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TAX ADVISORY BOARD AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Adam Gardiner

Senate Sponsor: Lincoln Fillmore

LONG TITLE

General Description:

This bill modifies the requirements for a tax advisory board for a county of the first class.

Highlighted Provisions:

This bill:

► modifies membership requirements for board members of a tax advisory board for a county of the first class.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-12-603, as last amended by Laws of Utah 2016, Chapters 350 and 364

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

Section 1. Section **59-12-603** is amended to read:

59-12-603. County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance required -- Advisory board -- Administration -- Collection -- Administrative charge -- Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice

H.B. 143



28 requirements.

29 (1) (a) In addition to any other taxes, a county legislative body may, as provided in this
30 part, impose a tax as follows:

31 (i) (A) a county legislative body of any county may impose a tax of not to exceed 3%
32 on all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases
33 and rentals of motor vehicles made for the purpose of temporarily replacing a person's motor
34 vehicle that is being repaired pursuant to a repair or an insurance agreement; and

35 (B) beginning on or after January 1, 1999, a county legislative body of any county
36 imposing a tax under Subsection (1)(a)(i)(A) may, in addition to imposing the tax under
37 Subsection (1)(a)(i)(A), impose a tax of not to exceed 4% on all short-term leases and rentals
38 of motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made
39 for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant
40 to a repair or an insurance agreement;

41 (ii) a county legislative body of any county may impose a tax of not to exceed 1% of all
42 sales of the following that are sold by a restaurant:

43 (A) alcoholic beverages;

44 (B) food and food ingredients; or

45 (C) prepared food; and

46 (iii) a county legislative body of a county of the first class may impose a tax of not to
47 exceed .5% on charges for the accommodations and services described in Subsection

48 [59-12-103\(1\)\(i\)](#).

49 (b) A tax imposed under Subsection (1)(a) is subject to the audit provisions of Section
50 [17-31-5.5](#).

51 (2) (a) Subject to Subsection (2)(b), revenue from the imposition of the taxes provided
52 for in Subsections (1)(a)(i) through (iii) may be used for:

53 (i) financing tourism promotion; and

54 (ii) the development, operation, and maintenance of:

55 (A) an airport facility;

56 (B) a convention facility;

57 (C) a cultural facility;

58 (D) a recreation facility; or

59 (E) a tourist facility.

60 (b) A county of the first class shall expend at least \$450,000 each year of the revenue
61 from the imposition of a tax authorized by Subsection (1)(a)(iii) within the county to fund a
62 marketing and ticketing system designed to:

63 (i) promote tourism in ski areas within the county by persons that do not reside within
64 the state; and

65 (ii) combine the sale of:

66 (A) ski lift tickets; and

67 (B) accommodations and services described in Subsection 59-12-103(1)(i).

68 (3) A tax imposed under this part may be pledged as security for bonds, notes, or other
69 evidences of indebtedness incurred by a county, city, or town under Title 11, Chapter 14, Local
70 Government Bonding Act, or a community reinvestment agency under Title 17C, Chapter 1,
71 Part 5, Agency Bonds, to finance:

72 (a) an airport facility;

73 (b) a convention facility;

74 (c) a cultural facility;

75 (d) a recreation facility; or

76 (e) a tourist facility.

77 (4) (a) To impose the tax under Subsection (1), each county legislative body shall adopt
78 an ordinance imposing the tax.

79 (b) The ordinance under Subsection (4)(a) shall include provisions substantially the
80 same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on
81 those items and sales described in Subsection (1).

82 (c) The name of the county as the taxing agency shall be substituted for that of the state
83 where necessary, and an additional license is not required if one has been or is issued under
84 Section 59-12-106.

85 (5) To maintain in effect its tax ordinance adopted under this part, each county
86 legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1,
87 Tax Collection, adopt amendments to its tax ordinance to conform with the applicable
88 amendments to Part 1, Tax Collection.

89 (6) (a) Regardless of whether a county of the first class creates a tourism tax advisory

90 board in accordance with Section 17-31-8, the county legislative body of the county of the first
91 class shall create a tax advisory board in accordance with this Subsection (6).

92 (b) The tax advisory board shall be composed of nine members appointed as follows:

93 (i) four members shall be residents of a county of the first class appointed by the
94 county legislative body of the county of the first class [~~as follows:~~]; and

95 [~~(A) one member shall be a resident of the unincorporated area of the county;~~]

96 [~~(B) two members shall be residents of the incorporated area of the county; and~~]

97 [~~(C) one member shall be a resident of the unincorporated or incorporated area of the
98 county; and~~]

99 (ii) subject to Subsections (6)(c) and (d), five members shall be mayors of cities or
100 towns within the county of the first class appointed by an organization representing all mayors
101 of cities and towns within the county of the first class.

102 (c) Five members of the tax advisory board constitute a quorum.

103 (d) The county legislative body of the county of the first class shall determine:

104 (i) terms of the members of the tax advisory board;

105 (ii) procedures and requirements for removing a member of the tax advisory board;

106 (iii) voting requirements, except that action of the tax advisory board shall be by at
107 least a majority vote of a quorum of the tax advisory board;

108 (iv) chairs or other officers of the tax advisory board;

109 (v) how meetings are to be called and the frequency of meetings; and

110 (vi) the compensation, if any, of members of the tax advisory board.

111 (e) The tax advisory board under this Subsection (6) shall advise the county legislative
112 body of the county of the first class on the expenditure of revenue collected within the county
113 of the first class from the taxes described in Subsection (1)(a).

114 (7) (a) (i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part
115 shall be administered, collected, and enforced in accordance with:

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

117 (I) Part 1, Tax Collection; or

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

119 (B) Chapter 1, General Taxation Policies.

120 (ii) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or

121 Subsections 59-12-205(2) through (7).

122 (b) Except as provided in Subsection (7)(c):

123 (i) for a tax under this part other than the tax under Subsection (1)(a)(i)(B), the
124 commission shall distribute the revenue to the county imposing the tax; and

125 (ii) for a tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenue
126 according to the distribution formula provided in Subsection (8).

127 (c) The commission shall retain and deposit an administrative charge in accordance
128 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

129 (8) The commission shall distribute the revenue generated by the tax under Subsection
130 (1)(a)(i)(B) to each county collecting a tax under Subsection (1)(a)(i)(B) according to the
131 following formula:

132 (a) the commission shall distribute 70% of the revenue based on the percentages
133 generated by dividing the revenue collected by each county under Subsection (1)(a)(i)(B) by
134 the total revenue collected by all counties under Subsection (1)(a)(i)(B); and

135 (b) the commission shall distribute 30% of the revenue based on the percentages
136 generated by dividing the population of each county collecting a tax under Subsection
137 (1)(a)(i)(B) by the total population of all counties collecting a tax under Subsection (1)(a)(i)(B).

138 (9) (a) For purposes of this Subsection (9):

139 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,
140 County Annexation.

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

142 (b) (i) Except as provided in Subsection (9)(c), if, on or after July 1, 2004, a county
143 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
144 change shall take effect:

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

146 (B) after a 90-day period beginning on the date the commission receives notice meeting
147 the requirements of Subsection (9)(b)(ii) from the county.

148 (ii) The notice described in Subsection (9)(b)(i)(B) shall state:

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

150 (B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);

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

152 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
153 (9)(b)(ii)(A), the rate of the tax.

154 (c) (i) If the billing period for a transaction begins before the effective date of the
155 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
156 the tax or the tax rate increase shall take effect on the first day of the first billing period that
157 begins after the effective date of the enactment of the tax or the tax rate increase.

158 (ii) If the billing period for a transaction begins before the effective date of the repeal of
159 the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
160 rate decrease shall take effect on the first day of the last billing period that began before the
161 effective date of the repeal of the tax or the tax rate decrease.

162 (d) (i) Except as provided in Subsection (9)(e), if, for an annexation that occurs on or
163 after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a
164 tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

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

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

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

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

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

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

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

175 (e) (i) If the billing period for a transaction begins before the effective date of the
176 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
177 the tax or the tax rate increase shall take effect on the first day of the first billing period that
178 begins after the effective date of the enactment of the tax or the tax rate increase.

179 (ii) If the billing period for a transaction begins before the effective date of the repeal of
180 the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
181 rate decrease shall take effect on the first day of the last billing period that began before the
182 effective date of the repeal of the tax or the tax rate decrease.

Legislative Review Note
Office of Legislative Research and General Counsel