

HOMELESS SERVICES AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: Todd Weiler

LONG TITLE

General Description:

This bill modifies provisions related to sales and use taxes and the provision of services to the homeless.

Highlighted Provisions:

This bill:

- ▶ provides that certain sales and use tax revenue collected by municipalities, counties, and the state is deposited into the Homeless to Housing Reform Restricted Account;
- ▶ modifies the responsibilities of the Housing and Community Development Division and the Homeless Coordinating Committee in awarding grants or contracts using money from the Homeless to Housing Reform Restricted Account;
- ▶ provides that municipalities with certain qualifying homeless shelters may receive an annual payment; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

35A-8-604, as enacted by Laws of Utah 2016, Chapter 278



28 [35A-8-605](#), as enacted by Laws of Utah 2016, Chapter 278
29 [59-12-103](#), as last amended by Laws of Utah 2016, Chapters 184, 291, 348 and last
30 amended by Coordination Clause, Laws of Utah 2016, Chapter 291
31 [59-12-204](#), as last amended by Laws of Utah 2014, Chapter 258
32 [59-12-1102](#), as last amended by Laws of Utah 2016, Chapter 364

33
34 *Be it enacted by the Legislature of the state of Utah:*

35 Section 1. Section [35A-8-604](#) is amended to read:

36 **[35A-8-604. Uses of Homeless to Housing Reform Restricted Account.](#)**

37 (1) (a) For purposes of this Subsection (1), a "qualifying shelter" means a shelter that:

38 (i) is located within a municipality;

39 (ii) provides temporary shelter to homeless individuals;

40 (iii) has the capacity to provide temporary shelter to at least 50 individuals per night;

41 (iv) currently operates year-round and is not subject to zoning restrictions that limit the
42 hours, days, weeks, or months of operation; and

43 (v) was available to provide temporary shelter each night during the previous calendar
44 year.

45 (b) Beginning in 2018, a municipality may annually provide to the division a report on
46 or before March 1 in a form prescribed by the division describing:

47 (i) the number of beds that were available each night in a qualifying shelter in the
48 municipality during the previous calendar year; and

49 (ii) an emergency shelter plan that describes how the municipality will address
50 emergency sheltering needs of homeless individuals beyond the capacity of the qualifying
51 shelter.

52 (c) After verifying whether the information provided by a municipality in Subsection
53 (1)(b) is accurate, the division shall award a payment of \$900 per bed to the municipality on or
54 before April 1 from the Housing Reform Restricted Account created in Section [35A-8-605](#).

55 ~~[(+)]~~ (2) With the concurrence of the division and in accordance with this section, the
56 Homeless Coordinating Committee members designated in Subsection [35A-8-601](#)(2) may
57 award ongoing or one-time grants or contracts funded from the Homeless to Housing Reform
58 Restricted Account [~~created in Section [35A-8-605](#)].~~

59 ~~[(2)]~~ (3) Before final approval of a grant or contract awarded under this section, the
60 Homeless Coordinating Committee and the division shall provide information regarding the
61 grant or contract to, and shall consider the recommendations of, the Legislative Management
62 Committee and the Executive Appropriations Committee.

63 ~~[(3)]~~ (4) As a condition of receiving money, including any ongoing money, from the
64 Homeless to Housing Reform Restricted Account, an entity awarded a grant or contract under
65 this section shall provide detailed and accurate reporting on at least an annual basis to the
66 division and the Homeless Coordinating Committee that describes:

67 (a) how money provided from the Homeless to Housing Reform Restricted Account
68 has been spent by the entity; and

69 (b) the progress towards measurable outcome-based benchmarks agreed to between the
70 entity and the Homeless Coordinating Committee before the awarding of the grant or contract.

71 ~~[(4)]~~ (5) In determining the awarding of a grant or contract under this section, the
72 Homeless Coordinating Committee, with the concurrence of the division, shall:

73 (a) ensure that the services to be provided through the grant or contract will be
74 provided in a cost-effective manner;

75 (b) consider the advice of committee members designated in Subsection [35A-8-601\(3\)](#);

76 (c) give priority to a project or contract that will include significant additional or
77 matching funds from a private organization or local government entity;

78 (d) ensure that the project or contract will target the distinct housing needs of one or
79 more at-risk or homeless subpopulations, which may include:

80 (i) families with children;

81 (ii) transitional-aged youth;

82 (iii) single men or single women;

83 (iv) veterans;

84 (v) victims of domestic violence;

85 (vi) individuals with behavioral health disorders, including mental health or substance
86 use disorders;

87 (vii) individuals who are medically frail or terminally ill;

88 (viii) individuals exiting prison or jail; or

89 (ix) individuals who are homeless without shelter; and

90 (e) consider whether the project will address one or more of the following goals:

91 (i) diverting homeless or imminently homeless individuals and families from

92 emergency shelters by providing better housing-based solutions;

93 (ii) meeting the basic needs of homeless individuals and families in crisis;

94 (iii) providing homeless individuals and families with needed stabilization services;

95 (iv) decreasing the state's homeless rate;

96 (v) implementing a coordinated entry system with consistent assessment tools to

97 provide appropriate and timely access to services for homeless individuals and families;

98 (vi) providing access to caseworkers or other individualized support for homeless

99 individuals and families;

100 (vii) encouraging employment and increased financial stability for individuals and

101 families being diverted from or exiting homelessness;

102 (viii) creating additional affordable housing for state residents;

103 (ix) providing services and support to prevent homelessness among at-risk individuals

104 and adults;

105 (x) providing services and support to prevent homelessness among at-risk children,

106 adolescents, and young adults; and

107 (xi) preventing the reoccurrence of homelessness among individuals and families

108 exiting homelessness.

109 [~~5~~] (6) In addition to the other provisions of this section, in determining the awarding

110 of a grant or contract under this section to design, build, create, or renovate a facility that will

111 provide shelter or other resources for the homeless, the Homeless Coordinating Committee,

112 with the concurrence of the division:

113 (a) may consider whether the facility will be:

114 (i) located near mass transit services;

115 (ii) located in an area that meets or will meet all zoning regulations before a final

116 dispersal of funds;

117 (iii) safe and welcoming both for individuals using the facility and for members of the

118 surrounding community; and

119 (iv) located in an area with access to employment, job training, and positive activities;

120 and

121 (b) may not award a grant or contract under this Subsection ~~[(5)]~~ (6), unless the grant
122 or contract is endorsed by the county and, if applicable, the municipality where the facility will
123 be located.

124 ~~[(6)]~~ (7) (a) As used in this Subsection ~~[(6)]~~ (7), "homeless shelter" means a facility
125 that:

- 126 (i) is located within a municipality;
- 127 (ii) provides temporary shelter to homeless individuals;
- 128 (iii) has capacity to provide temporary shelter to at least 200 individuals per night; and
- 129 ~~[(iv) began operation on or before January 1, 2016;]~~
- 130 ~~[(v) did not operate more than nine-months per year before January 1, 2016; and]~~
- 131 ~~[(vi)]~~ (iv) currently operates year-round.

132 (b) In addition to the other provisions of this section, the Homeless Coordinating
133 Committee, with the concurrence of the division, may award a grant or contract:

- 134 (i) to a municipality to improve sidewalks, pathways, or roadways near a homeless
135 shelter to provide greater safety to homeless individuals; and
- 136 (ii) to a municipality to hire a peace officer to provide greater safety to homeless
137 individuals.

138 ~~[(7)]~~ (8) The division may expend money from the Homeless to Housing Reform
139 Restricted Account to offset actual division and Homeless Coordinating Committee expenses
140 related to administering this section.

141 Section 2. Section **35A-8-605** is amended to read:

142 **35A-8-605. Homeless to Housing Reform Restricted Account.**

143 (1) There is created a restricted account within the General Fund known as the
144 Homeless to Housing Reform Restricted Account.

145 (2) The restricted account shall be administered by the division for the purposes
146 described in Section [35A-8-604](#).

147 (3) The state treasurer shall invest the money in the restricted account according to the
148 procedures and requirements of Title 51, Chapter 7, State Money Management Act, except that
149 interest and other earnings derived from the restricted account shall be deposited in the
150 restricted account.

151 (4) The restricted account shall be funded by:

152 (a) sales and use tax revenue described in Subsections [59-12-103](#)(13), [59-12-204](#)(8),
153 and [59-12-1102](#)(6);

154 ~~[(a)]~~ (b) appropriations made to the account by the Legislature; and

155 ~~[(b)]~~ (c) private donations, grants, gifts, bequests, or money made available from any
156 other source to implement this section and Section [35A-8-604](#).

157 (5) ~~[Subject to appropriation, the]~~ The director shall use account money as described in
158 Section [35A-8-604](#).

159 (6) The Homeless Coordinating Committee, in cooperation with the division, shall
160 submit an annual written report to the department that gives a complete accounting of the use
161 of money from the account for inclusion in the annual report described in Section [35A-1-109](#).

162 Section 3. Section [59-12-103](#) is amended to read:

163 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
164 **tax revenues.**

165 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or
166 charged for the following transactions:

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

168 (b) amounts paid for:

169 (i) telecommunications service, other than mobile telecommunications service, that
170 originates and terminates within the boundaries of this state;

171 (ii) mobile telecommunications service that originates and terminates within the
172 boundaries of one state only to the extent permitted by the Mobile Telecommunications
173 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

174 (iii) an ancillary service associated with a:

175 (A) telecommunications service described in Subsection (1)(b)(i); or

176 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

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

178 (i) gas;

179 (ii) electricity;

180 (iii) heat;

181 (iv) coal;

182 (v) fuel oil; or

- 183 (vi) other fuels;
- 184 (d) sales of the following for residential use:
 - 185 (i) gas;
 - 186 (ii) electricity;
 - 187 (iii) heat;
 - 188 (iv) coal;
 - 189 (v) fuel oil; or
 - 190 (vi) other fuels;
- 191 (e) sales of prepared food;
- 192 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 193 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 194 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 195 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 196 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 197 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 198 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 199 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 200 exhibition, cultural, or athletic activity;
- 201 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 202 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
 - 203 (i) the tangible personal property; and
 - 204 (ii) parts used in the repairs or renovations of the tangible personal property described
 - 205 in Subsection (1)(g)(i), regardless of whether:
 - 206 (A) any parts are actually used in the repairs or renovations of that tangible personal
 - 207 property; or
 - 208 (B) the particular parts used in the repairs or renovations of that tangible personal
 - 209 property are exempt from a tax under this chapter;
 - 210 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
 - 211 assisted cleaning or washing of tangible personal property;
 - 212 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
 - 213 accommodations and services that are regularly rented for less than 30 consecutive days;

214 (j) amounts paid or charged for laundry or dry cleaning services;
215 (k) amounts paid or charged for leases or rentals of tangible personal property if within
216 this state the tangible personal property is:
217 (i) stored;
218 (ii) used; or
219 (iii) otherwise consumed;
220 (l) amounts paid or charged for tangible personal property if within this state the
221 tangible personal property is:
222 (i) stored;
223 (ii) used; or
224 (iii) consumed; and
225 (m) amounts paid or charged for a sale:
226 (i) (A) of a product transferred electronically; or
227 (B) of a repair or renovation of a product transferred electronically; and
228 (ii) regardless of whether the sale provides:
229 (A) a right of permanent use of the product; or
230 (B) a right to use the product that is less than a permanent use, including a right:
231 (I) for a definite or specified length of time; and
232 (II) that terminates upon the occurrence of a condition.
233 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
234 is imposed on a transaction described in Subsection (1) equal to the sum of:
235 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
236 (A) 4.70%; and
237 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
238 and Use Tax Act, if the location of the transaction as determined under Sections [59-12-211](#)
239 through [59-12-215](#) is in a county in which the state imposes the tax under Part 18, Additional
240 State Sales and Use Tax Act; and
241 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
242 and Use Tax Act, if the location of the transaction as determined under Sections [59-12-211](#)
243 through [59-12-215](#) is in a city, town, or the unincorporated area of a county in which the state
244 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

245 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
246 transaction under this chapter other than this part.

247 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
248 on a transaction described in Subsection (1)(d) equal to the sum of:

249 (i) a state tax imposed on the transaction at a tax rate of 2%; and

250 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
251 transaction under this chapter other than this part.

252 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
253 on amounts paid or charged for food and food ingredients equal to the sum of:

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

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

258 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
259 tangible personal property other than food and food ingredients, a state tax and a local tax is
260 imposed on the entire bundled transaction equal to the sum of:

261 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

262 (I) the tax rate described in Subsection (2)(a)(i)(A); and

263 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
264 Sales and Use Tax Act, if the location of the transaction as determined under Sections
265 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
266 Additional State Sales and Use Tax Act; and

267 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
268 Sales and Use Tax Act, if the location of the transaction as determined under Sections
269 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
270 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

273 (ii) If an optional computer software maintenance contract is a bundled transaction that
274 consists of taxable and nontaxable products that are not separately itemized on an invoice or
275 similar billing document, the purchase of the optional computer software maintenance contract

276 is 40% taxable under this chapter and 60% nontaxable under this chapter.

277 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
278 transaction described in Subsection (2)(d)(i) or (ii):

279 (A) if the sales price of the bundled transaction is attributable to tangible personal
280 property, a product, or a service that is subject to taxation under this chapter and tangible
281 personal property, a product, or service that is not subject to taxation under this chapter, the
282 entire bundled transaction is subject to taxation under this chapter unless:

283 (I) the seller is able to identify by reasonable and verifiable standards the tangible
284 personal property, product, or service that is not subject to taxation under this chapter from the
285 books and records the seller keeps in the seller's regular course of business; or

286 (II) state or federal law provides otherwise; or

287 (B) if the sales price of a bundled transaction is attributable to two or more items of
288 tangible personal property, products, or services that are subject to taxation under this chapter
289 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
290 higher tax rate unless:

291 (I) the seller is able to identify by reasonable and verifiable standards the tangible
292 personal property, product, or service that is subject to taxation under this chapter at the lower
293 tax rate from the books and records the seller keeps in the seller's regular course of business; or

294 (II) state or federal law provides otherwise.

295 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
296 seller's regular course of business includes books and records the seller keeps in the regular
297 course of business for nontax purposes.

298 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
299 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
300 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
301 of tangible personal property, other property, a product, or a service that is not subject to
302 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
303 the seller, at the time of the transaction:

304 (A) separately states the portion of the transaction that is not subject to taxation under
305 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

306 (B) is able to identify by reasonable and verifiable standards, from the books and

307 records the seller keeps in the seller's regular course of business, the portion of the transaction
308 that is not subject to taxation under this chapter.

309 (ii) A purchaser and a seller may correct the taxability of a transaction if:

310 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
311 the transaction that is not subject to taxation under this chapter was not separately stated on an
312 invoice, bill of sale, or similar document provided to the purchaser because of an error or
313 ignorance of the law; and

314 (B) the seller is able to identify by reasonable and verifiable standards, from the books
315 and records the seller keeps in the seller's regular course of business, the portion of the
316 transaction that is not subject to taxation under this chapter.

317 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
318 in the seller's regular course of business includes books and records the seller keeps in the
319 regular course of business for nontax purposes.

320 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
321 personal property, products, or services that are subject to taxation under this chapter at
322 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
323 unless the seller, at the time of the transaction:

324 (A) separately states the items subject to taxation under this chapter at each of the
325 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

326 (B) is able to identify by reasonable and verifiable standards the tangible personal
327 property, product, or service that is subject to taxation under this chapter at the lower tax rate
328 from the books and records the seller keeps in the seller's regular course of business.

329 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
330 seller's regular course of business includes books and records the seller keeps in the regular
331 course of business for nontax purposes.

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

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

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

336 (iii) Subsection (2)(c)(i); or

337 (iv) Subsection (2)(d)(i)(A)(I).

338 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
339 begins on or after the effective date of the tax rate increase if the billing period for the
340 transaction begins before the effective date of a tax rate increase imposed under:

- 341 (A) Subsection (2)(a)(i)(A);
- 342 (B) Subsection (2)(b)(i);
- 343 (C) Subsection (2)(c)(i); or
- 344 (D) Subsection (2)(d)(i)(A)(I).

345 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
346 statement for the billing period is rendered on or after the effective date of the repeal of the tax
347 or the tax rate decrease imposed under:

- 348 (A) Subsection (2)(a)(i)(A);
- 349 (B) Subsection (2)(b)(i);
- 350 (C) Subsection (2)(c)(i); or
- 351 (D) Subsection (2)(d)(i)(A)(I).

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

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

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

- 358 (A) Subsection (2)(a)(i)(A);
- 359 (B) Subsection (2)(b)(i);
- 360 (C) Subsection (2)(c)(i); or
- 361 (D) Subsection (2)(d)(i)(A)(I).

362 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
363 the commission may by rule define the term "catalogue sale."

364 (3) (a) The following state taxes shall be deposited into the General Fund:

- 365 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 366 (ii) the tax imposed by Subsection (2)(b)(i);
- 367 (iii) the tax imposed by Subsection (2)(c)(i); or
- 368 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

369 (b) The following local taxes shall be distributed to a county, city, or town as provided
370 in this chapter:

- 371 (i) the tax imposed by Subsection (2)(a)(ii);
372 (ii) the tax imposed by Subsection (2)(b)(ii);
373 (iii) the tax imposed by Subsection (2)(c)(ii); and
374 (iv) the tax imposed by Subsection (2)(d)(i)(B).

375 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
376 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
377 through (g):

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

- 379 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
380 (B) for the fiscal year; or

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

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

385 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
386 protect sensitive plant and animal species; or

387 (B) award grants, up to the amount authorized by the Legislature in an appropriations
388 act, to political subdivisions of the state to implement the measures described in Subsections
389 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

399 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

400 Program Subaccount created in Section 73-10c-5.

401 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
402 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
403 created in Section 4-18-106.

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

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

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

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

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

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

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

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

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

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

429 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
430 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount

431 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

432 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
433 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
434 created in Section 73-10c-5 for use by the Division of Drinking Water to:

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

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

438 (iii) develop surface water sources.

439 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
440 2006, the difference between the following amounts shall be expended as provided in this
441 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

462 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the
463 remaining difference described in Subsection (5)(a) shall be deposited into the Water
464 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
465 Division of Water Resources for:

466 (i) preconstruction costs:

467 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
468 26, Bear River Development Act; and

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

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

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

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

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

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

484 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the
485 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
486 (1) for the fiscal year shall be deposited as follows:

487 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)
488 shall be deposited into the Transportation Investment Fund of 2005 created by Section
489 72-2-124;

490 (b) for fiscal year 2017-18 only:

491 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the
492 Transportation Investment Fund of 2005 created by Section 72-2-124; and

- 493 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the
494 Water Infrastructure Restricted Account created by Section 73-10g-103;
- 495 (c) for fiscal year 2018-19 only:
- 496 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the
497 Transportation Investment Fund of 2005 created by Section 72-2-124; and
- 498 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the
499 Water Infrastructure Restricted Account created by Section 73-10g-103;
- 500 (d) for fiscal year 2019-20 only:
- 501 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the
502 Transportation Investment Fund of 2005 created by Section 72-2-124; and
- 503 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the
504 Water Infrastructure Restricted Account created by Section 73-10g-103;
- 505 (e) for fiscal year 2020-21 only:
- 506 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the
507 Transportation Investment Fund of 2005 created by Section 72-2-124; and
- 508 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the
509 Water Infrastructure Restricted Account created by Section 73-10g-103; and
- 510 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described
511 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account
512 created by Section 73-10g-103.
- 513 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
514 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,
515 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
516 created by Section 72-2-124:
- 517 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
518 the revenues collected from the following taxes, which represents a portion of the
519 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
520 on vehicles and vehicle-related products:
- 521 (A) the tax imposed by Subsection (2)(a)(i)(A);
522 (B) the tax imposed by Subsection (2)(b)(i);
523 (C) the tax imposed by Subsection (2)(c)(i); and

524 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus
525 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
526 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through
527 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
528 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

529 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of
530 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total
531 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)
532 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
533 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
534 (7)(a) equal to the product of:

535 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the
536 previous fiscal year; and

537 (B) the total sales and use tax revenue generated by the taxes described in Subsections
538 (7)(a)(i)(A) through (D) in the current fiscal year.

539 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
540 Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes
541 described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of
542 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
543 Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

544 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
545 from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited
546 under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues
547 collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the
548 current fiscal year under Subsection (7)(a).

549 (8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited
550 under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall
551 deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into
552 the Transportation Investment Fund of 2005 created by Section [72-2-124](#).

553 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
554 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit

555 \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
556 Transportation Investment Fund of 2005 created by Section 72-2-124.

557 (c) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
558 Subsections (6) and (7), for a fiscal year beginning on or after July 1, 2018, the Division of
559 Finance shall annually deposit into the Transportation Investment Fund of 2005 created by
560 Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to
561 3.68% of the revenues collected from the following taxes:

- 562 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 563 (ii) the tax imposed by Subsection (2)(b)(i);
- 564 (iii) the tax imposed by Subsection (2)(c)(i); and
- 565 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

566 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
567 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
568 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

569 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),
570 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17
571 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund
572 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on
573 the transactions described in Subsection (1).

574 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in
575 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance
576 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
577 amount of revenue described as follows:

578 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%
579 tax rate on the transactions described in Subsection (1);

580 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%
581 tax rate on the transactions described in Subsection (1);

582 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%
583 tax rate on the transactions described in Subsection (1);

584 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a
585 .05% tax rate on the transactions described in Subsection (1); and

586 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%
587 tax rate on the transactions described in Subsection (1).

588 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not
589 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts
590 paid or charged for food and food ingredients, except for tax revenue generated by a bundled
591 transaction attributable to food and food ingredients and tangible personal property other than
592 food and food ingredients described in Subsection (2)(d).

593 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
594 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that
595 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of
596 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue
597 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,
598 created in Section 63N-2-512.

599 (12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the
600 Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed
601 under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

602 (b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of
603 Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under
604 Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

605 (13) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
606 2017, the Division of Finance shall annually deposit into the Homeless to Housing Reform
607 Restricted Account created in Section 35A-8-605 a portion of the taxes listed under Subsection
608 (3)(a) in an amount equal to 0.3% of the revenues collected from the following taxes:

- 609 (a) the tax imposed by Subsection (2)(a)(i)(A);
610 (b) the tax imposed by Subsection (2)(b)(i);
611 (c) the tax imposed by Subsection (2)(c)(i); and
612 (d) the tax imposed by Subsection (2)(d)(i)(A)(I).

613 [~~(13)~~] (14) Notwithstanding Subsections (4) through [~~(12)~~] (13), an amount required to
614 be expended or deposited in accordance with Subsections (4) through [~~(12)~~] (13) may not
615 include an amount the Division of Finance deposits in accordance with Section 59-12-103.2.

616 Section 4. Section 59-12-204 is amended to read:

617 **59-12-204. Sales and use tax ordinance provisions -- Tax rate -- Distribution of**
618 **tax revenues -- Commission requirement to retain an amount to be deposited into the**
619 **Qualified Emergency Food Agencies Fund and the Homeless to Housing Reform**
620 **Restricted Account.**

621 (1) The tax ordinance adopted pursuant to this part shall impose a tax upon those
622 transactions listed in Subsection 59-12-103(1).

623 (2) (a) The tax ordinance under Subsection (1) shall include a provision imposing a tax
624 upon every transaction listed in Subsection 59-12-103(1) made within a county, including areas
625 contained within the cities and towns located in the county:

626 (i) at the rate of 1% of the purchase price paid or charged; and

627 (ii) if the location of the transaction is within the county as determined under Sections
628 59-12-211 through 59-12-215.

629 (b) Notwithstanding Subsection (2)(a), a tax ordinance under this Subsection (2) shall
630 include a provision prohibiting a county, city, or town from imposing a tax under this section
631 on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
632 exempt from taxation under Section 59-12-104.

633 (3) Such tax ordinance shall include provisions substantially the same as those
634 contained in Part 1, Tax Collection, insofar as they relate to sales or use tax, except that the
635 name of the county as the taxing agency shall be substituted for that of the state where
636 necessary for the purpose of this part and that an additional license is not required if one has
637 been or is issued under Section 59-12-106.

638 (4) Such tax ordinance shall include a provision that the county shall contract, prior to
639 the effective date of the ordinance, with the commission to perform all functions incident to the
640 administration or operation of the ordinance.

641 (5) Such tax ordinance shall include a provision that the sale, storage, use, or other
642 consumption of tangible personal property, the purchase price or the cost of which has been
643 subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this
644 part by any county, city, or town in any other county in this state, shall be exempt from the tax
645 due under this ordinance.

646 (6) Such tax ordinance shall include a provision that any person subject to the
647 provisions of a city or town sales and use tax shall be exempt from the county sales and use tax

648 if the city or town sales and use tax is levied under an ordinance including provisions in
649 substance as follows:

650 (a) a provision imposing a tax upon every transaction listed in Subsection 59-12-103(1)
651 made within the city or town at the rate imposed by the county in which it is situated pursuant
652 to Subsection (2);

653 (b) notwithstanding Subsection (2)(a), a provision prohibiting the city or town from
654 imposing a tax under this section on the sales and uses described in Section 59-12-104 to the
655 extent the sales and uses are exempt from taxation under Section 59-12-104;

656 (c) provisions substantially the same as those contained in Part 1, Tax Collection,
657 insofar as they relate to sales and use taxes, except that the name of the city or town as the
658 taxing agency shall be substituted for that of the state where necessary for the purposes of this
659 part;

660 (d) a provision that the city or town shall contract prior to the effective date of the city
661 or town sales and use tax ordinance with the commission to perform all functions incident to
662 the administration or operation of the sales and use tax ordinance of the city or town;

663 (e) a provision that the sale, storage, use, or other consumption of tangible personal
664 property, the gross receipts from the sale of or the cost of which has been subject to sales or use
665 tax under a sales and use tax ordinance enacted in accordance with this part by any county
666 other than the county in which the city or town is located, or city or town in this state, shall be
667 exempt from the tax; and

668 (f) a provision that the amount of any tax paid under Part 1, Tax Collection, shall not
669 be included as a part of the purchase price paid or charged for a taxable item.

670 (7) (a) Notwithstanding any other provision of this section but subject to Subsection
671 (8), beginning on July 1, 2009, the commission shall calculate and retain a portion of the sales
672 and use tax collected under this part as provided in this Subsection (7).

673 (b) For a city, town, or unincorporated area of a county that imposes a tax under this
674 part, the commission shall calculate a percentage each month by dividing the sales and use tax
675 collected under this part for that month within the boundaries of that city, town, or
676 unincorporated area of a county by the total sales and use tax collected under this part for that
677 month within the boundaries of all of the cities, towns, and unincorporated areas of the
678 counties that impose a tax under this part.

679 (c) For a city, town, or unincorporated area of a county that imposes a tax under this
680 part, the commission shall retain each month an amount equal to the product of:

681 (i) the percentage the commission determines for the month under Subsection (7)(b)
682 for the city, town, or unincorporated area of a county; and

683 (ii) \$25,417.

684 (d) The commission shall deposit an amount the commission retains in accordance
685 with this Subsection (7) into the Qualified Emergency Food Agencies Fund created by Section
686 [35A-8-1009](#).

687 (e) An amount the commission deposits into the Qualified Emergency Food Agencies
688 Fund shall be expended as provided in Section [35A-8-1009](#).

689 (8) (a) Notwithstanding any other provision of this section, beginning on July 1, 2017,
690 the commission shall calculate and retain a portion of the sales and use tax collected under this
691 part as provided in this Subsection (8).

692 (b) For a city, town, or unincorporated area of a county that imposes a tax under this
693 part, the commission shall retain each month an amount equal to 0.55% of the revenue
694 collected under this part.

695 (c) The commission shall deposit an amount the commission retains in accordance with
696 this Subsection (8) into the Homeless to Housing Reform Restricted Account created in
697 Section [35A-8-605](#).

698 (d) The commission shall calculate and retain the amount described under this
699 Subsection (8) before calculating and retaining the amount described under Subsection (7).

700 Section 5. Section **59-12-1102** is amended to read:

701 **59-12-1102. Base -- Rate -- Imposition of tax -- Distribution of revenue --**
702 **Administration -- Administrative charge -- Commission requirement to retain an amount**
703 **to be deposited into the Qualified Emergency Food Agencies Fund and the Homeless to**
704 **Housing Reform Restricted Account -- Enactment or repeal of tax -- Effective date --**
705 **Notice requirements.**

706 (1) (a) (i) Subject to Subsections (2) through (6), and in addition to any other tax
707 authorized by this chapter, a county may impose by ordinance a county option sales and use tax
708 of .25% upon the transactions described in Subsection [59-12-103](#)(1).

709 (ii) Notwithstanding Subsection (1)(a)(i), a county may not impose a tax under this

710 section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
711 exempt from taxation under Section 59-12-104.

712 (b) For purposes of this Subsection (1), the location of a transaction shall be
713 determined in accordance with Sections 59-12-211 through 59-12-215.

714 (c) The county option sales and use tax under this section shall be imposed:

715 (i) upon transactions that are located within the county, including transactions that are
716 located within municipalities in the county; and

717 (ii) except as provided in Subsection (1)(d) or (5), beginning on the first day of
718 January:

719 (A) of the next calendar year after adoption of the ordinance imposing the tax if the
720 ordinance is adopted on or before May 25; or

721 (B) of the second calendar year after adoption of the ordinance imposing the tax if the
722 ordinance is adopted after May 25.

723 (d) The county option sales and use tax under this section shall be imposed:

724 (i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before
725 September 4, 1997; or

726 (ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during 1997
727 but after September 4, 1997.

728 (2) (a) Before imposing a county option sales and use tax under Subsection (1), a
729 county shall hold two public hearings on separate days in geographically diverse locations in
730 the county.

731 (b) (i) At least one of the hearings required by Subsection (2)(a) shall have a starting
732 time of no earlier than 6 p.m.

733 (ii) The earlier of the hearings required by Subsection (2)(a) shall be no less than seven
734 days after the day the first advertisement required by Subsection (2)(c) is published.

735 (c) (i) Before holding the public hearings required by Subsection (2)(a), the county
736 shall advertise:

737 (A) its intent to adopt a county option sales and use tax;

738 (B) the date, time, and location of each public hearing; and

739 (C) a statement that the purpose of each public hearing is to obtain public comments
740 regarding the proposed tax.

- 741 (ii) The advertisement shall be published:
- 742 (A) in a newspaper of general circulation in the county once each week for the two
- 743 weeks preceding the earlier of the two public hearings; and
- 744 (B) on the Utah Public Notice Website created in Section [63F-1-701](#), for two weeks
- 745 preceding the earlier of the two public hearings.
- 746 (iii) The advertisement described in Subsection (2)(c)(ii)(A) shall be no less than 1/8
- 747 page in size, and the type used shall be no smaller than 18 point and surrounded by a 1/4-inch
- 748 border.
- 749 (iv) The advertisement described in Subsection (2)(c)(ii)(A) may not be placed in that
- 750 portion of the newspaper where legal notices and classified advertisements appear.
- 751 (v) In accordance with Subsection (2)(c)(ii)(A), whenever possible:
- 752 (A) the advertisement shall appear in a newspaper that is published at least five days a
- 753 week, unless the only newspaper in the county is published less than five days a week; and
- 754 (B) the newspaper selected shall be one of general interest and readership in the
- 755 community, and not one of limited subject matter.
- 756 (d) The adoption of an ordinance imposing a county option sales and use tax is subject
- 757 to a local referendum election and shall be conducted as provided in Title 20A, Chapter 7, Part
- 758 6, Local Referenda - Procedures.
- 759 (3) (a) Subject to Subsection (5), if the aggregate population of the counties imposing a
- 760 county option sales and use tax under Subsection (1) is less than 75% of the state population,
- 761 the tax levied under Subsection (1) shall be distributed to the county in which the tax was
- 762 collected.
- 763 (b) Subject to Subsection (5), if the aggregate population of the counties imposing a
- 764 county option sales and use tax under Subsection (1) is greater than or equal to 75% of the state
- 765 population:
- 766 (i) 50% of the tax collected under Subsection (1) in each county shall be distributed to
- 767 the county in which the tax was collected; and
- 768 (ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection
- 769 (1) in each county shall be distributed proportionately among all counties imposing the tax,
- 770 based on the total population of each county.
- 771 (c) Except as provided in Subsection (5), the amount to be distributed annually to a

772 county under Subsection (3)(b)(ii), when combined with the amount distributed to the county
773 under Subsection (3)(b)(i), does not equal at least \$75,000, then:

774 (i) the amount to be distributed annually to that county under Subsection (3)(b)(ii) shall
775 be increased so that, when combined with the amount distributed to the county under
776 Subsection (3)(b)(i), the amount distributed annually to the county is \$75,000; and

777 (ii) the amount to be distributed annually to all other counties under Subsection
778 (3)(b)(ii) shall be reduced proportionately to offset the additional amount distributed under
779 Subsection (3)(c)(i).

780 (d) The commission shall establish rules to implement the distribution of the tax under
781 Subsections (3)(a), (b), and (c).

782 (4) (a) Except as provided in Subsection (4)(b) or (c), a tax authorized under this part
783 shall be administered, collected, and enforced in accordance with:

784 (i) the same procedures used to administer, collect, and enforce the tax under:

785 (A) Part 1, Tax Collection; or

786 (B) Part 2, Local Sales and Use Tax Act; and

787 (ii) Chapter 1, General Taxation Policies.

788 (b) A tax under this part is not subject to Subsections 59-12-205(2) through (7).

789 (c) (i) Subject to Subsection (4)(c)(ii), the commission shall retain and deposit an
790 administrative charge in accordance with Section 59-1-306 from the revenue the commission
791 collects from a tax under this part.

792 (ii) Notwithstanding Section 59-1-306, the administrative charge described in
793 Subsection (4)(c)(i) shall be calculated by taking a percentage described in Section 59-1-306 of
794 the distribution amounts resulting after:

795 (A) the applicable distribution calculations under Subsection (3) have been made; and

796 (B) the commission retains the amount required by Subsection (5).

797 (5) (a) ~~Beginning~~ Subject to the provisions of Subsection (6), beginning on July 1,
798 2009, the commission shall calculate and retain a portion of the sales and use tax collected
799 under this part as provided in this Subsection (5).

800 (b) For a county that imposes a tax under this part, the commission shall calculate a
801 percentage each month by dividing the sales and use tax collected under this part for that
802 month within the boundaries of that county by the total sales and use tax collected under this

803 part for that month within the boundaries of all of the counties that impose a tax under this part.

804 (c) For a county that imposes a tax under this part, the commission shall retain each
805 month an amount equal to the product of:

806 (i) the percentage the commission determines for the month under Subsection (5)(b)
807 for the county; and

808 (ii) \$6,354.

809 (d) The commission shall deposit an amount the commission retains in accordance
810 with this Subsection (5) into the Qualified Emergency Food Agencies Fund created by Section
811 [35A-8-1009](#).

812 (e) An amount the commission deposits into the Qualified Emergency Food Agencies
813 Fund shall be expended as provided in Section [35A-8-1009](#).

814 (6) (a) Beginning on July 1, 2017, the commission shall calculate and retain a portion
815 of the sales and use tax collected under this part as provided in this Subsection (6).

816 (b) For a county that imposes a tax under this part, the commission shall retain each
817 month an amount equal to 0.55% of the revenue collected under this part.

818 (c) The commission shall deposit an amount the commission retains in accordance with
819 this Subsection (6) into the Homeless to Housing Reform Restricted Account created in
820 Section [35A-8-605](#).

821 (d) The commission shall calculate and retain the amount described under this
822 Subsection (6) before calculating and retaining the amount described under Subsection (5).

823 ~~[(6)]~~ (7) (a) For purposes of this Subsection ~~[(6)]~~ (7):

824 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, County
825 Consolidations and Annexations.

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

827 (b) (i) Except as provided in Subsection ~~[(6)]~~ (7)(c) or (d), if, on or after July 1, 2004, a
828 county enacts or repeals a tax under this part:

829 (A) (I) the enactment shall take effect as provided in Subsection (1)(c); or

830 (II) the repeal shall take effect on the first day of a calendar quarter; and

831 (B) after a 90-day period beginning on the date the commission receives notice meeting
832 the requirements of Subsection ~~[(6)]~~ (7)(b)(ii) from the county.

833 (ii) The notice described in Subsection ~~[(6)]~~ (7)(b)(i)(B) shall state:

834 (A) that the county will enact or repeal a tax under this part;
835 (B) the statutory authority for the tax described in Subsection [~~(6)~~] (7)(b)(ii)(A);
836 (C) the effective date of the tax described in Subsection [~~(6)~~] (7)(b)(ii)(A); and
837 (D) if the county enacts the tax described in Subsection [~~(6)~~] (7)(b)(ii)(A), the rate of
838 the tax.

839 (c) (i) If the billing period for a transaction begins before the effective date of the
840 enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day
841 of the first billing period that begins on or after the effective date of the enactment of the tax.

842 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
843 period is produced on or after the effective date of the repeal of the tax imposed under
844 Subsection (1).

845 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
846 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
847 Subsection [~~(6)~~] (7)(b)(i) takes effect:

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

849 (B) beginning 60 days after the effective date of the enactment or repeal under
850 Subsection [~~(6)~~] (7)(b)(i).

851 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
852 commission may by rule define the term "catalogue sale."

853 (e) (i) Except as provided in Subsection [~~(6)~~] (7)(f) or (g), if, for an annexation that
854 occurs on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax
855 under this part for an annexing area, the enactment or repeal shall take effect:

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

857 (B) after a 90-day period beginning on the date the commission receives notice meeting
858 the requirements of Subsection [~~(6)~~] (7)(e)(ii) from the county that annexes the annexing area.

859 (ii) The notice described in Subsection [~~(6)~~] (7)(e)(i)(B) shall state:

860 (A) that the annexation described in Subsection [~~(6)~~] (7)(e)(i) will result in an
861 enactment or repeal of a tax under this part for the annexing area;

862 (B) the statutory authority for the tax described in Subsection [~~(6)~~] (7)(e)(ii)(A);

863 (C) the effective date of the tax described in Subsection [~~(6)~~] (7)(e)(ii)(A); and

864 (D) the rate of the tax described in Subsection [~~(6)~~] (7)(e)(ii)(A).

865 (f) (i) If the billing period for a transaction begins before the effective date of the
866 enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day
867 of the first billing period that begins on or after the effective date of the enactment of the tax.

868 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
869 period is produced on or after the effective date of the repeal of the tax imposed under
870 Subsection (1).

871 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
872 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
873 Subsection [~~(6)~~] (7)(e)(i) takes effect:

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

875 (B) beginning 60 days after the effective date of the enactment or repeal under
876 Subsection [~~(6)~~] (7)(e)(i).

877 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
878 commission may by rule define the term "catalogue sale."

Legislative Review Note
Office of Legislative Research and General Counsel