-1104]. <u>63H-6-104.</u> Board of Directors -- Membership -- Term -- Quorum -- Vacancies.

- (1) The corporation [shall be] is governed by a board of directors.
- (2) The board [shall be] is composed of 11 members appointed by the governor with the consent of the Senate.
 - (3) The governor shall ensure that:
- (a) two members of the board are residents of Salt Lake County in which the state fair is held;
 - (b) there is at least one member of the board from each judicial district;
 - (c) two members of the board are residents of the First Congressional District;
 - (d) two members of the board are residents of the Second Congressional District;
 - (e) two members of the board are residents of the Third Congressional District; and
 - (f) two members of the board represent agricultural interests.
 - (4) (a) (i) Except as provided in Subsection (4)(a)(ii), the governor shall appoint board

members to serve terms that expire on the December 1 four years after the year that the board member was appointed.

- (ii) In making appointments to the board, the governor shall ensure that the terms of approximately 1/4 of the board expire each year.
- (b) Except as provided in Subsection (4)(c), board members [shall] serve until their successors are appointed and qualified.
- (c) (i) If a board member is absent from three consecutive board meetings without excuse, that member's appointment is terminated, the position is vacant, and the governor shall appoint a replacement.
 - (ii) The governor may remove any member of the board at will.
- (d) The governor shall fill any vacancy that occurs on the board for any reason by appointing a person according to the procedures of this section for the unexpired term of the vacated member.
 - (5) The governor shall select the board's chair.
 - (6) Six members of the board are a quorum for the transaction of business.
 - (7) The board may elect a vice chair and any other board offices.

Section $\frac{\{155\}}{40}$. Section 63H-6-105, which is renumbered from Section 9-4-1105 is renumbered and amended to read:

[9-4-1105]. 63H-6-105. Executive director.

- (1) (a) The board shall:
- (i) hire an executive director for the corporation as provided in this subsection;
- (ii) conduct a national search to find applicants for the position of executive director; and
 - (iii) establish the salary, benefits, and other compensation of the executive director.
- (b) The board may appoint an interim director while searching for a permanent executive director.
- (c) The executive director serves at the pleasure of the board and may be terminated by the board at will.
 - (d) The executive director is an employee of the corporation.
 - (e) The executive director may not be a member of the board.
 - (2) The executive director shall:

- (a) act as the executive officer of the board and the corporation;
- (b) administer, manage, and direct the affairs and activities of the corporation in accordance with the policies and under the control and direction of the board;
- (c) keep the board, the governor, the Legislature, and its agencies, and other affected officers, associations, and groups informed about the operations of the corporation;
- (d) recommend to the board any necessary or desirable changes in the statutes governing the corporation;
- (e) recommend to the board an annual administrative budget covering the operations of the corporation and, upon approval, submit the budget to the governor and the Legislature for their examination and approval;
 - (f) after approval, direct and control the subsequent expenditures of the budget;
- (g) employ, within the limitations of the budget, staff personnel and consultants to accomplish the purpose of the corporation, and establish their qualifications, duties, and compensation;
- (h) keep in convenient form all records and accounts of the corporation, including those necessary for the administration of the state fair;
 - (i) in cooperation with the board, create:
 - (i) business plans for the corporation;
- (ii) a financial plan for the corporation that projects self-sufficiency for the corporation within two years; and
 - (iii) a master plan for the state fair park;
 - (i) approve all accounts for:
 - (i) salaries;
 - (ii) allowable expenses of the corporation and its employees and consultants; and
 - (iii) expenses incidental to the operation of the corporation; and
 - (k) perform other duties as directed by the board.

Section \$\frac{\{156\}\delta\}{\delta}\$. Section **63H-6-106**, which is renumbered from Section 9-4-1106 is renumbered and amended to read:

[9-4-1106]. <u>63H-6-106.</u> Financial reports -- Audit -- Surety bonds.

(1) (a) The corporation shall, following the close of each fiscal year, submit an annual report of its activities for the preceding year to the governor and the Legislature.

- (b) The report shall contain:
- (i) a complete operating report detailing the corporation's activities; and
- (ii) financial statements of the corporation audited by a certified public accountant according to generally accepted auditing standards.
 - (2) (a) At least once [per] <u>a</u> year, the state auditor shall:
 - (i) audit the books and accounts of the corporation; or
- (ii) contract with a nationally recognized independent certified public accountant to conduct the audit and review the audit report when it is completed.
 - (b) The corporation shall reimburse the state auditor for the costs of the audit.
- (c) If the audit is conducted by an independent auditor, the independent auditor shall submit a copy of the audit to the state auditor for review within 90 days after the end of the fiscal year covered by the audit.
- (3) (a) The corporation shall maintain a surety bond in the penal sum of \$25,000 for each member of the board.
- (b) The corporation shall maintain a surety bond in the penal sum of \$50,000 for the executive director.
 - (c) The corporation shall ensure that each surety bond is:
- (i) conditioned upon the faithful performance of the duties of office to which it attaches;
- (ii) [is] issued by a surety company authorized to transact business in Utah as a surety; and
 - (iii) filed in the office of the State Treasurer.
 - (d) The corporation shall pay the cost of the surety bonds.

Section $\frac{\{157\}}{42}$. Section 63H-6-107, which is renumbered from Section 9-4-1107 is renumbered and amended to read:

[9-4-1107]. 63H-6-107. Enterprise Fund -- Creation -- Revenue -- Uses.

- (1) (a) There is created an enterprise fund entitled the Utah State Fair Fund.
- (b) The executive director shall administer the fund under the direction of the board.
- (2) The fund consists of money generated from the following revenue sources:
- (a) lease payments from person or entities leasing the state fair park or any other facilities owned by the corporation;

- (b) revenues received from any expositions or other events wholly or partially sponsored by the corporation;
- (c) aid or contributions of money, property, labor, or other things of value from any source, including any grants or appropriations from any department, agency, or instrumentality of the United States or Utah;
 - (d) appropriations made to the fund by the Legislature; and
 - (e) any other income obtained by the corporation.
 - (3) (a) The fund shall earn interest.
 - (b) All interest earned on fund money shall be deposited into the fund.
- (4) The executive director may use fund money to operate, maintain, and support the Utah state fair, the state fair park, and other expositions sponsored by the corporation.

Section $\frac{\{158\}}{43}$. Section 63I-1-209 is amended to read:

63I-1-209. Repeal dates, Title 9.

- [(1) Title 9, Chapter 1, Part 8, Commission on National and Community Service Act, is repealed July 1, 2014.]
- [(2) Title 9, Chapter 3, Part 5, Heber Valley Historic Railroad Authority, is repealed July 1, 2020.]
- [(3)] Title 9, Chapter 4, Part 9, Utah Housing Corporation Act, is repealed July 1, 2016. {}}

Section $\frac{\{159\}}{44}$. Section $\frac{\{63I-1-235\}}{63I-1-263}$ is amended to read:

63I-1-235. Repeal dates, Title 35A.

- (1) Title 35A, Utah Workforce Services Code, is repealed July 1, 2015.
- (2) Section 35A-3-114, the Displaced Homemaker Program, together with the provision for funding that program contained in Subsection 17-16-21(2)(b), is repealed July 1, 2012.
- (3) Title 35A, Chapter 8, Part 5, Utah Housing Corporation Act, is repealed July 1, 2016.

Section 160. Section 63I-1-263 is amended to read:

† 63I-1-263. Repeal dates, Titles 63 to 63M.

(1) Section 63A-4-204, authorizing the Risk Management Fund to provide coverage to any public school district which chooses to participate, is repealed July 1, 2016.

- (2) Section 63A-5-603, State Facility Energy Efficiency Fund, is repealed July 1, 2016.
- (3) Section 63C-8-106, Rural residency training program, is repealed July 1, 2015.
- (4) Subsection 63G-6-502(5)(b)(ii) authorizing certain transportation agencies to award a contract for a design-build transportation project in certain circumstances, is repealed July 1, 2015.
- (5) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1, 2020.
- [(5)] (6) The Resource Development Coordinating Committee, created in Section 63J-4-501, is repealed July 1, 2015.
 - [(6)] (7) Title 63M, Chapter 1, Part 4, Enterprise Zone Act, is repealed July 1, 2018.
- [(7)] (8) (a) Title 63M, Chapter 1, Part 11, Recycling Market Development Zone Act, is repealed July 1, 2020.
- (b) Sections 59-7-610 and 59-10-1007 regarding tax credits for certain persons in recycling market development zones, are repealed for taxable years beginning on or after January 1, 2011.
- (c) Notwithstanding Subsection [(7)] <u>(8)</u>(b), a person may not claim a tax credit under Section 59-7-610 or 59-10-1007:
- (i) for the purchase price of machinery or equipment described in Section 59-7-610 or 59-10-1007, if the machinery or equipment is purchased on or after July 1, 2010; or
- (ii) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), if the expenditure is made on or after July 1, 2010.
- (d) Notwithstanding Subsections [(7)] (8)(b) and (c), a person may carry forward a tax credit in accordance with Section 59-7-610 or 59-10-1007 if:
 - (i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and
- (ii) (A) for the purchase price of machinery or equipment described in Section 59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before June 30, 2010; or
- (B) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), the expenditure is made on or before June 30, 2010.
- [(8)] <u>(9)</u> Title 63M, Chapter 7, Part 4, Sentencing Commission, is repealed January 1, 2012.

- [(9)] <u>(10)</u> The Crime Victim Reparations Board, created in Section 63M-7-504, is repealed July 1, 2017.
- [(10)] (11) Title 63M, Chapter 8, Utah Commission for Women and Families Act, is repealed July 1, 2011.
- [(11)] (12) Title 63M, Chapter 9, Families, Agencies, and Communities Together for Children and Youth At Risk Act, is repealed July 1, 2016.
- [(12)] (13) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2012.

Section $\frac{1161}{45}$. Section 63I-1-267 is amended to read:

63I-1-267. Repeal dates, Title 67.

- (1) Section 67-1-15 is repealed December 31, 2017.
- (2) Sections 67-1a-10 and 67-1a-11 creating the Commission on Civic and Character Education and establishing its duties are repealed on July 1, 2021.
- (3) Title 67, Chapter 1a, Part 2, Commission on National and Community Service Act, is repealed July 1, 2014.

Section $\frac{162}{46}$. Section 63I-4-102 is amended to read:

63I-4-102. Definitions.

- (1) (a) "Activity" means to provide a good or service.
- (b) "Activity" includes to:
- (i) manufacture a good or service;
- (ii) process a good or service;
- (iii) sell a good or service;
- (iv) offer for sale a good or service;
- (v) rent a good or service;
- (vi) lease a good or service;
- (vii) deliver a good or service;
- (viii) distribute a good or service; or
- (ix) advertise a good or service.
- (2) (a) Except as provided in Subsection (2)(b), "agency" means:
- (i) the state; or
- (ii) an entity of the state including a department, office, division, authority,

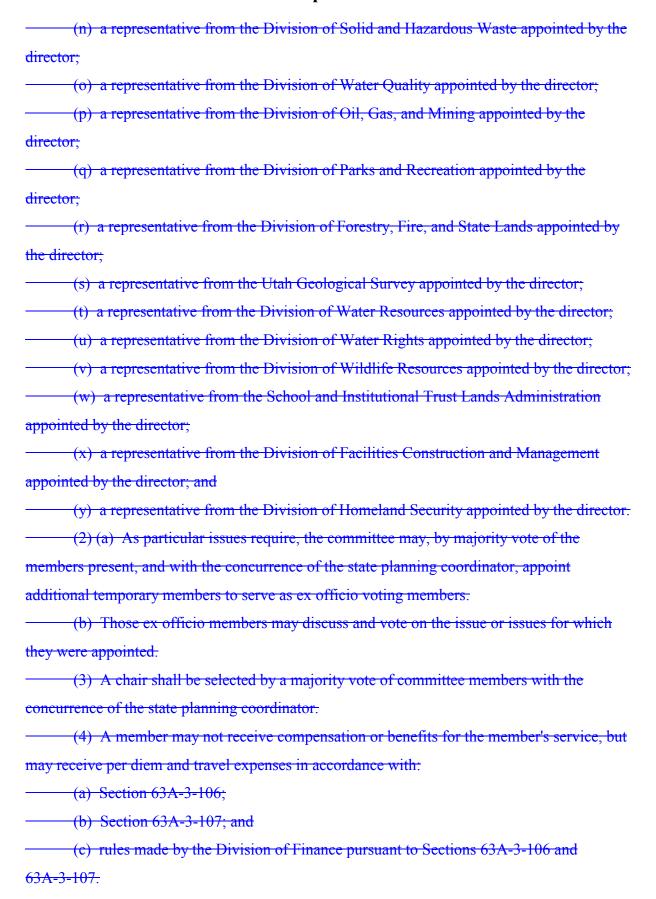
commission, or board.

- (b) "Agency" does not include:
- (i) the Legislature;
- (ii) an entity or agency of the Legislature;
- (iii) the state auditor;
- (iv) the state treasurer;
- (v) the Office of the Attorney General;
- (vi) the Dairy Commission created in Title 4, Chapter 22, Dairy Promotion Act;
- [(vii) the Heber Valley Railroad Authority created in Title 9, Chapter 3, Part 5, Heber Valley Historic Railroad Authority;]
- [(viii)] (vii) the Utah Science Center Authority created in [Title 9, Chapter 3, Part 4]

 Title 63H, Chapter 3, Utah Science Center Authority;
- (viii) the Heber Valley Railroad Authority created in Title 63H, Chapter 4, Heber Valley Historic Railroad Authority;
- (ix) the Utah State Railroad Museum Authority created in [Title 9, Chapter 3, Part 6] Title 63H, Chapter 5, Utah State Railroad Museum Authority;
- (x) the Utah Housing Corporation created in {{}} Title 9, Chapter 4, Part 9, {{}} Title 35A, Chapter 8, Part 5,} Utah Housing Corporation Act;
- (xi) the Utah State Fair Corporation created in [Title 9, Chapter 4, Part 11] <u>Title 63H</u>, Chapter 6, Utah State Fair Corporation Act;
- (xii) the Workers' Compensation Fund created in Title 31A, Chapter 33, Workers' Compensation Fund;
- (xiii) the Utah State Retirement Office created in Title 49, Chapter 11, Utah State Retirement Systems Administration;
- (xiv) a charter school chartered by the State Charter School Board or a board of trustees of a higher education institution under Title 53A, Chapter 1a, Part 5, The Utah Charter Schools Act;
- (xv) the Utah Schools for the Deaf and the Blind created in Title 53A, Chapter 25b, Utah Schools for the Deaf and the Blind;
 - (xvi) an institution of higher education as defined in Section 53B-3-102;
 - (xvii) the School and Institutional Trust Lands Administration created in Title 53C,

- Chapter 1, Part 2, School and Institutional Trust Lands Administration;
- (xviii) the Utah Communications Agency Network created in Title 63C, Chapter 7, Utah Communications Agency Network Act; or
- (xix) the Utah Capital Investment Corporation created in Title 63M, Chapter 1, Part 12, Utah Venture Capital Enhancement Act.
 - (3) "Agency head" means the chief administrative officer of an agency.
 - (4) "Board" means the Privatization Policy Board created in Section 63I-4-201.
- (5) "Commercial activity" means to engage in an activity that can be obtained in whole or in part from a private enterprise.
 - (6) "Local entity" means:
 - (a) a political subdivision of the state, including a:
 - (i) county;
 - (ii) city;
 - (iii) town;
 - (iv) local school district;
 - (v) local district; or
 - (vi) special service district;
- (b) an agency of an entity described in this Subsection (6), including a department, office, division, authority, commission, or board; and
- (c) an entity created by an interlocal cooperative agreement under Title 11, Chapter 13, Interlocal Cooperation Act, between two or more entities described in this Subsection (6).
 - (7) "Private enterprise" means a person that for profit:
 - (a) manufactures a good or service;
 - (b) processes a good or service;
 - (c) sells a good or service;
 - (d) offers for sale a good or service;
 - (e) rents a good or service;
 - (f) leases a good or service;
 - (g) delivers a good or service;
 - (h) distributes a good or service; or
 - (i) advertises a good or service.

(8) Privatize means that an activity engaged in by an agency is transferred so that a
private enterprise engages in the activity including a transfer by:
(a) contract;
(b) transfer of property; or
(c) another arrangement.
Section $\frac{\{163\}}{47}$. Section $\frac{\{63J-4-502\}}{63J-7-102}$ is amended to read:
{ 63J-4-502. Membership Terms Chair Expenses.
(1) The Resource Development Coordinating Committee shall consist of the following
25 members:
(a) the state science advisor;
(b) a representative from the Department of Agriculture and Food appointed by the
executive director;
(c) a representative from the <u>Division of Housing and Community Development within</u>
the Department of [Community and Culture] Workforce Services appointed by the executive
director;
(d) a representative from the Department of Environmental Quality appointed by the
executive director;
(e) a representative from the Department of Natural Resources appointed by the
executive director;
(f) a representative from the Department of Transportation appointed by the executive
director;
(g) a representative from the Governor's Office of Economic Development appointed
by the director;
(h) a representative from the Division of Housing and Community Development
appointed by the director;
(i) a representative from the Division of State History appointed by the director;
(j) a representative from the Division of Air Quality appointed by the director;
(k) a representative from the Division of Drinking Water appointed by the director;
(l) a representative from the Division of Environmental Response and Remediation
appointed by the director;
(m) a representative from the Division of Radiation appointed by the director;



Section 164. Section 63J-7-102 is amended to read:

† 63J-7-102. Scope and applicability of chapter.

- (1) Except as provided in Subsection (2), and except as otherwise provided by a statute superseding provisions of this chapter by explicit reference to this chapter, the provisions of this chapter apply to each agency and govern each grant received on or after May 5, 2008.
 - (2) This chapter does not govern:
 - (a) a grant deposited into a General Fund restricted account;
 - (b) a grant deposited into a Trust and Agency Fund as defined in Section 51-5-4;
 - (c) a grant deposited into an Enterprise Fund as defined in Section 51-5-4;
- (d) a grant made to the state without a restriction or other designated purpose that is deposited into the General Fund as free revenue;
- (e) a grant made to the state that is restricted only to "education" and that is deposited into the Education Fund or Uniform School Fund as free revenue;
 - (f) in-kind donations;
- (g) a tax, fees, penalty, fine, surcharge, money judgment, or other money due the state when required by state law or application of state law;
- (h) a contribution made under Title 59, Chapter 10, Part 13, Individual Income Tax Contribution Act;
 - (i) a grant received by an agency from another agency or political subdivision;
- (j) a grant to the Dairy Commission created in Title 4, Chapter 22, Dairy Promotion Act;
- (k) a grant to the Utah Science Center Authority created in Title 63H, Chapter 3, Utah Science Center Authority;
- [(k)] (l) a grant to the Heber Valley Railroad Authority created in [Title 9, Chapter 3, Part 5,] Title 63H, Chapter 4, Heber Valley Historic Railroad Authority;
- [(1) a grant to the Utah Science Center Authority created in {}Title {63H}9, Chapter 3, Part 4, Utah Science Center Authority;]
- (m) a grant to the Utah State Railroad Museum Authority created in [Title 9, Chapter 3, Part 6] Title 63H, Chapter 5, Utah State Railroad Museum Authority;

- (o) a grant to the Utah State Fair Corporation created in [Title 9, Chapter 4, Part 11] Title 63H, Chapter 6, Utah State Fair Corporation Act;
- (p) a grant to the Workers' Compensation Fund created in Title 31A, Chapter 33, Workers' Compensation Fund;
- (q) a grant to the Utah State Retirement Office created in Title 49, Chapter 11, Utah State Retirement Systems Administration;
- (r) a grant to the School and Institutional Trust Lands Administration created in Title 53C, Chapter 1, Part 2, School and Institutional Trust Lands Administration;
- (s) a grant to the Utah Communications Agency Network created in Title 63C, Chapter 7, Utah Communications Agency Network Act;
 - (t) a grant to the Medical Education Program created in Section 63C-8-102;
- (u) a grant to the Utah Capital Investment Corporation created in Title 63M, Chapter 1, Part 12, Utah Venture Capital Enhancement Act;
- (v) a grant to the State Charter School Finance Authority created in Section 53A-20b-103;
 - (w) a grant to the State Building Ownership Authority created in Section 63B-1-304;
- (x) a grant to the Utah Comprehensive Health Insurance Pool created in Section 31A-29-104; or
- (y) a grant to the Military Installation Development Authority created in Section 63H-1-201.
- (3) An agency need not seek legislative review or approval of grants under Part 2, Grant Approval Requirements, if:
 - (a) the governor has declared a state of emergency; and
- (b) the grant is donated to the agency to assist victims of the state of emergency under Subsection 63K-4-201(1).

Section $\frac{\{165\}}{48}$. Section $\frac{\{63K-1-102\}}{63M-1-201}$ is amended to read:

- { 63K-1-102. Definitions.
- (1) (a) "Absent" means:
 - (i) not physically present or not able to be communicated with for 48 hours; or
 - (ii) for local government officers, as defined by local ordinances.
 - (b) "Absent" does not include a person who can be communicated with via telephone,

radio, or telecommunications.

(2) "Attack" means a nuclear, conventional, biological, or chemical warfare action against the United States of America or this state. (3) "Department" means the Department of Administrative Services, the Department of Agriculture and Food, the Alcoholic Beverage Control Commission, the Department of Commerce, [the Department of Community and Culture,] the Department of Corrections, the Department of Environmental Quality, the Department of Financial Institutions, the Department of Health, the Department of Human Resource Management, the Department of Workforce Services, the Labor Commission, the National Guard, the Department of Insurance, the Department of Natural Resources, the Department of Public Safety, the Public Service Commission, the Department of Human Services, the State Tax Commission, the Department of Technology Services, the Department of Transportation, any other major administrative subdivisions of state government, the State Board of Education, the State Board of Regents, the Utah Housing Corporation, the Workers' Compensation Fund, the State Retirement Board, and each institution of higher education within the system of higher education. (4) "Disaster" means a situation causing, or threatening to cause, widespread damage, social disruption, or injury or loss of life or property resulting from attack, internal disturbance, natural phenomenon, or technological hazard. (5) "Division" means the Division of Homeland Security established in Title 53, Chapter 2, Part 1, Homeland Security Act. (6) "Emergency interim successor" means a person designated by this chapter to exercise the powers and discharge the duties of an office when the person legally exercising the powers and duties of the office is unavailable. (7) "Executive director" means the person with ultimate responsibility for managing and overseeing the operations of each department, however denominated. (8) "Internal disturbance" means a riot, prison break, terrorism, or strike. (9) "Natural phenomenon" means any earthquake, tornado, storm, flood, landslide, avalanche, forest or range fire, drought, epidemic, or other catastrophic event. (10) (a) "Office" includes all state and local offices, the powers and duties of which are defined by constitution, statutes, charters, optional plans, ordinances, articles, or by-laws.

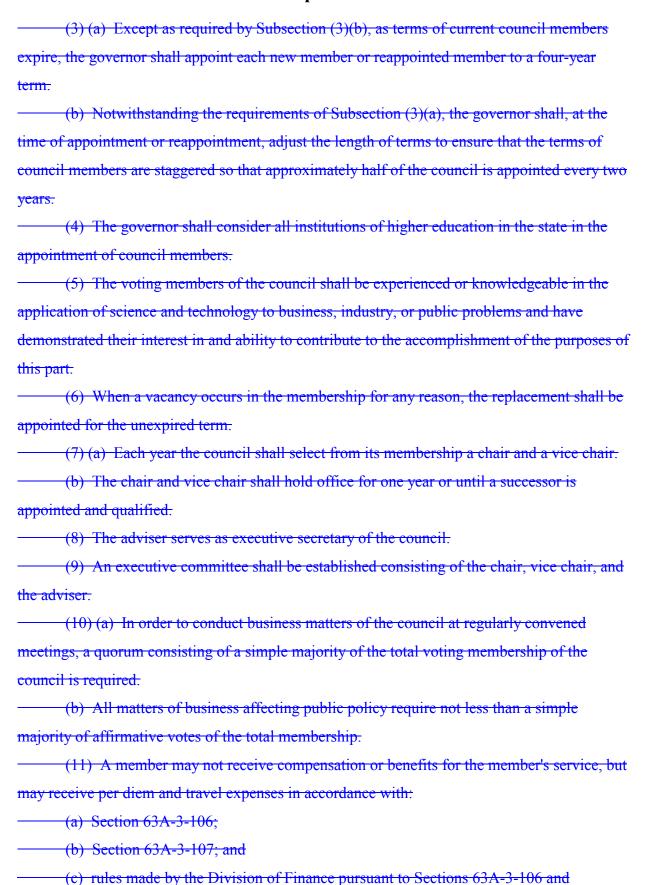
(b) "Office" does not include the office of governor or the legislative or judicial offices.

- (11) "Place of governance" means the physical location where the powers of an office are being exercised.
- (12) "Political subdivision" includes counties, cities, towns, townships, districts, authorities, and other public corporations and entities whether organized and existing under charter or general law.
- (13) "Political subdivision officer" means a person holding an office in a political subdivision.
- (14) "State officer" means the attorney general, the state treasurer, the state auditor, and the executive director of each department.
- (15) "Technological hazard" means any hazardous materials accident, mine accident, train derailment, air crash, radiation incident, pollution, structural fire, or explosion.
 - (16) "Unavailable" means:
- (a) absent from the place of governance during a disaster that seriously disrupts normal governmental operations, whether or not that absence or inability would give rise to a vacancy under existing constitutional or statutory provisions; or
- (b) as otherwise defined by local ordinance.
- Section 166. Section 63M-1-201 is amended to read:

† 63M-1-201. Creation of office.

- (1) There is created the Governor's Office of Economic Development.
- (2) The office shall:
- (a) be responsible for economic development within the state;
- (b) perform economic development planning for the state;
- (c) administer and coordinate all state or federal grant programs which are, or become available, for economic development;
- (d) administer any other programs over which the office is given administrative supervision by the governor;
 - (e) annually submit a report to the Legislature by October 1; and
 - (f) perform any other duties as provided by the Legislature.
- (3) The office may solicit and accept contributions of money, services, and facilities from any other source, public or private, but may not use the money for publicizing the exclusive interest of the donor.

- (4) Money received under Subsection (3) shall be deposited in the General Fund as dedicated credits of the office.
- (5) (a) The office is recognized as an issuing authority as defined in Subsection 63M-1-2902(7), entitled to issue bonds from the Small Issue Bond Account created in Subsection 63M-1-2906(1)(c) as a part of the state's private activity bond volume cap authorized by the Internal Revenue Code of 1986 and computed under Section 146 of the code.
- (b) To promote and encourage the issuance of bonds from the Small Issue Bond Account for manufacturing projects, the office may:
- (i) develop campaigns and materials that inform qualified small manufacturing businesses about the existence of the program and the application process;
 - (ii) assist small businesses in applying for and qualifying for these bonds; or
- (iii) develop strategies to lower the cost to small businesses of applying for and qualifying for these bonds, including making arrangements with financial advisors, underwriters, bond counsel, and other professionals involved in the issuance process to provide their services at a reduced rate when the division can provide them with a high volume of applicants or issues.
- Section 167. Section 63M-1-604 is amended to read:
 63M-1-604. Members -- Appointment -- Terms -- Qualifications -- Vacancies -Chair and vice chair -- Executive secretary -- Executive committee -- Quorum -Expenses.
 (1) The council comprises the following nonvoting members or their designees:
 (a) the adviser;
 (b) the executive director of the Department of Natural Resources;
 [(c) the executive director of the Department of Health;
 [(d)] (e) the executive director of the Department of Health;
 [(e)] (d) the executive director of the Department of Environmental Quality;
 [(f)] (e) the commissioner of agriculture and food;
 [(g)] (f) the commissioner of higher education;
 [(h)] (g) the state planning coordinator; and
 [(i)] (h) the executive director of the Department of Transportation.
 (2) The governor may appoint other voting members, not to exceed 12.



63A-3-107.

Section 168. Section 63M-1-1503 is amended to read:

63M-1-1503. Advisory board.

- (1) (a) There is created within the office the Utah Pioneer Communities Advisory Board.
- (b) The Permanent Community Impact Fund Board created in Section [9-4-304] 63M-1-3004 shall act as the advisory board.
- (2) The advisory board shall have the powers and duties described in Section 63M-1-1504 and shall operate the Utah Pioneer Communities Program in accordance with Section 63M-1-1505.
- (3) The director shall designate an employee of the office to serve as a nonvoting secretary for the advisory board.
- (4) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
- (a) Section 63A-3-106;
- (b) Section 63A-3-107; and
- (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.
- Section $\frac{\{169\}}{49}$. Section 63M-1-2901, which is renumbered from Section 9-4-501 is renumbered and amended to read:

Part 29. Bond Volume Cap Allocation

[9-4-501]. 63M-1-2901. Legislative intent.

It is the intent of the Legislature to establish procedures to most effectively and equitably allocate this state's private activity bond volume cap authorized by the Internal Revenue Code of 1986 in order to maximize the social and economic benefits to this state.

Section $\frac{\{170\}}{50}$. Section 63M-1-2902, which is renumbered from Section 9-4-502 is renumbered and amended to read:

[9-4-502]. 63M-1-2902. Definitions.

As used in this part:

(1) "Allocated volume cap" means [any] a volume cap for which a certificate of allocation is in effect or for which bonds have been issued.

- (2) "Allotment accounts" means the various accounts created in Section [9-4-506] 63M-1-2906.
- (3) "Board of review" means the Private Activity Bond Review Board created in Section [9-4-503] 63M-1-2903.
- (4) "Bond" means any obligation for which an allocation of volume cap is required by the code.
- (5) "Code" means the Internal Revenue Code of 1986, as amended, and any related Internal Revenue Service regulations.
- (6) "Form 8038" means the Department of the Treasury tax form 8038 (OMB No. 1545-0720) or any other federal tax form or other method of reporting required by the Department of the Treasury under Section 149(e) of the code.
 - (7) "Issuing authority" means:
 - (a) any county, city, or town in the state;
- (b) any not-for-profit corporation or joint agency, or other entity acting on behalf of one or more counties, cities, towns, or any combination of these;
 - (c) the state; or
 - (d) any other entity authorized to issue bonds under state law.
- (8) "State" means the state of Utah and any of its agencies, institutions, and divisions authorized to issue bonds or certificates under state law.
- (9) "Volume cap" means the private activity bond volume cap for the state as computed under Section 146 of the code.
 - (10) "Year" means each calendar year [beginning calendar year 1992].

Section \(\frac{\frac{171}{51}}{51}\). Section \(\frac{63M-1-2903}{3}\), which is renumbered from Section 9-4-503 is renumbered and amended to read:

[9-4-503]. 63M-1-2903. Private Activity Bond Review Board.

- (1) There is created within the [department] office the Private Activity Bond Review Board, composed of 11 members as follows:
 - (a) five ex officio members who [shall be] are:
- (i) the [executive] director of the [department] office or the [executive] director's designee;
 - (ii) the director of the Division of Business and Economic Development or the

director's designee;

- (iii) the state treasurer or the treasurer's designee;
- (iv) the chair of the Board of Regents or the chair's designee; and
- (v) the chair of the Utah Housing Corporation or the chair's designee; and
- (b) six local government members who [shall be] are:
- (i) three elected or appointed county officials, nominated by the Utah Association of Counties and appointed by the governor with the consent of the Senate; and
- (ii) three elected or appointed municipal officials, nominated by the Utah League of Cities and Towns and appointed by the governor with the consent of the Senate.
- (2) (a) Except as required by Subsection (2)(b), the terms of office for the local government members of the board of review shall be four-year terms.
- (b) Notwithstanding the requirements of Subsection (2)(a), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of board members are staggered so that approximately half of the board is appointed every two years.
 - (c) Members may be reappointed only once.
- (3) (a) If a local government member ceases to be an elected or appointed official of the city or county the member is appointed to represent, that membership on the board of review terminates immediately and there shall be a vacancy in the membership.
- (b) When a vacancy occurs in the membership for any reason, the replacement shall be appointed within 30 days in the manner of the regular appointment for the unexpired term, and until his successor is appointed and qualified.
- (4) (a) The chair of the board of review [shall be] is the [executive] director of the [department] office or the [executive] director's designee.
 - (b) The chair is nonvoting except in the case of a tie vote.
 - (5) Six members of the board of review constitute a quorum.
 - (6) Formal action by the board of review requires a majority vote of a quorum.
- (7) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
 - (a) Section 63A-3-106;
 - (b) Section 63A-3-107; and

- (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.
- (8) The chair of the board of review serves as the state official designated under state law to make certifications required to be made under Section 146 of the code including the certification required by Section 149(e)(2)(F) of the code.

Section $\frac{172}{52}$. Section 63M-1-2904, which is renumbered from Section 9-4-504 is renumbered and amended to read:

[9-4-504]. 63M-1-2904. Powers, functions, and duties of board of review.

The board of review shall:

- (1) make, subject to the limitations of the code, allocations of volume cap to issuing authorities;
- (2) determine the amount of volume cap to be allocated with respect to approved applications;
- (3) maintain a record of all applications filed by issuing authorities under Section [9-4-505] 63M-1-2905 and all certificates of allocation issued under Section [9-4-507] 63M-1-2907;
 - (4) maintain a record of all bonds issued by issuing authorities during each year;
- (5) determine the amount of volume cap to be treated as a carryforward under Section 146(f) of the code and allocate this carryforward to one or more qualified carryforward purposes;
- (6) make available upon reasonable request a certified copy of all or any part of the records maintained by the board of review under this part or a summary of them, including information relating to the volume cap for each year and any amounts available for allocation under this part;
 - (7) promulgate rules for the allocation of volume cap under this part; and
- (8) charge reasonable fees for the performance of duties prescribed by this part, including application, filing, and processing fees.

Section $\frac{\{173\}}{53}$. Section 63M-1-2905, which is renumbered from Section 9-4-505 is renumbered and amended to read:

[9-4-505]. 63M-1-2905. Allocation of volume cap.

(1) (a) Subject to Subsection (1)(b), the volume cap for each year shall be distributed

by the board of review to the various allotment accounts as set forth in Section [9-4-506] 63M-1-2906.

- (b) The board of review may distribute up to 50% of each increase in the volume cap that occurs after March 11, 1999, for use in development that occurs in quality growth areas, depending upon the board's analysis of the relative need for additional volume cap between development in quality growth areas and the allotment accounts under Section [9-4-506] 63M-1-2906.
- (2) To obtain an allocation of the volume cap, issuing authorities shall submit to the board of review an application containing information required by the procedures and processes of the board of review.
- (3) (a) The board of review shall establish criteria for making allocations of volume cap that are consistent with the purposes of the code and this part.
- (b) In making an allocation of volume cap the board of review shall consider the following:
 - [(a)] (i) the principal amount of the bonds proposed to be issued;
 - [(b)] (ii) the nature and the location of the project or the type of program;
 - [(e)] (iii) the likelihood that the bonds will be sold and the timeframe of bond issuance;
- [(d)] (iv) whether the project or program could obtain adequate financing without an allocation of volume cap;
- [(e)] (v) the degree to which an allocation of volume cap is required for the project or program to proceed or continue;
- [(f)] (vi) the social, health, economic, and educational effects of the project or program on the local community and state as a whole;
- [(g)] (vii) the anticipated economic development created or retained within the local community and the state as a whole;
- [(h)] (viii) the anticipated number of jobs, both temporary and permanent, created or retained within the local community and the state as a whole;
- $[\frac{1}{2}]$ (ix) if the project is a residential rental project, the degree to which the residential rental project:
 - [(i)] (A) targets lower income populations; and
 - [(ii)] (B) is accessible housing; and

- $[\frac{1}{2}]$ whether the project meets the principles of quality growth recommended by the Quality Growth Commission created under Section 11-38-201.
- (4) The board of review shall evidence an allocation of volume cap by issuing a certificate in accordance with Section [9-4-507] 63M-1-2907.
- (5) (a) From January 1 to June 30, the board shall set aside at least 50% of the Small Issue Bond Account that may be allocated only to manufacturing projects.
- (b) From July 1 to August 15, the board shall set aside at least 50% of the Pool Account that may be allocated only to manufacturing projects.

Section \(\frac{1174}{54}\). Section \(63\text{M-1-2906}\), which is renumbered from Section 9-4-506 is renumbered and amended to read:

[9-4-506]. 63M-1-2906. Allotment accounts.

- (1) There are created the following allotment accounts:
- (a) the Single Family Housing Account, for which eligible issuing authorities are those authorized under the code and state statute to issue qualified mortgage bonds under Section 143 of the code;
- (b) the Student Loan Account, for which eligible issuing authorities are those authorized under the code and state statute to issue qualified student loan bonds under Section 144(b) of the code;
- (c) the Small Issue Bond Account, for which eligible issuing authorities are those authorized under the code and state statute to issue:
 - (i) qualified small issue bonds under Section 144(a) of the code; or
- (ii) qualified exempt facility bonds for qualified residential rental projects under Section 142(d) of the code;
- (d) the Exempt Facilities Account, for which eligible issuing authorities are those authorized under the code and state statute to issue bonds requiring an allocation of volume cap other than for purposes described in Subsections (1)(a), (b), or (c);
- (e) the Pool Account, for which eligible issuing authorities are those authorized under the code and state statute to issue bonds requiring an allocation of volume cap; and
- (f) the Carryforward Account, for which eligible issuing authorities are those with projects or programs qualifying under Section 146(f) of the code.
 - (2) (a) The volume cap shall be distributed to the various allotment accounts on

January 1 of each year on the following basis:

- (i) 42% to the Single Family Housing Account;
- (ii) 33% to the Student Loan Account;
- (iii) 1% to the Exempt Facilities Account; and
- (iv) 24% to the Small Issue Bond Account.
- (b) From July 1 to September 30 of each year, the board of review may transfer any unallocated volume cap from the Exempt Facilities Account or the Small Issue Bond Account to the Pool Account.
- (c) The board of review, upon written notification by the issuing authorities eligible for volume cap allocation from the Single Family Housing Account or the Student Loan Account that all or a portion of volume cap distributed into that allotment account will not be used, may transfer the unused volume cap between the Single Family Housing Account and the Student Loan Account.
- (d) From October 1 to the third Friday of December of each year, the board of review shall transfer all unallocated volume cap [shall be transferred] into the Pool Account.
- (e) [Unallocated] On the third Saturday of December, the board of review shall transfer uncollected volume cap or allocated volume cap for which bonds have not been issued prior to the third Saturday of December [shall be transferred on that date] into the Carryforward Account.
- (f) If the authority to issue bonds designated in any allotment account is rescinded by amendment to the code, the board of review may transfer any unallocated volume cap from that allotment account to any other allotment account.

Section \(\frac{1175}{55}\). Section \(63\text{M-1-2907}\), which is renumbered from Section 9-4-507 is renumbered and amended to read:

[9-4-507]. 63M-1-2907. Certificates of allocation.

- (1) (a) After an allocation of volume cap for a project or program is approved by the board of review, the board shall issue a numbered certificate of allocation [shall be issued] stating the amount of the allocation, the allocation account for which the allocation is being made, and the expiration date of the allocation.
- (b) The certificates of allocation shall be mailed to the issuing authority within 10 working days of the date of approval.

- (c) No bonds are entitled to any allocation of the volume cap unless the issuing authority received a certificate of allocation with respect to the bonds.
- (d) (i) Certificates of allocation shall remain in effect for a period of 90 days from the date of approval.
- (ii) If bonds for which a certificate has been approved are not issued within the 90-day period, the certificate of allocation is void and volume cap shall be returned to the applicable allotment account for reallocation by the board of review.
- (2) (a) An issuing authority receiving an allocation of volume cap from the Carryforward Account shall receive a certificate of allocation similar to the certificates of allocation described in Subsection (1) from the board of review stating the amount of allocation from the Carryforward Account that [have] has been allocated to the issuing authority and the expiration of the allocation.
- (b) If in the judgment of the board of review [any] an issuing authority or [any] a person or entity responsible for a project or program receiving an allocation from the Carryforward Account does not proceed with diligence in providing for the issuance of the bonds with respect to the project or program, and because of the lack of [such] diligence the volume cap cannot be used, the board of review may exclude from its consideration for a given period of time, determined by the board of review, [applications] an application of [these] the issuing [authorities or persons or entities] authority, person, or entity. The board of review may, at any time, review and modify its decisions relating to this exclusion.

Section \(\frac{1176}{56}\). Section \(63\text{M-1-2908}\), which is renumbered from Section 9-4-508 is renumbered and amended to read:

[9-4-508]. 63M-1-2908. Issuing authorities -- Limitations -- Duties.

- (1) (a) Any law to the contrary notwithstanding, an issuing authority issuing bonds without a certificate of allocation issued under Section [9-4-507] 63M-1-2907, or an issuing authority issuing bonds after the expiration of a certificate of allocation, is not entitled to an allocation of the volume cap for those bonds.
- (b) An issuing authority issuing bonds in excess of the amount set forth in the related certificate of allocation is not entitled to an allocation of the volume cap for the excess.
 - (2) Each issuing authority shall:
 - (a) advise the board of review, within 15 days after the issuance of bonds, of the

principal amount of bonds issued under each certificate of allocation by delivering to the board of review a copy of the Form 8038 that was delivered or shall be delivered to the Internal Revenue Service in connection with the bonds, or, if no Form 8038 is required to be delivered to the Internal Revenue Service, a completed copy of a Form 8038 prepared for the board of review with respect to the bonds; and

- (b) if all or a stated portion of the bonds for which a certificate of allocation was received will not be issued, advise the board of review in writing, within 15 days of the earlier of:
 - (i) the final decision not to issue all or a stated portion of the bonds; or
 - (ii) the expiration of the certificate of allocation.
- (3) Failure by an issuing authority to notify the board of review under Subsection (2), including failure to timely deliver a Form 8038, may, in the sole discretion of the board of review, result in the issuing authority being denied further consideration of applications.

Section \(\frac{\frac{177}{57}}{57}\). Section \(\frac{63M-1-2909}{3M-1-2909}\), which is renumbered from Section 9-4-509 is renumbered and amended to read:

[9-4-509]. 63M-1-2909. Procedures -- Adjudicative proceedings.

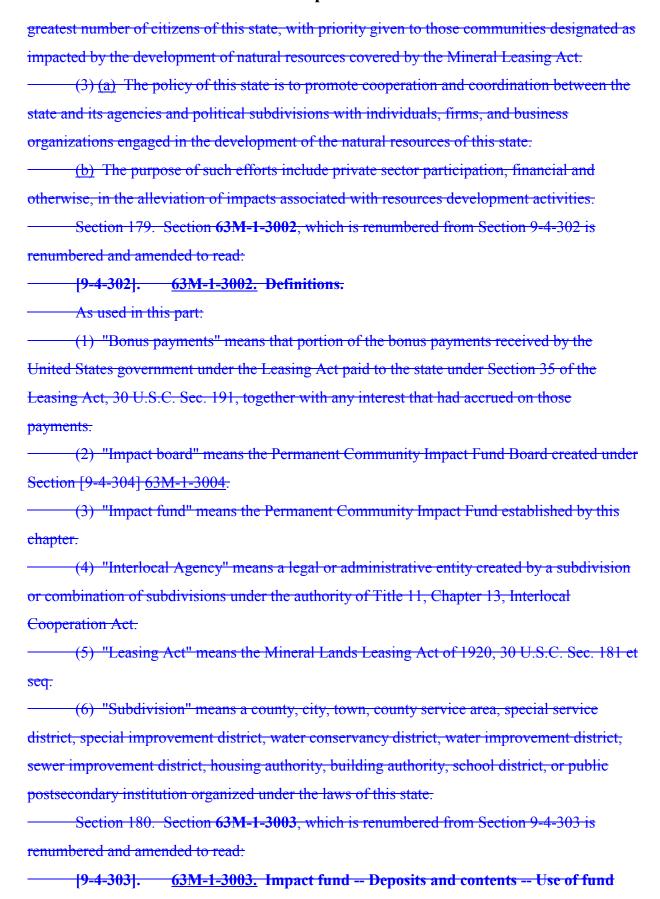
The board of review shall comply with the procedures and requirements of Title 63G, Chapter 4, Administrative Procedures Act, in its adjudicative proceedings.

Section {178. Section 63M-1-3001, which is renumbered from Section 9-4-301 is renumbered and amended to read:

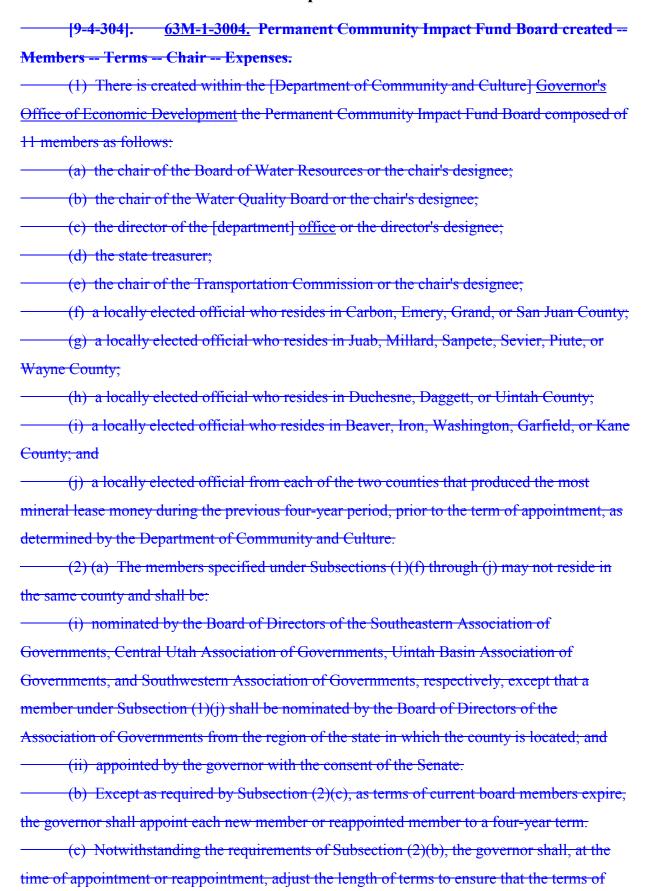
Part 30. Community Impact Alleviation

[9-4-301]. 63M-1-3001. Legislative intent -- Purpose and policy.

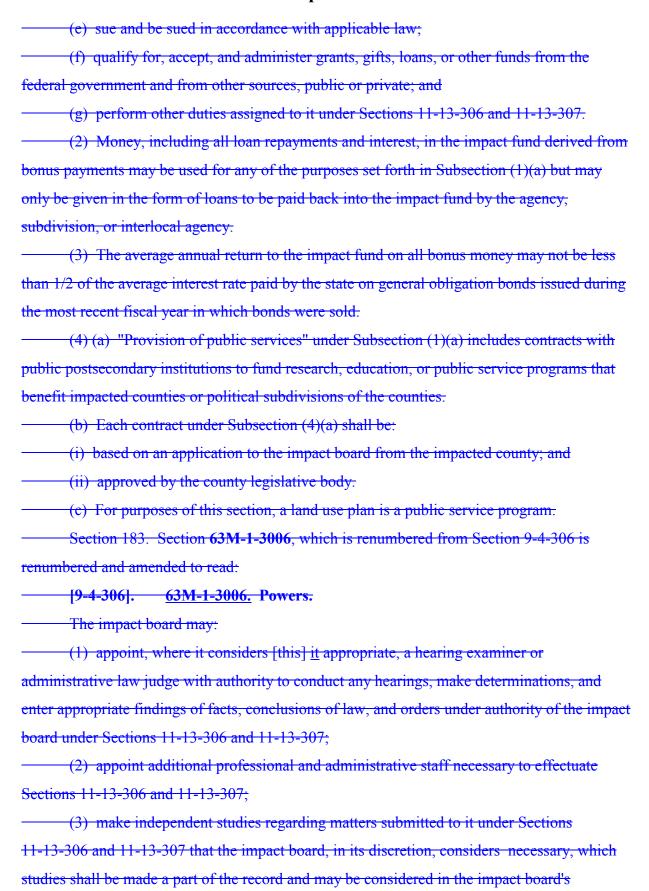
- (1) It is the intent of the Legislature to make available funds received by the state from federal mineral lease revenues under Section 59-21-2, bonus payments on federal oil shale lease tracts U-A and U-B, and all other bonus payments on federal mineral leases to be used for the alleviation of social, economic, and public finance impacts resulting from the development of natural resources in this state, subject to the limitations provided for in Section 35 of the Mineral Leasing Act of 1920 (41 Stat. 450, 30 U.S.C. Sec. 191).
- (2) The purpose of this part is to maximize the long term benefit of funds derived from these lease revenues and bonus payments by fostering funding mechanisms which will, consistent with sound financial practices, result in the greatest use of financial resources for the



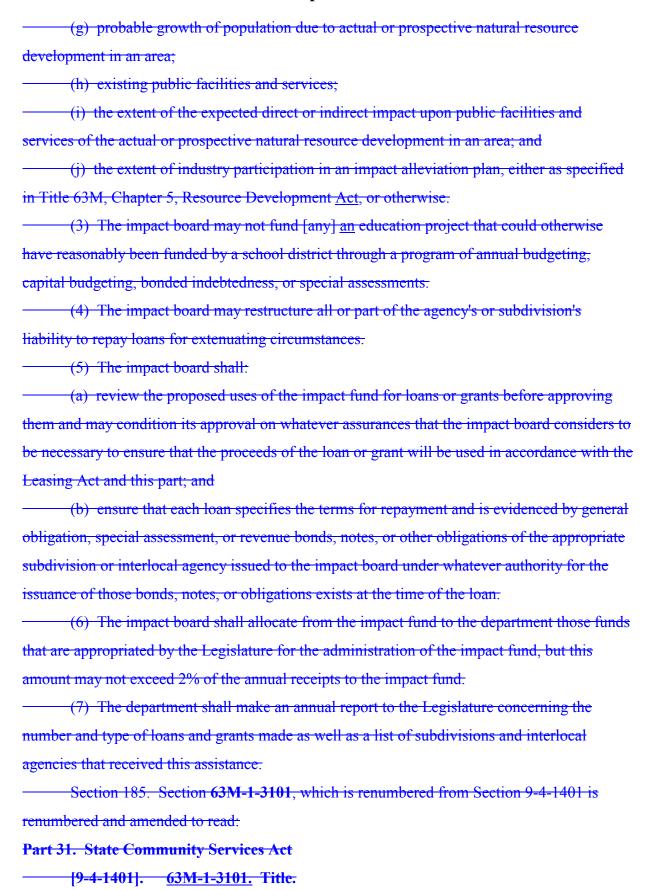
money.
(1) There is created an enterprise fund entitled the "Permanent Community Impact
Fund."
(2) The fund consists of:
(a) all amounts appropriated to the impact fund under Section 59-21-2;
(b) bonus payments deposited to the impact fund pursuant to Subsection 59-21-1(2);
(c) all amounts appropriated to the impact fund under Section 53C-3-203;
(d) all amounts received for the repayment of loans made by the impact board under
this chapter; and
(e) all other money appropriated or otherwise made available to the impact fund by the
Legislature.
(3) The state treasurer shall:
(a) invest the money in the impact fund by following the procedures and requirements
of Title 51, Chapter 7, State Money Management Act; and
(b) deposit all interest or other earnings derived from those investments into the impact
fund.
(4) The amounts in the impact fund available for loans, grants, administrative costs, or
other purposes of this part shall be limited to that which the Legislature appropriates for these
purposes.
(5) Federal mineral lease revenue received by the state under the Leasing Act that is
deposited into the impact fund shall be used:
(a) in a manner consistent with:
(i) the Leasing Act; and
(ii) this part; and
(b) for loans, grants, or both to state agencies or subdivisions that are socially or
economically impacted by the leasing of minerals under the Leasing Act.
(6) The money described in Subsection (2)(c) shall be used for grants to political
subdivisions of the state to mitigate the impacts resulting from the development or use of
school and institutional trust lands.
Section 181. Section 63M-1-3004, which is renumbered from Section 9-4-304 is
renumbered and amended to read:

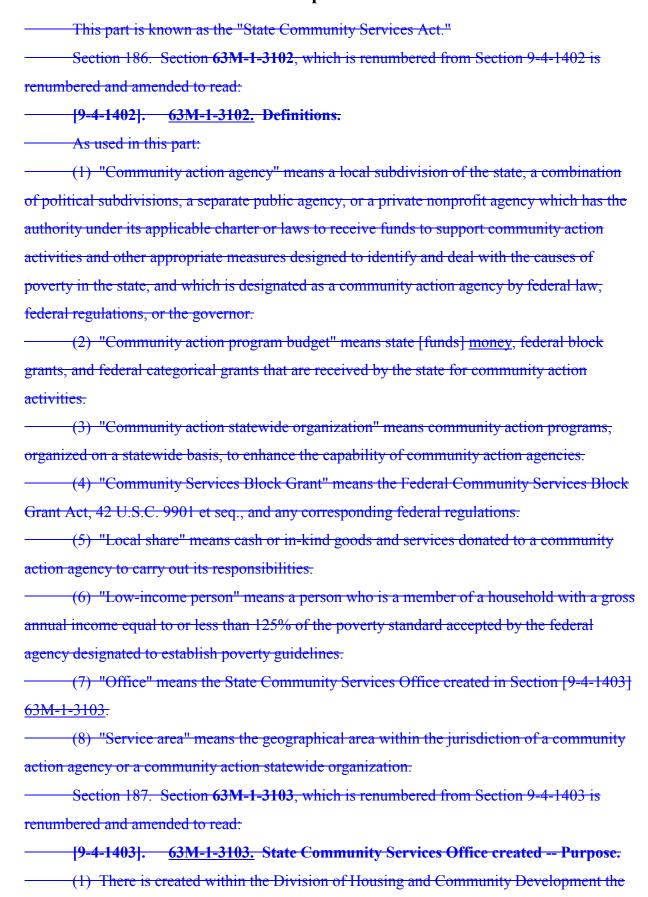


board members are staggered so that approximately half of the board is appointed every two vears. (d) When a vacancy occurs in the membership for any reason, the replacement shall be appointed for the unexpired term. (3) The terms of office for the members of the impact board specified under Subsections (1)(a) through (1)(e) shall run concurrently with the terms of office for the councils, boards, committees, commission, departments, or offices from which the members come. (4) The [executive] director of the [department] office, or the [executive] director's designee, shall be the chair of the impact board. (5) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with: (a) Section 63A-3-106; (b) Section 63A-3-107; and (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107. Section 182. Section 63M-1-3005, which is renumbered from Section 9-4-305 is renumbered and amended to read: [9-4-305]. <u>63M-1-3005.</u> Duties -- Loans -- Interest. (1) The impact board shall: (a) make grants and loans from the amounts appropriated by the Legislature out of the impact fund to state agencies, subdivisions, and interlocal agencies that are or may be socially or economically impacted, directly or indirectly, by mineral resource development for: (i) planning; (ii) construction and maintenance of public facilities; and (iii) provision of public services; (b) establish the criteria by which the loans and grants will be made; (c) determine the order in which projects will be funded; (d) in conjunction with other agencies of the state or of subdivisions or of interlocal agencies, conduct studies, investigations, and research into the effects of proposed mineral resource development projects upon local communities;

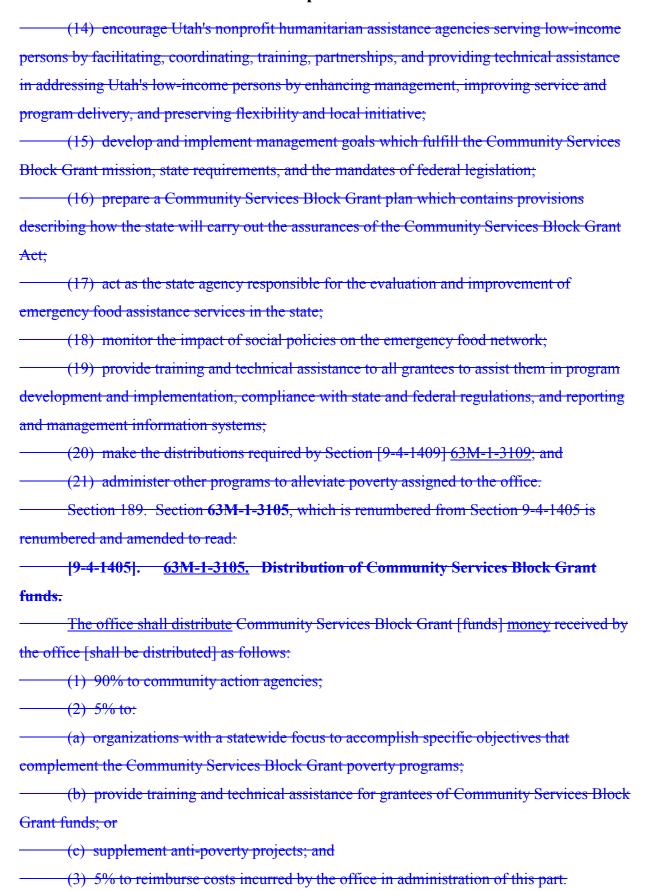


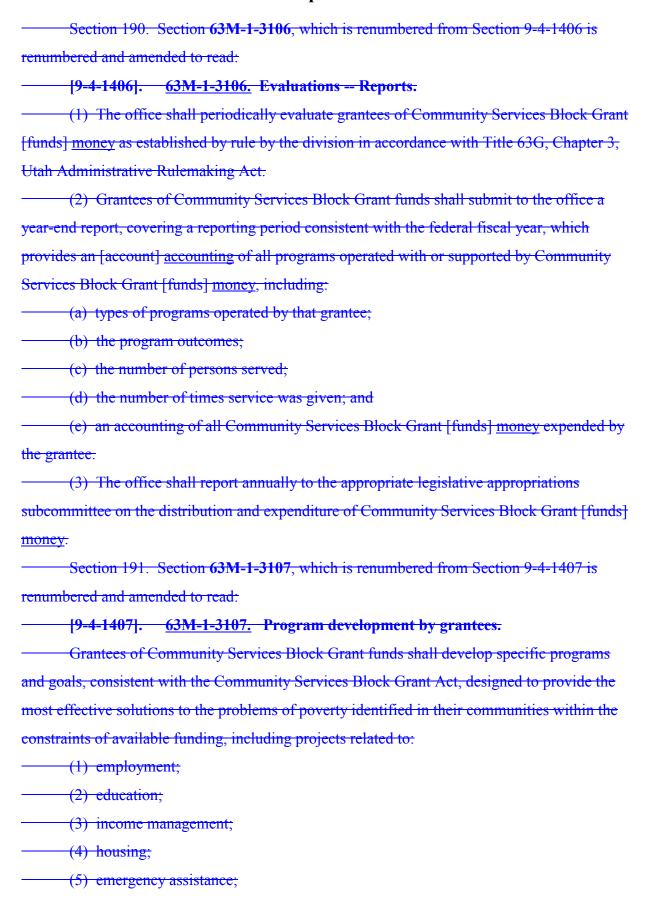
determination; and (4) make rules under Title 63G, Chapter 3, Utah Administrative Rulemaking Act it considers necessary to perform its responsibilities under Sections 11-13-306 and 11-13-307. Section 184. Section 63M-1-3007, which is renumbered from Section 9-4-307 is renumbered and amended to read: [9-4-307]. 63M-1-3007. Impact fund administered by impact board --Eligibility for assistance -- Review by board -- Administration costs -- Annual report. (1) (a) The impact board shall: (i) administer the impact fund in a manner that will keep a portion of the impact fund revolving; (ii) determine provisions for repayment of loans; and (iii) establish criteria for determining eligibility for assistance under this part. (b) (i) Criteria for awarding loans or grants made from funds described in Subsection [9-4-303(5)] 63M-1-3003(5) shall be consistent with Subsection [9-4-303(5)] 63M-1-3003(5). (ii) Criteria for awarding grants made from funds described in Subsection [9-4-303(2)(c)] 63M-1-3003(2)(c) shall be consistent with Subsection [9-4-303(6)] 63M-1-3003(6). (c) In order to receive assistance under this part, subdivisions and interlocal agencies shall submit formal applications containing the information that the impact board requires. (2) In determining eligibility for loans and grants under this part, the impact board shall consider the following: (a) the subdivision's or interlocal agency's current mineral lease production; (b) the feasibility of the actual development of a resource that may impact the subdivision or interlocal agency directly or indirectly; (c) current taxes being paid by the subdivision's or interlocal agency's residents; (d) the borrowing capacity of the subdivision or interlocal agency, its ability and willingness to sell bonds or other securities in the open market, and its current and authorized indebtedness; (e) all possible additional sources of state and local revenue, including utility user charges; (f) the availability of federal assistance funds;

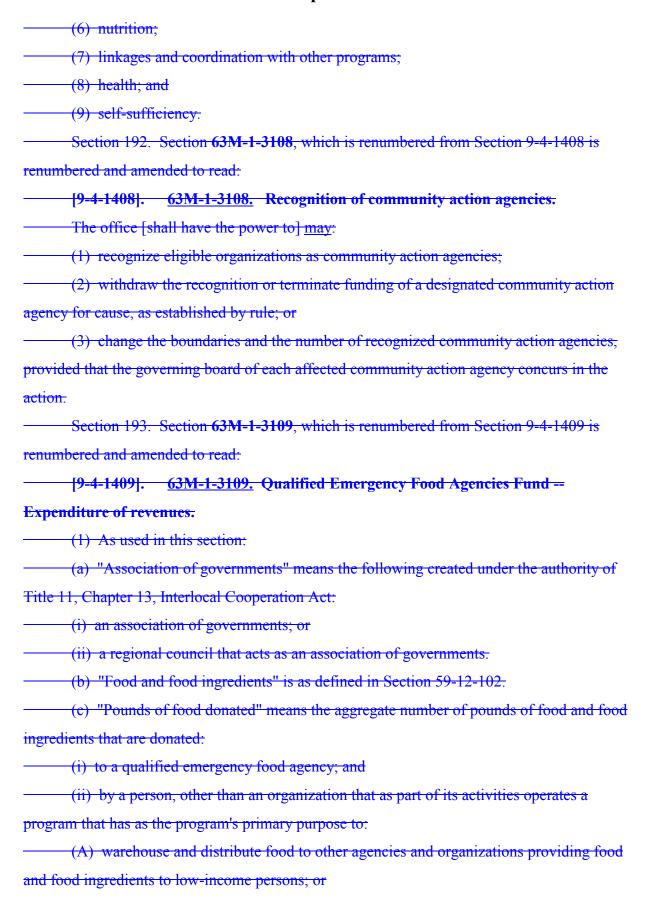


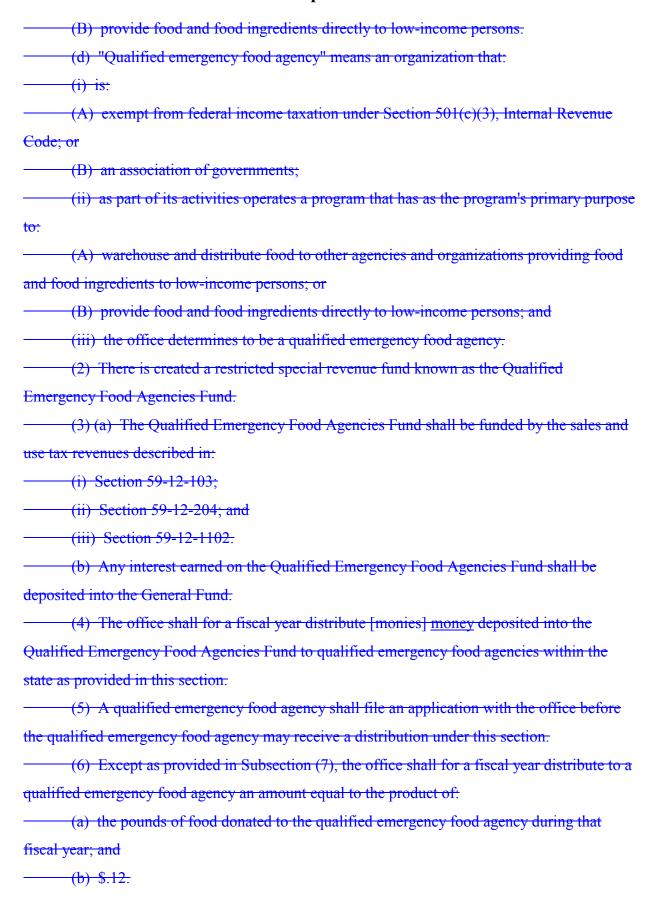


State Community Services Office.
(2) The office shall strengthen communities by reducing poverty and improving the
quality of life for low-income persons in this state.
Section 188. Section 63M-1-3104, which is renumbered from Section 9-4-1404 is
renumbered and amended to read:
[9-4-1404]. <u>63M-1-3104.</u> Duties of office.
The office shall:
(1) coordinate state activities designed to reduce poverty;
(2) encourage entities in the private sector to participate in efforts to ameliorate pover
in the community;
(3) cooperate with agencies of local, state, and federal government in reducing povert
and implementing community, social, and economic programs;
(4) receive and expend funds for the purposes outlined in this part;
(5) enter into contracts with and award grants to public and private nonprofit agencies
and organizations;
(6) develop a state plan based on needs identified by community action agencies and
community action statewide organizations;
(7) designate community action agencies to receive funds through the Community
Services Block Grant program;
(8) fund community action agencies and community action statewide organizations;
(9) make rules in conjunction with the division pursuant to Title 63G, Chapter 3, Utal
Administrative Rulemaking Act, to carry out the purposes of this part;
(10) provide assistance to local governments or private organizations for the purpose
establishing and operating a community action agency;
(11) provide technical assistance to community action agencies to improve program
planning, program development, administration, and the mobilization of public and private
resources;
(12) convene public meetings which provide citizens the opportunity to comment on
public policies and programs to reduce poverty;
(13) advise the governor and Legislature of the nature and extent of poverty in the sta
and make recommendations concerning changes in state and federal policies and programs;









- (7) If the [monies] money deposited into the Qualified Emergency Food Agencies Fund [are] is insufficient to make the distributions required by Subsection (6), the office shall make distributions to qualified emergency food agencies in the order that the office receives applications from the qualified emergency food agencies until all of the [monies] money deposited into the Qualified Emergency Food Agencies Fund for the fiscal year [are] is expended.
- (8) A qualified emergency food agency may expend a distribution received in accordance with this section only for a purpose related to:
- (a) warehousing and distributing food and food ingredients to other agencies and organizations providing food and food ingredients to low-income persons; or
 - (b) providing food and food ingredients directly to low-income persons.
- (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Division of Housing and Community Development may make rules providing procedures for implementing the distributions required by this section, including:
- (a) standards for determining and verifying the amount of a distribution that a qualified emergency food agency may receive;
- (b) procedures for a qualified emergency food agency to apply for a distribution, including the frequency with which a qualified emergency food agency may apply for a distribution; and
- (c) consistent with Subsection (1)(d), determining whether an entity is a qualified emergency food agency.
- Section 194\58. Section 63M-7-301 is amended to read:

63M-7-301. Definitions -- Creation of council -- Membership -- Terms.

- (1) (a) As used in this part, "council" means the Utah Substance Abuse Advisory Council created in this section.
- (b) There is created within the governor's office the Utah Substance Abuse Advisory Council.
 - (2) The council shall be comprised of the following voting members:
 - (a) the attorney general or the attorney general's designee;
 - (b) a county commissioner designated by the Utah Association of Counties;
 - (c) the commissioner of public safety or the commissioner's designee;

- (d) the director of the Division of Substance Abuse and Mental Health or the director's designee;
 - (e) the state superintendent of public instruction or the superintendent's designee;
 - (f) the director of the Department of Health or the director's designee;
- (g) the executive director of the Commission on Criminal and Juvenile Justice or the executive director's designee;
 - (h) the governor or the governor's designee;
- (i) the executive director of the Department of Corrections or the executive director's designee;
 - (j) the director of the Division of Juvenile Justice Services or the director's designee;
- (k) the executive director of the private nonprofit Utah Domestic Violence Council or the executive director's designee;
 - (l) the director of the Division of Indian Affairs or the director's designee;
 - (m) the state court administrator or the state court administrator's designee;
 - (n) the following members designated to serve four-year terms:
- (i) a member of the House of Representatives designated by the speaker of the House of Representatives;
 - (ii) a member of the Senate designated by the president of the Senate; and
 - (iii) a representative designated by the Utah League of Cities and Towns; [and]
- [(iv) a representative from the Office of Ethnic Affairs within the Department of Community and Culture designated by the director of the office or a designee;]
 - (o) the following members appointed by the governor to serve four-year terms:
 - (i) a representative of the Utah National Guard;
- (ii) one resident of the state who has been personally affected by alcohol or other drug abuse; and
 - (iii) one citizen representative;
- (p) in addition to the voting members described in Subsections (2)(a) through (o), the following voting members may be appointed by a majority of the members described in Subsections (2)(a) through (o) to serve four-year terms:
 - (i) a person knowledgeable in criminal justice issues;
 - (ii) a person knowledgeable in substance abuse treatment issues;

- (iii) a person knowledgeable in substance abuse prevention issues; and
- (iv) a person knowledgeable in judiciary issues; and
- (q) in addition to the voting members described in Subsections (2)(a) through (p), one or more chairs or co-chairs of a committee established by the council under Subsection 63M-7-302(5) may be appointed as a voting member by a majority of the members described in Subsections (2)(a) through (p).
- (3) A person other than a person described in Subsection (2) may not be appointed as a voting member of the council.

Section $\frac{\{195\}}{59}$. Section 67-1a-201, which is renumbered from Section 9-1-801 is renumbered and amended to read:

[9-1-801]. 67-1a-201. Title.

This part is known as the "Commission on National and Community Service Act."

Section \$\frac{\{196\}60}{\}60\$. Section 67-1a-202, which is renumbered from Section 9-1-802 is renumbered and amended to read:

[9-1-802]. <u>67-1a-202.</u> Definitions.

- (1) "Act" means the National Community and Service Trust Act of 1993, 42 U.S.C. 12501 et seq.
- (2) "Commission" means the Utah Commission on Volunteers created in Section [9-1-803] 67-1a-203.
- (3) "Corporation" means the Corporation for National and Community Service described in the act.

Section \$\frac{\{197\}61}{\}\$. Section 67-1a-203, which is renumbered from Section 9-1-803 is renumbered and amended to read:

[9-1-803]. <u>67-1a-203.</u> Creation -- Members -- Appointment -- Terms -- Vacancies -- Per diem and expenses.

- (1) There is created <u>within the lieutenant governor's office</u> the Utah Commission on Volunteers consisting of the following 25 members:
 - (a) the lieutenant governor;
 - (b) the commissioner of higher education or the commissioner's designee;
 - (c) the superintendent of public instruction or the superintendent's designee;
 - (d) nine members appointed by the governor as follows:

- (i) an individual with expertise in the educational, training, and developmental needs of youth, particularly disadvantaged youth;
- (ii) an individual with experience in promoting the involvement of older adults in service and volunteerism;
- (iii) a representative of community-based agencies or community-based organizations within the state;
 - (iv) a representative of local governments in the state;
 - (v) a representative of local labor organizations in the state;
 - (vi) a representative of business;
- (vii) an individual between the ages of 16 and 25 who is a participant or supervisor in a volunteer or service program;
 - (viii) a representative of a National Service Program; and
 - (ix) a representative of the corporation as a nonvoting, ex officio member; and
 - (e) 13 members appointed by the governor from the following groups:
 - (i) local educators;
- (ii) experts in the delivery of human, educational, cultural, environmental, or public safety services to communities and individuals;
 - (iii) representatives of Native American tribes;
 - (iv) out-of-school youth or other at-risk youth; and
- (v) representatives of entities that receive assistance under the Domestic Volunteer Service Act of 1973, 42 U.S.C. 4950 et seq.
- (2) (a) In appointing persons to serve on the commission, the governor shall ensure that:
- (i) no more than 13 members of the commission are members of the same political party; and
 - (ii) no more than six members of the commission are state government employees.
- (b) In appointing persons to serve on the commission, the governor shall strive for balance on the commission according to race, ethnicity, age, gender, and disability characteristics.
- (3) (a) Except as required by Subsection (3)(b), as terms of current commission members expire, the governor shall appoint each new member or reappointed member to a

three-year term.

- (b) Notwithstanding the requirements of Subsection (3)(a), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of commission members are staggered so that approximately one-third of the commission is appointed every year.
- (4) When a vacancy occurs in the membership for any reason, the replacement shall be appointed for the unexpired term.
- (5) A member appointed by the governor may not serve more than two consecutive terms.
- (6) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
 - (a) Section 63A-3-106;
 - (b) Section 63A-3-107; and
- (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.
 - (7) (a) The lieutenant governor is the chair of the commission.
 - (b) The commission shall select a vice chair from among its members.

Section \(\frac{\{198\}62}{\}\). Section \(67-1a-204\), which is renumbered from Section 9-1-805 is renumbered and amended to read:

[9-1-805]. 67-1a-204. Election of officers.

- (1) The [officers of the] commission shall [be] have as officers a chair, vice chair, secretary, and treasurer. [All officers shall be]
- (2) An officer is elected by the voting commission members from among the members of the commission and shall serve for a term of one year. [Vacancies in any]
- (3) A vacancy in an office [shall be] is filled with an election by the commission for the remainder of the officer's unexpired term.

Section \(\frac{\{199\}63}{\}\). Section 67-1a-205, which is renumbered from Section 9-1-806 is renumbered and amended to read:

[9-1-806]. <u>67-1a-205.</u> Officers' duties.

- (1) The chair shall:
- (a) preside at all meetings of the commission;

- (b) appoint all subcommittee chairs;
- (c) assist all chairs in the planning of subcommittee activities;
- (d) supervise all chairs as to the management of subcommittee plans;
- (e) authorize and execute the wishes of the commission; and
- (f) serve as an ex officio member of all subcommittees.
- (2) The vice chair shall:
- (a) assist the chair, and, in the absence of the chair, perform [those] the chair's duties;
- (b) accept special assignments from the chair; and
- (c) perform other duties as delegated by the commission.
- (3) The secretary shall:
- (a) keep an updated list of names, addresses, and telephone numbers of all commission and subcommittee members; and
 - (b) keep a record of attendance at meetings.
 - (4) The treasurer shall:
 - (a) oversee the preparation of all funding applications; and
 - (b) report on finances to the commission at each meeting.

Section {200} 64. Section 67-1a-206, which is renumbered from Section 9-1-807 is renumbered and amended to read:

[9-1-807]. <u>67-1a-206.</u> Subcommittees.

- (1) The commission shall create subcommittees to advise and assist the commission in carrying out its duties and responsibilities, including strategic planning.
- (2) These subcommittees shall include Youth Voice, Volunteer Recognition, Evaluation, Community Collaboration, and Resource Development.
- (a) (i) The subcommittee on Youth Voice shall have at least five members between the ages of 16 and 25.
- (ii) It shall develop and recommend policies and programs to the commission and bring the perspective of young people to all commission discussions and decisions.
 - (b) (i) The subcommittee on Volunteer Recognition shall have at least five members.
 - (ii) It shall:
- (A) assist with the implementation of governor's awards relating to exemplary volunteer service in the state[-];

- (B) work with individual communities to develop local recognition programs[7]; and
- (C) explore additional opportunities to recognize individuals and organizations addressing community needs through volunteer service.
 - (c) (i) The subcommittee on Evaluation shall have at least five members.
- (ii) It shall evaluate each program funded by the corporation and by state organizations that support the purpose of the commission to assure their on-going quality.
- (d) (i) The subcommittee on Community Collaboration shall have at least five members.
- (ii) It shall promote communication and information sharing between state and local private and public initiatives to meet community needs.
 - (e) (i) The subcommittee on Resource Development shall have at least five members.
- (ii) It shall develop and implement strategies to secure local, state, and federal resources to reinforce, expand, and initiate quality community programs across the state.
- (3) Subcommittee chairs shall be appointed by the commission chair from among commission members, but the subcommittees' members need not be limited to commission members.
- (4) The commission chair, in consultation with the subcommittee chairs, shall name the committees' members.

Section \$\frac{\{201\}65}{\}\$. Section 67-1a-207, which is renumbered from Section 9-1-808 is renumbered and amended to read:

[9-1-808]. <u>67-1a-207.</u> Meetings -- Quorum.

- (1) The commission shall meet at least quarterly. [Any]
- (2) A commission member who fails to attend at least 75% of called meetings in [any] a calendar year shall be automatically removed from the commission.
 - [(2)] (3) A quorum is a simple majority of the <u>commission's</u> voting members.

Section \$\frac{\{202\}66}{\}\$. Section 67-1a-208, which is renumbered from Section 9-1-809 is renumbered and amended to read:

[9-1-809]. 67-1a-208. Commission duties.

- (1) The commission shall, in the performance of its tasks and functions:
- (a) ensure that its funding decisions meet all federal and state statutory requirements;
- (b) recommend innovative, creative, statewide service programs to increase volunteer

participation in all age groups and community-based problem-solving among diverse participants;

- (c) develop and implement a centralized, organized system of obtaining information and technical support concerning volunteerism and community service recruitment, projects, training methods, materials, and activities throughout the state and share the information and support upon request;
- (d) promote strong interagency collaboration as an avenue for maximizing resources and providing that model on the state level;
- (e) provide public recognition and support of individual volunteer efforts and successful or promising private sector initiatives and public/private partnerships that address community needs;
- (f) stimulate increased community awareness of the impact of volunteer services in the state;
- (g) utilize local, state, and, subject to Title 63J, Chapter 5, Federal Funds Procedures Act, federal resources to reinforce, expand, and initiate quality service programs;
 - (h) assist in the planning and implementation of volunteer programs;
- (i) serve as the state's liaison and voice to appropriate national and state organizations that support its mission;
- (j) develop a three-year comprehensive state and community service plan and establish state priorities;
 - (k) preselect programs and prepare applications to the corporation pursuant to the act;
- (l) administer the grants program and oversee and monitor the performance and progress of funded programs;
 - (m) implement comprehensive, nonduplicative evaluation and monitoring systems;
 - (n) provide technical assistance to local nonprofit organizations and other entities;
 - (o) assist in the development of programs established in the act;
- (p) develop mechanisms for recruitment and placement of people interested in participating in national service programs;
- (q) assist in the provision of health care and child care benefits to participants under the act;
 - (r) make priority program recommendations to the corporation;

- (s) coordinate its activities with the activities of other state agencies that administer federal block grants; and
 - (t) coordinate its activities with the activities of other volunteer service programs.
- (2) The commission may not directly operate or run a national service program receiving financial assistance, in any form, from the corporation.
- (3) (a) The commission may, subject to Title 63J, Chapter 5, Federal Funds Procedures Act, receive and accept federal funds, and may receive and accept private gifts, donations, or funds from any source.
- (b) [All money] Money received under Subsection (3)(a) shall be deposited with the state and [shall be] continuously available to the commission to carry out the purposes of this part.

Section \(\frac{203}{67}\). Section \(67-1a-209\), which is renumbered from Section 9-1-810 is renumbered and amended to read:

[9-1-810]. 67-1a-209. Administration, reporting, and expenses.

- [(1)] The [Division of Housing and Community Development] Office of the Lieutenant Governor shall provide necessary administrative and staff support services to the commission.
 - [(2) The commission shall report to the office of the lieutenant governor.]

Section \$\frac{\{204\}_{68}}{\{68}}\$. Section **67-1a-210**, which is renumbered from Section 9-1-811 is renumbered and amended to read:

[9-1-811]. 67-1a-210. Enactment of bylaws.

The commission may enact bylaws for its own governance.

Section \(\frac{\{205\}69}{\}\). Section \(67-1a-301\), which is renumbered from Section 9-17-101 is renumbered and amended to read:

CHAPTER 3. HUMANITARIAN SERVICE AND EDUCATIONAL AND CULTURAL EXCHANGE RESTRICTED ACCOUNT ACT

[9-17-101]. <u>67-1a-301.</u> Title.

This chapter is known as the "Humanitarian Service and Educational and Cultural Exchange Restricted Account Act."

Section \(\frac{206}{206}\)\(\frac{70}{20}\). Section 67-1a-302, which is renumbered from Section 9-17-102 is renumbered and amended to read:

[9-17-102]. 67-1a-302. Humanitarian Service and Educational and Cultural

Exchange Restricted Account.

- (1) There is created in the General Fund a restricted account known as the "Humanitarian Service and Educational and Cultural Exchange Restricted Account."
 - (2) The account [shall be] is funded by:
 - (a) contributions deposited into the account in accordance with Section 41-1a-422;
 - (b) private contributions; and
 - (c) donations or grants from public or private entities.
 - (3) Funds in the account are nonlapsing.
- (4) Upon appropriation by the Legislature, the [department] Office of the Lieutenant Governor shall distribute [funds] money in the account to one or more charitable organizations that:
 - (a) qualify as being tax exempt under Section 501(c)(3) of the Internal Revenue Code;
 - (b) have a national parent organization which:
 - (i) provides international humanitarian service projects; and
- (ii) has youth programs including programs to foster leadership in high school students, humanitarian service in high school and college, and conducts and promotes community service projects;
- (c) have a non-profit youth exchange program that does not compensate those who administer the program within the state;
- (d) have an annual leadership conference, which does not compensate those who administer the program within the state;
- (e) have high school service clubs, which promote humanitarian services on a state level, a national level, and an international level; and
- (f) have college service clubs, which promote humanitarian service on a state level, a national level, and an international level.
- (5) (a) An organization described in Subsection (4) may apply to the [department] lieutenant governor's office to receive a distribution in accordance with Subsection (4).
- (b) An organization that receives a distribution from the [department] lieutenant governor's office in accordance with Subsection (4) shall expend the distribution only to:
 - (i) pay the costs of supporting the following programs within the state:
 - (A) youth programs including programs to foster leadership in high school students and

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- (B) community service projects;
- (C) a non-profit youth exchange program;
- (D) an annual leadership conference;
- (E) high school service clubs, which promote humanitarian service on a state level, a national level, and an international level; and
- (F) college service clubs, which promote humanitarian service on a state level, a national level, and an international level; and
- (ii) pay the costs of issuing or reordering Humanitarian Service and Educational and Cultural Exchange support special group license plate decals.
- (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [department] lieutenant governor's office may make rules providing procedures for an organization to apply to the [department] office to receive a distribution under Subsection (4).

Section {207. Section **67-4-18** is amended to read:

67-4-18. Housing Relief Restricted Special Revenue Fund -- Payments to Utah Housing Corporation.

- (1) As used in this section, "fund" means the Housing Relief Restricted Special Revenue Fund created by this section.
- (2) There is created the Housing Relief Restricted Special Revenue Fund.
- (3) The fund shall be comprised of money deposited in the fund from money received as a result of the federal American Recovery and Reinvestment Act of 2009.
- (4) Money in the fund shall be expended to fund grants to be made by the Utah Housing Corporation in accordance with Section [9-4-927] 35A-8-527.
- (5) The treasurer may place funds in an escrow account, upon which the Utah Housing Corporation may draw to make grants in accordance with Section [9-4-927] 35A-8-527.
- (6) The treasurer may use money from the fund to pay the costs of escrow and other expenses of the corporation in connection with its duties under Section [9-4-927] 35A-8-527.
- (7) The treasurer shall administer the fund and make payments from the fund in accordance with this section and Section [9-4-927] 35A-8-527.

Section 208. Section 67-22-2 is amended to read:

67-22-2. Compensation -- Other state officers.

(1) As used in this section:
(a) "Appointed executive" means the:
(i) Commissioner of the Department of Agriculture and Food;
(ii) Commissioner of the Insurance Department;
(iii) Commissioner of the Labor Commission;
(iv) Director, Alcoholic Beverage Control Commission;
(v) Commissioner of the Department of Financial Institutions;
(vi) Executive Director, Department of Commerce;
(vii) Executive Director, Commission on Criminal and Juvenile Justice;
(viii) Adjutant General;
[(ix) Executive Director, \}71. Legislative findings Interim study Report.
(1) The Legislature finds that it is in the best interest of the state for the Department of
Community and Culture (;)
[(x)] (ix) Executive Director, Department of Corrections;
[(xi)] (x) Commissioner, Department of Public Safety;
[(xii)] (xi) Executive Director, Department of Natural Resources;
[(xiii)] (xii) Director, Governor's Office of Planning and Budget;
[(xiv)] (xiii) Executive Director, Department of Administrative Services;
[(xv)] (xiv) Executive Director, Department of Human Resource Management;
[(xvi)] (xv) Executive Director, Department of Environmental Quality;
[(xvii)] (xvi) Director,}, through its interim executive director, to conduct an in-depth
assessment of the department to determine what internal restructuring or dispersion of its
functions, divisions, and programs to other entities of state government would:
(a) improve the efficiency of government;
(b) reduce the cost of government; and
(c) better focus the state and its employees:
(i) on providing community and cultural development opportunities throughout the
state; and
(ii) in administering and coordinating all state and federal grant programs that are, or
(i) on providing community and cultural development opportunities throughout the state; and

- (11) in administering and coordinating all state and federal grant programs that are, or become, available for community and cultural development.
 - (2) (a) It is the further intent of the Legislature that the reorganization or restructuring

process for the department shall begin with movement of:

- (i) the Commission on National and Community Service and the Humanitarian Service and Educational and Cultural Exchange Restricted Account Act to the Office of the Lieutenant Governor;
- (ii) the bond volume cap allocation, including the Private Activity Bond Review Board, to the Governor's Office of Economic Development; and

{[(xviii)] (xvii) Executive Director, Utah Science Technology and Research Governing Authority;

- [(xix)] (xviii) Executive Director, Department of Workforce Services;
- [(xx)] (xix) Executive Director, Department of Health, Nonphysician;
- [(xxi)] (xx) Executive Director, Department of Human Services;
- [(xxii)] (xxi) Executive Director, Department of Transportation;
- [(xxiii)] (xxii) Executive Director, Department of Technology Services; and
- [(xxiv)] (xxiii) Executive Director, Department of Veterans Affairs.
 - (b) "Board or commission executive" means:
- (i) Members, Board of Pardons and Parole;
- (ii) Chair, State Tax Commission;
 - (iii) Commissioners, State Tax Commission;
- (iv) Executive Director, State Tax Commission;
- (v) Chair, Public Service Commission; and
- (vi) Commissioners, Public Service Commission.
- (c) "Deputy" means the person who acts as the appointed executive's second in command as determined by}(iii) the Utah Science Center Authority, the Heber Valley Historic Railroad Authority, the Utah State Railroad Museum Authority, and the Utah State Fair Corporation to Title 63H, Independent State Entities.
 - (b) The moves shall be finalized by July 1, 2011.
- (3) (a) It is the further intent of the Legislature that by July 1, 2011, a multicultural commission should be established in state government to replace the Office of Ethnic Affairs in the Department of {Human Resource Management.}
 - (2) (a) The Community and Culture.
 - (b) The commission should be organized to better reflect the changing demographics of

the state and representative of all the various ethnic groups throughout the state that are components of the state's citizenry.

- (4) (a) It is the further intent of the Legislature that the governor appoint an interim transitional executive director fofto the Department of Human Resource Management shall: (i) before October 31 of each year, recommend to the governor a compensation plan for the appointed executives and the board or commission executives; and (ii) base those recommendations on market salary studies conducted by the Department of Human Resource Management. (b) (i) The Department of Human Resource Management shall determine the salary range for the appointed executives by: (A) identifying the salary range assigned to the appointed executive's deputy; (B) designating the lowest minimum salary from those deputies' salary ranges as the minimum salary for the appointed executives' salary range; and (C) designating 105% of the highest maximum salary range from those deputies' salary ranges as the maximum salary for the appointed executives' salary range. (ii) If the deputy is a medical doctor, the Department of Human Resource Management may not consider that deputy's salary range in designating the salary range for appointed executives. (c) In establishing the salary ranges for board or commission executives, the Department of Human Resource Management shall set the maximum salary in the salary range for each of those positions at 90% of the salary for district judges as established in the annual appropriation act under Section 67-8-2. (3) (a) (i) Except as provided in Subsection (3)(a)(ii), the governor shall establish a specific salary for each appointed executive within the range established under Subsection $\frac{(2)(b)}{(b)}$ (ii) If the executive director of the Department of Health is a physician, the governor shall establish a salary within the highest physician salary range established by the Department of Human Resource Management. (iii) The governor may provide salary increases for appointed executives within the
- range established by Subsection (2)(b) and identified in Subsection (3)(a)(ii).
 - (b) The governor shall apply the same overtime regulations applicable to other FLSA

exempt positions. (c) The governor may develop standards and criteria for reviewing the appointed executives. (4) Salaries for other Schedule A employees, as defined in Section 67-19-15, that are not provided for in this chapter, or in Title 67, Chapter 8, Utah Elected Official and Judicial Salary Act, shall be established as provided in Section 67-19-15. (5) (a) The Legislature fixes benefits for the appointed executives and the board or commission executives as follows: (i) the option of participating in a state retirement system established by Title 49, Utah State Retirement and Insurance Benefit Act, or in a deferred compensation plan administered by the State Retirement Office in accordance with the Internal Revenue Code and its accompanying rules and regulations; (ii) health insurance; (iii) dental insurance; (iv) basic life insurance; (v) unemployment compensation; (vi) workers' compensation; (vii) required employer contribution to Social Security; (viii) long-term disability income insurance; (ix) the same additional state-paid life insurance available to other noncareer service employees; (x) the same severance pay available to other noncareer service employees; (xi) the same leave, holidays, and allowances granted to Schedule B state employees as follows: (A) sick leave; (B) converted sick leave if accrued prior to January 1, 2014; (C) educational allowances; (D) holidays; and (E) annual leave except that annual leave shall be accrued at the maximum rate provided to Schedule B state employees: (xii) the option to convert accumulated sick leave to cash or insurance benefits as

provided by law or rule upon resignation or retirement according to the same criteria and
procedures applied to Schedule B state employees;
(xiii) the option to purchase additional life insurance at group insurance rates according
to the same criteria and procedures applied to Schedule B state employees; and
(xiv) professional memberships if being a member of the professional organization is a
requirement of the position.
(b) Each department shall pay the cost of additional state-paid life insurance for its
executive director from its existing budget.
(6) The Legislature fixes the following additional benefits:
(a) for the executive director of the State Tax Commission a vehicle for official and
personal use;
(b) for the executive director of the Department of Transportation a vehicle for official
and personal use;
(c) for the executive director of the Department of Natural Resources a vehicle for
commute and official use;
(d) for the Commissioner of Public Safety:
(i) an accidental death insurance policy if POST certified; and
(ii) a public safety vehicle for official and personal use;
(e) for the executive director of the Department of Corrections:
(i) an accidental death insurance policy if POST certified; and
(ii) a public safety vehicle for official and personal use;
(f) for the Adjutant General a vehicle for official and personal use; and
(g) for each member of the Board of Pardons and Parole a vehicle for commute and
official use.
Section 209. Section 72-4-302 is amended to read:
72-4-302. Utah State Scenic Byway Committee Creation Membership
Meetings Expenses.
(1) There is created the Utah State Scenic Byway Committee.
(2) (a) The committee shall consist of the following [15] 14 members:
(i) a representative from each of the following entities appointed by the governor:
(A) the Governor's Office of Economic Development;

(B) the Utah Department of Transportation;
[(C) the Department of Community and Culture;]
[(D)] (C) the Division of State Parks and Recreation;
[(E)] (D) the Federal Highway Administration;
[(F)] (E) the National Park Service;
[(G)] (F) the National Forest Service; and
[(H)] (G) the Bureau of Land Management;
(ii) one local government tourism representative appointed by the governor;
(iii) a representative from the private business sector appointed by the governor;
(iv) three local elected officials from a county, city, or town within the state appointed
by the governor;
(v) a member from the House of Representatives appointed by the speaker of the
House of Representatives; and
(vi) a member from the Senate appointed by the president of the Senate.
(b) Except as provided in Subsection (2)(c), the members appointed in this Subsection
(2) shall be appointed for a four-year term of office.
(c) The governor shall, at the time of appointment or reappointment for appointments
made under Subsection (2)(a)(i), (ii), (iii), or (iv) adjust the length of terms to ensure that the
terms of committee members are staggered so that approximately half of the committee is
appointed every two years.
(d) (i) The appointments made under Subsection (2)(a)(v) and (2)(a)(vi) by the speaker
of the House and the president of the Senate may not be from the same political party.
(ii) The speaker of the House and the president of the Senate shall alternate the
appointments made under Subsections (2)(a)(v) and (2)(a)(vi) as follows:
(A) if the speaker appoints a member under Subsection (2)(a)(v), the next appointment
made by the speaker following the expiration of the existing member's four-year term of office
shall be from a different political party; and
(B) if the president appoints a member under Subsection (2)(a)(vi), the next
appointment made by the president following the expiration of the existing member's four-year
term of office shall be from a different political party.
(3) (a) The representative from the Governor's Office of Economic Development shall

chair the committee. (b) The members appointed under Subsections (2)(a)(i)(E) through [(H)] (G) serve as nonvoting, ex officio members of the committee. (4) The Governor's Office of Economic Development and the department shall provide staff support to the committee. (5) (a) The chair may call a meeting of the committee only with the concurrence of the department. (b) A majority of the voting members of the committee constitute a quorum. (c) Action by a majority vote of a quorum of the committee constitutes action by the committee. (6) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with: (a) Section 63A-3-106; (b) Section 63A-3-107; and (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107. Section 210. Section 73-10c-3 is amended to read: 73-10c-3. Water Development Coordinating Council created -- Purpose --Members. (1) (a) There is created within the Department of Natural Resources a Water Development Coordinating Council. The council comprises: (i) the director of the Division of Water Resources; (ii) the executive secretary of the Water Quality Board; (iii) the executive secretary of the Drinking Water Board; (iv) the executive director of the Department of [Community and Culture] Workforce Services or the executive director's designee; and (v) the state treasurer or the treasurer's designee. (b) The council shall choose a chair and vice chair from among its own members. (c) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with: (i) Section 63A-3-106;

(ii) Section 63A-3-107; and (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107. (2) The purposes of the council are to: (a) coordinate the use and application of the funds available to the state to give financial assistance to political subdivisions of this state so as to promote the conservation, development, treatment, restoration, and protection of the waters of this state; (b) promote the coordination of the financial assistance programs administered by the state and the use of the financing alternative most economically advantageous to the state and its political subdivisions; (c) promote the consideration by the Board of Water Resources, Drinking Water Board, and Water Quality Board of regional solutions to the water and wastewater needs of individual political subdivisions of this state; and (d) assess the adequacy and needs of the state and its political subdivisions with respect to water-related infrastructures and advise the governor and the Legislature on those funding needs. Section 211. Legislative finding -- Transition. (1) The Legislature finds that the restructuring of the Department of Community and Culture and the dispersion of its functions, divisions, and programs to other entities of state government is in the best interest of the state, since the restructuring and dispersion will improve the efficiency of government, reduce the cost of government, and better focus the state and its employees on providing community and cultural development opportunities throughout the state and in administering and coordinating all state and federal grant programs which are, or become, available for community and cultural development. (2) It is the intent of the Legislature that the restructuring process for the Department of Community and Culture shall begin with the movement of components of the Division of Housing and Community Development and associated programs to the Governor's Office of Economic Development and the Department of Workforce Services by July 1, 2011. (3) (a) It is the further intent of the Legislature that a multicultural commission shall be established in the Office of the Lieutenant Governor as part of this reorganization of

community and cultural responsibilities.

- (b) Members of the commission shall represent and reflect the growing diversity of the various cultures within the state.
- (4) (a) It is the further intent of the Legislature that the governor appoint an interim transitional executive director to the Department of Community and Culture for the purpose of coordinating and directing the remaining divisions and functions by July 1, 2012.
- (b) The interim director shall involve stakeholders in the transition discussions and assessment, restructuring, and dispersion.
- (b) In conducting the activities under Subsection (4)(a), the director or the director's designee shall hold meetings and solicit input {as to the proper dispersion or restructuring of divisions, functions, and programs and whether they should be kept at the state level or be channeled into local government.
- (c) Stakeholder groups that shall be included in the discussions and meetings are from stakeholders throughout the state, including:
- (i) representatives from community, ethnic, and {culture} cultural entities { located throughout the state};
 - (ii) representatives of the arts, libraries, history, and museums; { and}
 - (iii) Indian tribal leaders;
 - (iv) communities and individuals served by the department; and
 - (v) business and community leaders.
- (\{5\) The implementation of the restructuring and dispersion should be structured so that the state experiences reduced administrative costs, increased government efficiencies, and the redirection of resources from administrative functions of\{c\) The director or the director's designee shall include a study of two of the following options in its consideration of several options for assessing and restructuring the department:
- (i) moving the Division of Housing and Community Development or its major components to the Department of {Community and Culture to community and culture resource services in the state.
 - (6) Workforce Services; and
- (ii) moving the Divisions of Arts and Museums, State History, and Libraries to the Department of Administrative Services.

(d) The interim director {and other individuals identified by} or the {governor} interim					
director's designee may request assistance from { the} agencies identified as recipients of { the}					
restructuring, and request assistance, support, and involvement from local government, private					
business, and {legislative staff in making the transition.					
(7) (a) The other affected parties in conducting the assessment, restructuring, and					
dispersion.					
(5) (a) It is the further intent of the Legislature that the interim director shall prepare					
and present a report regarding the assessment, restructuring, and dispersion to:					
(i) the governor by August 31, 2011;					
(ii) the Legislature's Workforce Services and Community and Economic Development					
Interim Committee {on or before July 20, 2011, and} by October 19, 2011 {;}; and { to}					
(iii) the Legislative Management Committee {no later than} by December 15, 2011 {					
regarding the department's implementation of its restructuring and transition}.					
(b) The report shall include {the} any anticipated cost savings, stakeholder					
recommendations, and statutory or rule changes required to implement {the } restructuring and					
\{\tansition\}\transitioning.					
Section 212. Repealer.					
This bill repeals:					
Section 35A-3-309, Information regarding home ownership.					
Legislative Review Note					
as of 2-11-11 11:44 AM					
Office of Legislative Research and General Counsel					