

HB0287S02 compared with HB0287S01

~~text~~ shows text that was in HB0287S01 but was deleted in HB0287S02.

inserted text shows text that was not in HB0287S01 but was inserted into HB0287S02.

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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 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 Utah Science Center Authority, the Heber Valley Historic Railroad Authority, and the Utah State Railroad Museum Authority to Title 63H,

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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:

~~{ 41-1a-422, as last amended by Laws of Utah 2010, Chapters 139, 166, 369, and 379~~

‡ 59-12-104, as last amended by Laws of Utah 2010, Chapters 88, 209, and 364

63A-5-306, as last amended by Laws of Utah 2010, Chapter 343

63E-1-102, as last amended by Laws of Utah 2010, Chapters 152 and 364

63I-1-209, as last amended by Laws of Utah 2010, Chapter 364

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-7-102, as last amended by Laws of Utah 2010, Chapters 152, 364, and 370

63M-1-201, as renumbered and amended by Laws of Utah 2008, Chapter 382

63M-7-301, as last amended by Laws of Utah 2010, Chapter 39

RENUMBERS AND AMENDS:

63H-3-101, (Renumbered from 9-3-401, as enacted by Laws of Utah 1993, Chapter 309)

63H-3-102, (Renumbered from 9-3-402, as last amended by Laws of Utah 2001, Chapter 151)

63H-3-103, (Renumbered from 9-3-403, as last amended by Laws of Utah 2010, Chapter 286)

63H-3-104, (Renumbered from 9-3-404, as enacted by Laws of Utah 1993, Chapter

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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)

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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,

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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)

~~**67-1a-201**, (Renumbered from 9-1-801, as enacted by Laws of Utah 1994, Chapter 119)~~

~~**67-1a-202**, (Renumbered from 9-1-802, as last amended by Laws of Utah 1996, Chapter 242)~~

~~**67-1a-203**, (Renumbered from 9-1-803, as last amended by Laws of Utah 2010, Chapter 286)~~

~~**67-1a-204**, (Renumbered from 9-1-805, as enacted by Laws of Utah 1994, Chapter 119)~~

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- ~~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)

†Uncodified Material Affected:

ENACTS UNCODIFIED MATERIAL

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

Section 1. Section ~~{41-1a-422}~~59-12-104 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;~~

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~~—— (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~~

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~~application and annually after the time of application; and~~

~~—— (H) 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~~

~~—— (H) 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~~

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~~with Section 63J-1-504 for management and administrative expenses incurred in issuing and renewing the collegiate license plates:~~

~~—— (c) 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 2. 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

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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

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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

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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

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(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

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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

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(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

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(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;

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(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

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(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

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(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

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(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;

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(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

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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;

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(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

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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

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under the tariff described in Subsection (47)(a); and

(ii) equivalent to the number of kilowatt-hours 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;

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- (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

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(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:

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- (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

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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

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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;

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(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);

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(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

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- (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 ~~33~~2. 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~~]

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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] 63H, Chapter [4] 6, [~~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:

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(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

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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 ~~4~~3. 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,~~] Title 63H, Chapter 4, Heber Valley Historic Railroad Authority;

(iii) Utah State Railroad Museum Authority created in [~~Title 9, Chapter 3, Part 6~~] Title 63H, Chapter 5, Utah State Railroad Museum Authority;

(iv) Utah Science Center Authority created in [~~Title 9, Chapter 3, Part 4~~] Title 63H,

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Chapter 3, Utah Science Center Authority;

(v) Utah Housing Corporation created in Title 9, Chapter 4, Part 9, Utah Housing Corporation Act;

(vi) Utah State Fair Corporation created in [~~Title 9, Chapter 4, Part 11~~] Title 63H, Chapter 6, 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.

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(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 ~~{5}~~4. Section **63H-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 ~~{6}~~5. Section **63H-3-102**, which is renumbered from Section 9-3-402 is renumbered and amended to read:

~~[9-3-402]~~. **63H-3-102**. 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 ~~{7}~~6. Section **63H-3-103**, which is renumbered from Section 9-3-403 is renumbered and amended to read:

~~[9-3-403]~~. **63H-3-103**. Creation -- Members -- Chair -- Powers -- Quorum -- Per diem and expenses.

(1) There is created an independent state agency and a body politic and corporate

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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;

(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

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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.

Section ~~{8}~~7. Section **63H-3-104**, which is renumbered from Section 9-3-404 is renumbered and amended to read:

~~[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;

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- (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 ~~{9}~~8. Section **63H-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 ~~{10}~~9. 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 ~~{11}~~10. 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.

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(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]~~ a place ~~[or places]~~ within this state it ~~[may designate]~~ designates;

(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.

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(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 ~~{12}~~11. Section **63H-3-108**, which is renumbered from Section 9-3-409 is renumbered and amended to read:

~~[9-3-409].~~ **63H-3-108. 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 ~~{13}~~12. Section **63H-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;

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- (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 ~~{14}~~13. 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 ~~{15}~~14. Section **63H-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 ~~{16}~~15. Section **63H-4-102**, which is renumbered from Section 9-3-502 is renumbered and amended to read:

~~[9-3-502].~~ **63H-4-102. 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;

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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

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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 ~~{17}~~16. 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

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(f) perform other duties as directed by the members in carrying out the purposes of this [part] chapter.

Section ~~{18}~~17. 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 ~~{19}~~18. Section **63H-4-105**, which is renumbered from Section 9-3-505 is renumbered and amended to read:

~~[9-3-505].~~ **63H-4-105. 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 ~~{20}~~19. Section **63H-4-106**, which is renumbered from Section 9-3-506 is renumbered and amended to read:

~~[9-3-506].~~ **63H-4-106. 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] a place [~~or places~~] within this state it [~~may designate~~] designates;

(d) adopt, amend, and repeal bylaws and rules, not inconsistent with this [part] chapter,

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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 ~~(21)~~ 20. Section **63H-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

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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 ~~{22}~~21. Section **63H-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 ~~{23}~~22. 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 ~~{24}~~23. Section **63H-4-110**, which is renumbered from Section 9-3-510 is renumbered and amended to read:

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~~[9-3-510]~~. **63H-4-110. 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 ~~{25}~~24. 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 ~~{26}~~25. 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 ~~{27}~~26. Section **63H-5-102**, which is renumbered from Section 9-3-602 is renumbered and amended to read:

~~[9-3-602]~~. **63H-5-102. 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

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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

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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 ~~{28}~~27. Section **63H-5-103**, which is renumbered from Section 9-3-603 is renumbered and amended to read:

~~[9-3-603]~~. **63H-5-103**. **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

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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 ~~{29}~~28. Section **63H-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 ~~{30}~~29. 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 ~~{31}~~30. Section **63H-5-106**, which is renumbered from Section 9-3-606 is renumbered and amended to read:

~~[9-3-606]~~. **63H-5-106. 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

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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 [~~moneys~~] 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) [~~Moneys~~] Money received by the authority may not be used for any other purpose or by any other entity.

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Section ~~32~~31. Section **63H-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]~~ chapter authorizes the authority to incur indebtedness or liability on behalf of or payable by the state or any of its political subdivisions.

Section ~~33~~32. Section **63H-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.

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Section ~~{34}~~33. Section **63H-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 ~~{35}~~34. 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 ~~{36}~~35. 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]. 63H-6-101. Title.

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

Section ~~{37}~~36. 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 ~~{38}~~37. 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

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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;

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(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

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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 ~~39~~38. Section **63H-6-104**, which is renumbered from Section 9-4-1104 is renumbered and amended to read:

~~[9-4-1104].~~ **63H-6-104. 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

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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 ~~{40}~~39. 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.

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(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;

(j) approve all accounts for:

(i) salaries;

(ii) allowable expenses of the corporation and its employees and consultants; and

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- (iii) expenses incidental to the operation of the corporation; and
- (k) perform other duties as directed by the board.

Section ~~{41}~~40. Section **63H-6-106**, which is renumbered from Section 9-4-1106 is renumbered and amended to read:

~~[9-4-1106]~~. **63H-6-106**. **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]~~ a 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 ~~{42}~~41. Section **63H-6-107**, which is renumbered from Section 9-4-1107 is

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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 ~~{43}~~42. Section **63I-1-209** is amended to read:

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

~~{1}~~(1) Title 9, Chapter 1, Part 8, Commission on National and Community Service Act, is repealed July 1, 2014. ~~{1}~~

~~[(2) Title 9, Chapter 3, Part 5, Heber Valley Historic Railroad Authority, is repealed July 1, 2020.]~~

~~{3}~~ (2) Title 9, Chapter 4, Part 9, Utah Housing Corporation Act, is repealed July 1, 2016.

Section ~~{44}~~43. 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.

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(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)~~ (8)(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)~~ (9) Title 63M, Chapter 7, Part 4, Sentencing Commission, is repealed January 1, 2012.

~~(9)~~ (10) The Crime Victim Reparations Board, created in Section 63M-7-504, is

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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 ~~{45}~~44. Section ~~{63I-1-267}~~63I-4-102 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 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.

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(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, Utah Housing Corporation Act;

(xi) the Utah State Fair Corporation created in ~~[Title 9, Chapter 4, Part 11]~~ Title 63H, 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;

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(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

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private enterprise engages in the activity including a transfer by:

- (a) contract;
- (b) transfer of property; or
- (c) another arrangement.

Section ~~{47}~~45. 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;
- ~~(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;
- ~~(l) a grant to the Utah Science Center Authority created in Title 9, Chapter 3, Part 4, Utah Science Center Authority;]~~

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(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;

(n) a grant to the Utah Housing Corporation created in Title 9, Chapter 4, Part 9, Utah Housing Corporation Act;

(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 ~~{48}~~46. Section **63M-1-201** is amended to read:

63M-1-201. Creation of office.

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- (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 ~~{49}~~47. Section **63M-1-2901**, which is renumbered from Section 9-4-501 is renumbered and amended to read:

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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 ~~{50}~~48. 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

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under Section 146 of the code.

(10) "Year" means each calendar year [~~beginning calendar year 1992~~].

Section ~~{51}~~49. Section **63M-1-2903**, 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

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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 ~~52~~50. 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;

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(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 ~~{53}~~51. 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;

~~[(c)]~~ (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

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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;

~~[(i)]~~ (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

~~[(j)]~~ (x) 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 ~~{54}~~52. Section **63M-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:

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- (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

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amendment to the code, the board of review may transfer any unallocated volume cap from that allotment account to any other allotment account.

Section ~~55~~53. Section **63M-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 allotment 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.

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Section ~~56~~54. Section **63M-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 ~~57~~55. Section **63M-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 ~~58~~56. Section **63M-7-301** is amended to read:

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

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(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;

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(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 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 60. Section 67-1a-202, which is renumbered from Section 9-1-802 is renumbered and amended to read:~~

~~— [9-1-802]. — 67-1a-202. 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 61. Section 67-1a-203, which is renumbered from Section 9-1-803 is renumbered and amended to read:~~

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~~[9-1-803]. 67-1a-203. Creation -- Members -- Appointment -- Terms -- Vacancies -- Per diem and expenses.~~

~~(1) There is created within the lieutenant governor's office 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:~~

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~~—— (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 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~~

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~~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 63. Section 67-1a-205, which is renumbered from Section 9-1-806 is renumbered and amended to read:~~

~~[9-1-806]. 67-1a-205. 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 64. Section 67-1a-206, which is renumbered from Section 9-1-807 is renumbered and amended to read:~~

~~[9-1-807]. 67-1a-206. 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.~~

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~~—— (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[.]; 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 65. Section 67-1a-207, which is renumbered from Section 9-1-808 is renumbered and amended to read:~~

~~—— [9-1-808]. 67-1a-207. 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]~~

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~~a calendar year shall be automatically removed from the commission.~~

~~——— [(2)] (3) A quorum is a simple majority of the commission's voting members.~~

~~——— Section 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;~~

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~~—— (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 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 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 69. Section **67-1a-301**, which is renumbered from Section 9-17-101 is renumbered and amended to read:~~

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

~~— [9-17-101]. — 67-1a-301. Title:~~

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

~~— Section 70. 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~~

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~~—— (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 humanitarian service in high school and college;~~

~~—— (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 71}57. **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, through its {interim} executive director, to conduct an in-depth assessment of the department to determine what internal restructuring or {dispersion} assignment 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

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state; and

(i) 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;

~~†~~ (~~{iii}~~i) the bond volume cap allocation, including the Private Activity Bond Review Board, to the Governor's Office of Economic Development; and

(~~{iii}~~ii) 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 Community and Culture.~~

~~——~~ (b) The commission should be organized to better reflect the changing demographics of the state and representative of all; ~~the executive director immediately conduct a study involving all stakeholders of~~ the various ethnic groups throughout the state ~~{ that are components of the state's citizenry};~~ as to the state's changing demographics and how the needs of these groups might best be met by and represented in state government.

(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}~~ coordinate and ~~{directing}~~ direct the assessment, restructuring, and ~~{dispersion}~~ movement, if any, of its functions, division, and programs to other entities of state government.

(b) In conducting the activities under Subsection (4)(a), the director or the director's designee shall hold meetings and solicit input from stakeholders throughout the state, including:

(i) representatives from community, ethnic, and cultural entities;

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(ii) representatives of the arts, libraries, history, and museums;

(iii) Indian tribal leaders;

(iv) communities and individuals served by the department; and

(v) business and community leaders.

(c) The director or the director's designee shall ~~include a study of two of the following options in its consideration of several~~ conduct a study of various options for assessing ~~and~~ or restructuring the department and its divisions, including:

(i) ~~retaining or~~ moving the Division of Housing and Community Development or its major components ~~to the Department of Workforce Services~~; and

(ii) ~~retaining or~~ moving the Divisions of Arts and Museums, State History, and Libraries ~~to the Department of Administrative Services~~.

(d) The ~~interim~~ director or the ~~interim~~ director's designee may request assistance from agencies identified as recipients of restructuring, and request assistance, support, and involvement from local government, private business, and 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 by October 19, 2011; and

(iii) the Legislative Management Committee by December 15, 2011.

(b) The report shall include any anticipated cost savings, stakeholder recommendations, and statutory or rule changes required to implement restructuring and transitioning.