

**LOCAL OPTION SALES AND USE TAX DISTRIBUTION
FORMULA AMENDMENTS**

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Howard A. Stephenson

House Sponsor: Steve Eliason

LONG TITLE

Committee Note:

The Revenue and Taxation Interim Committee recommended this bill.

General Description:

This bill modifies provisions relating to the distribution of certain local option sales and use tax revenue.

Highlighted Provisions:

This bill:

- ▶ amends definitions;
- ▶ repeals and amends provisions relating to the distribution of sales and use tax revenue for certain fiscal years; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-12-205, as last amended by Laws of Utah 2017, Chapters 230 and 385

59-12-302, as last amended by Laws of Utah 2016, Chapter 364



- 28 59-12-354, as last amended by Laws of Utah 2016, Chapter 364
- 29 59-12-403, as last amended by Laws of Utah 2016, Chapter 364
- 30 59-12-603, as last amended by Laws of Utah 2017, Chapter 178
- 31 59-12-703, as last amended by Laws of Utah 2017, Chapters 181 and 422
- 32 59-12-802, as last amended by Laws of Utah 2017, Chapter 422
- 33 59-12-804, as last amended by Laws of Utah 2017, Chapter 422
- 34 59-12-1102, as last amended by Laws of Utah 2016, Chapter 364
- 35 59-12-1302, as last amended by Laws of Utah 2017, Chapter 422
- 36 59-12-1402, as last amended by Laws of Utah 2017, Chapter 422
- 37 59-12-2103, as last amended by Laws of Utah 2017, Chapter 422
- 38 59-12-2206, as last amended by Laws of Utah 2017, Chapter 160

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

41 Section 1. Section 59-12-205 is amended to read:

42 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of**
 43 **tax revenue -- Determination of population.**

44 (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section
 45 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or town's
 46 sales and use tax ordinances:

47 (a) within 30 days of the day on which the state makes an amendment to an applicable
 48 provision of Part 1, Tax Collection; and

49 (b) as required to conform to the amendments to Part 1, Tax Collection.

50 (2) Except as provided in Subsections (3) [~~through (6)~~] and (4) and subject to
 51 Subsection [~~(7)~~] (5):

52 (a) 50% of each dollar collected from the sales and use tax authorized by this part shall
 53 be distributed to each county, city, and town on the basis of the percentage that the population
 54 of the county, city, or town bears to the total population of all counties, cities, and towns in the
 55 state; and

56 (b) (i) except as provided in Subsection (2)(b)(ii), 50% of each dollar collected from
 57 the sales and use tax authorized by this part shall be distributed to each county, city, and town
 58 on the basis of the location of the transaction as determined under Sections 59-12-211 through

59 [59-12-215](#); and

60 (ii) 50% of each dollar collected from the sales and use tax authorized by this part
61 within a project area described in a project area plan adopted by the military installation
62 development authority under Title 63H, Chapter 1, Military Installation Development
63 Authority Act, shall be distributed to the military installation development authority created in
64 Section [63H-1-201](#).

65 (3) (a) Beginning on July 1, 2017, and ending on June 30, 2022, the commission shall
66 distribute annually to a county, city, or town the distribution required by this Subsection (3) if:

67 (i) the county, city, or town is a:

68 (A) county of the third, fourth, fifth, or sixth class;

69 (B) city of the fifth class; or

70 (C) town;

71 (ii) the county, city, or town received a distribution under this section for the calendar
72 year beginning on January 1, 2008, that was less than the distribution under this section that the
73 county, city, or town received for the calendar year beginning on January 1, 2007;

74 (iii) (A) for a county described in Subsection (3)(a)(i)(A), the county had located
75 within the unincorporated area of the county for one or more days during the calendar year
76 beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121,
77 Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North
78 American Industry Classification System of the federal Executive Office of the President,
79 Office of Management and Budget; or

80 (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection
81 (3)(a)(i)(C), the city or town had located within the city or town for one or more days during
82 the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry
83 Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the
84 2002 North American Industry Classification System of the federal Executive Office of the
85 President, Office of Management and Budget; and

86 (iv) (A) for a county described in Subsection (3)(a)(i)(A), at least one establishment
87 described in Subsection (3)(a)(iii)(A) located within the unincorporated area of the county for
88 one or more days during the calendar year beginning on January 1, 2008, was not the holder of
89 a direct payment permit under Section [59-12-107.1](#); or

90 (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection
91 (3)(a)(i)(C), at least one establishment described in Subsection (3)(a)(iii)(B) located within a
92 city or town for one or more days during the calendar year beginning on January 1, 2008, was
93 not the holder of a direct payment permit under Section 59-12-107.1.

94 (b) The commission shall make the distribution required by this Subsection (3) to a
95 county, city, or town described in Subsection (3)(a):

96 (i) from the distribution required by Subsection (2)(a); and

97 (ii) before making any other distribution required by this section.

98 (c) (i) For purposes of this Subsection (3), the distribution is the amount calculated by
99 multiplying the fraction calculated under Subsection (3)(c)(ii) by \$333,583.

100 (ii) For purposes of Subsection (3)(c)(i):

101 (A) the numerator of the fraction is the difference calculated by subtracting the
102 distribution a county, city, or town described in Subsection (3)(a) received under this section
103 for the calendar year beginning on January 1, 2008, from the distribution under this section that
104 the county, city, or town received for the calendar year beginning on January 1, 2007; and

105 (B) the denominator of the fraction is \$333,583.

106 (d) A distribution required by this Subsection (3) is in addition to any other distribution
107 required by this section.

108 ~~[(4) (a) For fiscal years beginning with fiscal year 1983-84 and ending with fiscal year~~
109 ~~2005-06, a county, city, or town may not receive a tax revenue distribution less than .75% of~~
110 ~~the taxable sales within the boundaries of the county, city, or town.]~~

111 ~~[(b) The commission shall proportionally reduce monthly distributions to any county,~~
112 ~~city, or town that, but for the reduction, would receive a distribution in excess of 1% of the~~
113 ~~sales and use tax revenue collected within the boundaries of the county, city, or town.]~~

114 ~~[(5) (a) As used in this Subsection (5):]~~

115 ~~[(i) "Eligible county, city, or town" means a county, city, or town that receives \$2,000~~
116 ~~or more in tax revenue distributions in accordance with Subsection (4) for each of the~~
117 ~~following fiscal years:]~~

118 ~~[(A) fiscal year 2002-03;]~~

119 ~~[(B) fiscal year 2003-04; and]~~

120 ~~[(C) fiscal year 2004-05:]~~

121 ~~[(ii) "Minimum tax revenue distribution" means the greater of:]~~

122 ~~[(A) the total amount of tax revenue distributions an eligible county, city, or town~~

123 ~~receives from a tax imposed in accordance with this part for fiscal year 2000-01; or]~~

124 ~~[(B) the total amount of tax revenue distributions an eligible county, city, or town~~

125 ~~receives from a tax imposed in accordance with this part for fiscal year 2004-05;]~~

126 ~~[(b) (i) Except as provided in Subsection (5)(b)(ii), beginning with fiscal year 2006-07~~

127 ~~and ending with fiscal year 2012-13, an eligible county, city, or town shall receive a tax~~

128 ~~revenue distribution for a tax imposed in accordance with this part equal to the greater of:]~~

129 ~~[(A) the payment required by Subsection (2); or]~~

130 ~~[(B) the minimum tax revenue distribution.]~~

131 ~~[(ii) If the tax revenue distribution required by Subsection (5)(b)(i) for an eligible~~

132 ~~county, city, or town is equal to the amount described in Subsection (5)(b)(i)(A) for three~~

133 ~~consecutive fiscal years, for fiscal years beginning with the fiscal year immediately following~~

134 ~~that three consecutive fiscal year period, the eligible county, city, or town shall receive the tax~~

135 ~~revenue distribution equal to the payment required by Subsection (2).]~~

136 ~~[(c) For a fiscal year beginning with fiscal year 2013-14 and ending with fiscal year~~

137 ~~2015-16, an eligible county, city, or town shall receive the minimum tax revenue distribution~~

138 ~~for that fiscal year if for fiscal year 2012-13 the payment required by Subsection (2) to that~~

139 ~~eligible county, city, or town is less than or equal to the product of:]~~

140 ~~[(i) the minimum tax revenue distribution; and]~~

141 ~~[(ii) .90.]~~

142 ~~[(6) (4) (a) As used in this Subsection [(6) (4):~~

143 ~~(i) "Eligible county, city, or town" means a county, city, or town that:~~

144 ~~[(A) receives, in accordance with Subsection (4), \$2,000 or more in tax revenue~~

145 ~~distributions for fiscal year 2002-03;]~~

146 ~~[(B) receives, in accordance with Subsection (4), \$2,000 or more in tax revenue~~

147 ~~distributions for fiscal year 2003-04;]~~

148 ~~[(C) receives, in accordance with Subsection (4), \$2,000 or more in tax revenue~~

149 ~~distributions for fiscal year 2004-05;]~~

150 ~~[(D) for a fiscal year beginning with fiscal year 2012-13 and ending with fiscal year~~

151 ~~2015-16, does not receive a tax revenue distribution described in Subsection (5) equal to the~~

152 ~~amount described in Subsection (5)(b)(i)(A) for three consecutive fiscal years; and]~~

153 (A) for fiscal year 2012-13, received a tax revenue distribution under Subsection (4)(b)

154 equal to the amount described in Subsection (4)(b)(ii); and

155 ~~[(F)]~~ (B) does not impose a sales and use tax under Section 59-12-2103 on or before

156 July 1, 2016.

157 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue

158 distributions an eligible county, city, or town ~~[receives]~~ received from a tax imposed in

159 accordance with this part for fiscal year 2004-05.

160 (b) ~~[Beginning with fiscal year 2016-17, an]~~ An eligible county, city, or town shall

161 receive a tax revenue distribution for a tax imposed in accordance with this part equal to the

162 greater of:

163 (i) the payment required by Subsection (2); or

164 (ii) the minimum tax revenue distribution.

165 ~~[(7)]~~ (5) (a) Population figures for purposes of this section shall be based on the most

166 recent official census or census estimate of the United States Census Bureau.

167 (b) If a needed population estimate is not available from the United States Census

168 Bureau, population figures shall be derived from the estimate from the Utah Population

169 Estimates Committee created by executive order of the governor.

170 (c) The population of a county for purposes of this section shall be determined only

171 from the unincorporated area of the county.

172 Section 2. Section 59-12-302 is amended to read:

173 **59-12-302. Collection of tax -- Administrative charge.**

174 (1) Except as provided in Subsection (2) or (3), the tax authorized under this part shall

175 be administered, collected, and enforced in accordance with:

176 (a) the same procedures used to administer, collect, and enforce the tax under:

177 (i) Part 1, Tax Collection; or

178 (ii) Part 2, Local Sales and Use Tax Act; and

179 (b) Chapter 1, General Taxation Policies.

180 (2) The location of a transaction shall be determined in accordance with Sections

181 59-12-211 through 59-12-215.

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

183 Subsections 59-12-205(2) through [(7)] (5).

184 (4) The commission:

185 (a) shall distribute the revenue collected from the tax to the county within which the
186 revenue was collected; and

187 (b) shall retain and deposit an administrative charge in accordance with Section
188 59-1-306 from revenue the commission collects from a tax under this part.

189 Section 3. Section 59-12-354 is amended to read:

190 **59-12-354. Collection of tax -- Administrative charge.**

191 (1) Except as provided in Subsections (2) and (3), the tax authorized under this part
192 shall be administered, collected, and enforced in accordance with:

193 (a) the same procedures used to administer, collect, and enforce the tax under:

194 (i) Part 1, Tax Collection; or

195 (ii) Part 2, Local Sales and Use Tax Act; and

196 (b) Chapter 1, General Taxation Policies.

197 (2) (a) The location of a transaction shall be determined in accordance with Sections
198 59-12-211 through 59-12-215.

199 (b) The commission:

200 (i) except as provided in Subsection (2)(b)(ii), shall distribute the revenue collected
201 from the tax to the municipality within which the revenue was collected; and

202 (ii) shall retain and deposit an administrative charge in accordance with Section
203 59-1-306 from the revenue the commission collects from a tax under this part.

204 (3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or
205 Subsections 59-12-205(2) through [(7)] (5).

206 Section 4. Section 59-12-403 is amended to read:

207 **59-12-403. Enactment or repeal of tax -- Tax rate change -- Effective date --**
208 **Notice requirements -- Administration, collection, and enforcement of tax --**
209 **Administrative charge.**

210 (1) For purposes of this section:

211 (a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
212 4, Annexation.

213 (b) "Annexing area" means an area that is annexed into a city or town.

214 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after April 1, 2008, a
215 city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
216 repeal, or change shall take effect:

217 (i) on the first day of a calendar quarter; and

218 (ii) after a 90-day period beginning on the date the commission receives notice meeting
219 the requirements of Subsection (2)(b) from the city or town.

220 (b) The notice described in Subsection (2)(a)(ii) shall state:

221 (i) that the city or town will enact or repeal a tax or change the rate of a tax under this
222 part;

223 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);

224 (iii) the effective date of the tax described in Subsection (2)(b)(i); and

225 (iv) if the city or town enacts the tax or changes the rate of the tax described in
226 Subsection (2)(b)(i), the rate of the tax.

227 (c) (i) If the billing period for a transaction begins before the effective date of the
228 enactment of the tax or the tax rate increase imposed under Section [59-12-401](#), [59-12-402](#), or
229 [59-12-402.1](#), the enactment of the tax or the tax rate increase takes effect on the first day of the
230 first billing period that begins on or after the effective date of the enactment of the tax or the
231 tax rate increase.

232 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
233 statement for the billing period is produced on or after the effective date of the repeal of the tax
234 or the tax rate decrease imposed under Section [59-12-401](#), [59-12-402](#), or [59-12-402.1](#).

235 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
236 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
237 a tax described in Subsection (2)(a) takes effect:

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

239 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
240 rate of the tax under Subsection (2)(a).

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

243 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs
244 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the

245 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
246 effect:

247 (i) on the first day of a calendar quarter; and

248 (ii) after a 90-day period beginning on the date the commission receives notice meeting
249 the requirements of Subsection (3)(b) from the city or town that annexes the annexing area.

250 (b) The notice described in Subsection (3)(a)(ii) shall state:

251 (i) that the annexation described in Subsection (3)(a) will result in an enactment,
252 repeal, or change in the rate of a tax under this part for the annexing area;

253 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);

254 (iii) the effective date of the tax described in Subsection (3)(b)(i); and

255 (iv) if the city or town enacts the tax or changes the rate of the tax described in
256 Subsection (3)(b)(i), the rate of the tax.

257 (c) (i) If the billing period for a transaction begins before the effective date of the
258 enactment of the tax or the tax rate increase imposed under Section [59-12-401](#), [59-12-402](#), or
259 [59-12-402.1](#), the enactment of the tax or the tax rate increase takes effect on the first day of the
260 first billing period that begins on or after the effective date of the enactment of the tax or the
261 tax rate increase.

262 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
263 statement for the billing period is produced on or after the effective date of the repeal of the tax
264 or the tax rate decrease imposed under Section [59-12-401](#), [59-12-402](#), or [59-12-402.1](#).

265 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
266 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
267 a tax described in Subsection (3)(a) takes effect:

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

269 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
270 rate of the tax under Subsection (3)(a).

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

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

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

- 276 (A) Part 1, Tax Collection; or
- 277 (B) Part 2, Local Sales and Use Tax Act; and
- 278 (ii) Chapter 1, General Taxation Policies.

279 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(7)]~~ (5).

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

282 Section 5. Section 59-12-603 is amended to read:

283 **59-12-603. County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance**
 284 **required -- Advisory board -- Administration -- Collection -- Administrative charge --**
 285 **Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice**
 286 **requirements.**

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

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

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

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

- 301 (A) alcoholic beverages;
- 302 (B) food and food ingredients; or
- 303 (C) prepared food; and

304 (iii) a county legislative body of a county of the first class may impose a tax of not to
 305 exceed .5% on charges for the accommodations and services described in Subsection
 306 59-12-103(1)(i).

307 (b) A tax imposed under Subsection (1)(a) is subject to the audit provisions of Section
308 17-31-5.5.

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

- 311 (i) financing tourism promotion; and
- 312 (ii) the development, operation, and maintenance of:
 - 313 (A) an airport facility;
 - 314 (B) a convention facility;
 - 315 (C) a cultural facility;
 - 316 (D) a recreation facility; or
 - 317 (E) a tourist facility.

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

- 321 (i) promote tourism in ski areas within the county by persons that do not reside within
322 the state; and
- 323 (ii) combine the sale of:
 - 324 (A) ski lift tickets; and
 - 325 (B) accommodations and services described in Subsection 59-12-103(1)(i).

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

- 330 (a) an airport facility;
- 331 (b) a convention facility;
- 332 (c) a cultural facility;
- 333 (d) a recreation facility; or
- 334 (e) a tourist facility.

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

337 (b) The ordinance under Subsection (4)(a) shall include provisions substantially the

338 same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on
339 those items and sales described in Subsection (1).

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

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

347 (6) (a) Regardless of whether a county of the first class creates a tourism tax advisory
348 board in accordance with Section 17-31-8, the county legislative body of the county of the first
349 class shall create a tax advisory board in accordance with this Subsection (6).

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

351 (i) four members shall be residents of a county of the first class appointed by the
352 county legislative body of the county of the first class; and

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

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

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

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

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

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

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

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

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

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

368 (7) (a) (i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part

369 shall be administered, collected, and enforced in accordance with:

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

371 (I) Part 1, Tax Collection; or

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

373 (B) Chapter 1, General Taxation Policies.

374 (ii) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or
375 Subsections 59-12-205(2) through [~~7~~] (5).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

429 (e) (i) If the billing period for a transaction begins before the effective date of the
430 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of

431 the tax or the tax rate increase shall take effect on the first day of the first billing period that
432 begins after the effective date of the enactment of the tax or the tax rate increase.

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

437 Section 6. Section **59-12-703** is amended to read:

438 **59-12-703. Opinion question election -- Base -- Rate -- Imposition of tax --**
439 **Expenditure of revenues -- Administration -- Enactment or repeal of tax -- Effective date**
440 **-- Notice requirements.**

441 (1) (a) Subject to the other provisions of this section, a county legislative body may
442 submit an opinion question to the residents of that county, by majority vote of all members of
443 the legislative body, so that each resident of the county, except residents in municipalities that
444 have already imposed a sales and use tax under Part 14, City or Town Option Funding for
445 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, has an
446 opportunity to express the resident's opinion on the imposition of a local sales and use tax of
447 .1% on the transactions described in Subsection **59-12-103**(1) located within the county, to:

448 (i) fund cultural facilities, recreational facilities, and zoological facilities, botanical
449 organizations, cultural organizations, and zoological organizations, and rural radio stations, in
450 that county; or

451 (ii) provide funding for a botanical organization, cultural organization, or zoological
452 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in
453 furtherance of the botanical organization's, cultural organization's, or zoological organization's
454 primary purpose.

455 (b) The opinion question required by this section shall state:

456 "Shall (insert the name of the county), Utah, be authorized to impose a .1% sales and
457 use tax for (list the purposes for which the revenue collected from the sales and use tax shall be
458 expended)?"

459 (c) A county legislative body may not impose a tax under this section on:

460 (i) the sales and uses described in Section **59-12-104** to the extent the sales and uses
461 are exempt from taxation under Section **59-12-104**;

462 (ii) sales and uses within a municipality that has already imposed a sales and use tax
463 under Part 14, City or Town Option Funding for Botanical, Cultural, Recreational, and
464 Zoological Organizations or Facilities; and

465 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and
466 food ingredients.

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

469 (e) A county legislative body imposing a tax under this section shall impose the tax on
470 the purchase price or sales price for amounts paid or charged for food and food ingredients if
471 the food and food ingredients are sold as part of a bundled transaction attributable to food and
472 food ingredients and tangible personal property other than food and food ingredients.

473 (f) The election shall follow the procedures outlined in Title 11, Chapter 14, Local
474 Government Bonding Act.

475 (2) (a) If the county legislative body determines that a majority of the county's
476 registered voters voting on the imposition of the tax have voted in favor of the imposition of
477 the tax as prescribed in Subsection (1), the county legislative body may impose the tax by a
478 majority vote of all members of the legislative body on the transactions:

479 (i) described in Subsection (1); and

480 (ii) within the county, including the cities and towns located in the county, except those
481 cities and towns that have already imposed a sales and use tax under Part 14, City or Town
482 Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or
483 Facilities.

484 (b) A county legislative body may revise county ordinances to reflect statutory changes
485 to the distribution formula or eligible recipients of revenue generated from a tax imposed under
486 Subsection (2)(a) without submitting an opinion question to residents of the county.

487 (3) Subject to Section 59-12-704, revenue collected from a tax imposed under
488 Subsection (2) shall be expended:

489 (a) to fund cultural facilities, recreational facilities, and zoological facilities located
490 within the county or a city or town located in the county, except a city or town that has already
491 imposed a sales and use tax under Part 14, City or Town Option Funding for Botanical,
492 Cultural, Recreational, and Zoological Organizations or Facilities;

- 493 (b) to fund ongoing operating expenses of:
- 494 (i) recreational facilities described in Subsection (3)(a);
- 495 (ii) botanical organizations, cultural organizations, and zoological organizations within
- 496 the county; and
- 497 (iii) rural radio stations within the county; and
- 498 (c) as stated in the opinion question described in Subsection (1).
- 499 (4) (a) A tax authorized under this part shall be:
- 500 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
- 501 accordance with:
- 502 (A) the same procedures used to administer, collect, and enforce the tax under:
- 503 (I) Part 1, Tax Collection; or
- 504 (II) Part 2, Local Sales and Use Tax Act; and
- 505 (B) Chapter 1, General Taxation Policies; and
- 506 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
- 507 period in accordance with this section.
- 508 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~[(7)]~~ (5).
- 509 (5) (a) For purposes of this Subsection (5):
- 510 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,
- 511 County Annexation.
- 512 (ii) "Annexing area" means an area that is annexed into a county.
- 513 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
- 514 county enacts or repeals a tax under this part, the enactment or repeal shall take effect:
- 515 (A) on the first day of a calendar quarter; and
- 516 (B) after a 90-day period beginning on the date the commission receives notice meeting
- 517 the requirements of Subsection (5)(b)(ii) from the county.
- 518 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:
- 519 (A) that the county will enact or repeal a tax under this part;
- 520 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);
- 521 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and
- 522 (D) if the county enacts the tax described in Subsection (5)(b)(ii)(A), the rate of the
- 523 tax.

524 (c) (i) If the billing period for a transaction begins before the effective date of the
525 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
526 the first billing period that begins on or after the effective date of the enactment of the tax.

527 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
528 period is produced on or after the effective date of the repeal of the tax imposed under this
529 section.

530 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
531 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
532 Subsection (5)(b)(i) takes effect:

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

534 (B) beginning 60 days after the effective date of the enactment or repeal under
535 Subsection (5)(b)(i).

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

538 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
539 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
540 part for an annexing area, the enactment or repeal shall take effect:

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

542 (B) after a 90-day period beginning on the date the commission receives notice meeting
543 the requirements of Subsection (5)(e)(ii) from the county that annexes the annexing area.

544 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

545 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
546 repeal of a tax under this part for the annexing area;

547 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

548 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

549 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

550 (f) (i) If the billing period for a transaction begins before the effective date of the
551 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
552 the first billing period that begins on or after the effective date of the enactment of the tax.

553 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
554 period is produced on or after the effective date of the repeal of the tax imposed under this

555 section.

556 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
557 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
558 Subsection (5)(e)(i) takes effect:

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

560 (B) beginning 60 days after the effective date of the enactment or repeal under
561 Subsection (5)(e)(i).

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

564 Section 7. Section **59-12-802** is amended to read:

565 **59-12-802. Imposition of rural county health care facilities tax -- Expenditure of**
566 **tax revenue -- Base -- Rate -- Administration, collection, and enforcement of tax --**
567 **Administrative charge.**

568 (1) (a) A county legislative body of a county of the third, fourth, fifth, or sixth class
569 may impose a sales and use tax of up to 1% on the transactions described in Subsection
570 [59-12-103](#)(1) located within the county.

571 (b) Subject to Subsection (3), the money collected from a tax under this section may be
572 used to fund:

573 (i) for a county of the third or fourth class, rural county health care facilities in that
574 county; or

575 (ii) for a county of the fifth or sixth class:

576 (A) rural emergency medical services in that county;

577 (B) federally qualified health centers in that county;

578 (C) freestanding urgent care centers in that county;

579 (D) rural county health care facilities in that county;

580 (E) rural health clinics in that county; or

581 (F) a combination of Subsections (1)(b)(ii)(A) through (E).

582 (c) Notwithstanding Subsection (1)(a), a county legislative body may not impose a tax
583 under this section on:

584 (i) the sales and uses described in Section [59-12-104](#) to the extent the sales and uses
585 are exempt from taxation under Section [59-12-104](#);

586 (ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in
587 a city that imposes a tax under Section 59-12-804; and

588 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and
589 food ingredients.

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

592 (e) A county legislative body imposing a tax under this section shall impose the tax on
593 the purchase price or sales price for amounts paid or charged for food and food ingredients if
594 the food and food ingredients are sold as part of a bundled transaction attributable to food and
595 food ingredients and tangible personal property other than food and food ingredients.

596 (2) (a) Before imposing a tax under Subsection (1), a county legislative body shall
597 obtain approval to impose the tax from a majority of the:

598 (i) members of the county's legislative body; and

599 (ii) county's registered voters voting on the imposition of the tax.

600 (b) The county legislative body shall conduct the election according to the procedures
601 and requirements of Title 11, Chapter 14, Local Government Bonding Act.

602 (3) (a) The money collected from a tax imposed under Subsection (1) by a county
603 legislative body of a county of the third or fourth class may only be used for the financing of:

604 (i) ongoing operating expenses of a rural county health care facility within that county;

605 (ii) the acquisition of land for a rural county health care facility within that county; or

606 (iii) the design, construction, equipping, or furnishing of a rural county health care
607 facility within that county.

608 (b) The money collected from a tax imposed under Subsection (1) by a county of the
609 fifth or sixth class may only be used to fund:

610 (i) ongoing operating expenses of a center, clinic, or facility described in Subsection
611 (1)(b)(ii) within that county;

612 (ii) the acquisition of land for a center, clinic, or facility described in Subsection
613 (1)(b)(ii) within that county;

614 (iii) the design, construction, equipping, or furnishing of a center, clinic, or facility
615 described in Subsection (1)(b)(ii) within that county; or

616 (iv) rural emergency medical services within that county.

- 617 (4) (a) A tax under this section shall be:
- 618 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
619 accordance with:
- 620 (A) the same procedures used to administer, collect, and enforce the tax under:
- 621 (I) Part 1, Tax Collection; or
- 622 (II) Part 2, Local Sales and Use Tax Act; and
- 623 (B) Chapter 1, General Taxation Policies; and
- 624 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
625 period by the county legislative body as provided in Subsection (1).
- 626 (b) A tax under this section is not subject to Subsections 59-12-205(2) through [(7)]
627 (5).
- 628 (c) A county legislative body shall distribute money collected from a tax under this
629 section quarterly.
- 630 (5) The commission shall retain and deposit an administrative charge in accordance
631 with Section 59-1-306 from the revenue the commission collects from a tax under this section.
- 632 Section 8. Section 59-12-804 is amended to read:
- 633 **59-12-804. Imposition of rural city hospital tax -- Base -- Rate -- Administration,**
634 **collection, and enforcement of tax -- Administrative charge.**
- 635 (1) (a) A city legislative body may impose a sales and use tax of up to 1%:
- 636 (i) on the transactions described in Subsection 59-12-103(1) located within the city;
637 and
- 638 (ii) to fund rural city hospitals in that city.
- 639 (b) Notwithstanding Subsection (1)(a)(i), a city legislative body may not impose a tax
640 under this section on:
- 641 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
642 are exempt from taxation under Section 59-12-104; and
- 643 (ii) except as provided in Subsection (1)(d), amounts paid or charged for food and food
644 ingredients.
- 645 (c) For purposes of this Subsection (1), the location of a transaction shall be
646 determined in accordance with Sections 59-12-211 through 59-12-215.
- 647 (d) A city legislative body imposing a tax under this section shall impose the tax on the

648 purchase price or sales price for amounts paid or charged for food and food ingredients if the
649 food and food ingredients are sold as part of a bundled transaction attributable to food and food
650 ingredients and tangible personal property other than food and food ingredients.

651 (2) (a) Before imposing a tax under Subsection (1)(a), a city legislative body shall
652 obtain approval to impose the tax from a majority of the:

- 653 (i) members of the city legislative body; and
- 654 (ii) city's registered voters voting on the imposition of the tax.

655 (b) The city legislative body shall conduct the election according to the procedures and
656 requirements of Title 11, Chapter 14, Local Government Bonding Act.

657 (3) The money collected from a tax imposed under Subsection (1) may only be used to
658 fund:

- 659 (a) ongoing operating expenses of a rural city hospital;
- 660 (b) the acquisition of land for a rural city hospital; or
- 661 (c) the design, construction, equipping, or furnishing of a rural city hospital.

662 (4) (a) A tax under this section shall be:

663 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
664 accordance with:

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

- 666 (I) Part 1, Tax Collection; or
- 667 (II) Part 2, Local Sales and Use Tax Act; and
- 668 (B) Chapter 1, General Taxation Policies; and

669 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
670 period by the city legislative body as provided in Subsection (1).

671 (b) A tax under this section is not subject to Subsections 59-12-205(2) through [(7)]
672 (5).

673 (5) The commission shall retain and deposit an administrative charge in accordance
674 with Section 59-1-306 from the revenue the commission collects from a tax under this section.

675 Section 9. Section 59-12-1102 is amended to read:

676 **59-12-1102. Base -- Rate -- Imposition of tax -- Distribution of revenue --**
677 **Administration -- Administrative charge -- Commission requirement to retain an amount**
678 **to be deposited into the Qualified Emergency Food Agencies Fund -- Enactment or repeal**

679 **of tax -- Effective date -- Notice requirements.**

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

683 (ii) Notwithstanding Subsection (1)(a)(i), a county may not impose a tax under this
684 section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
685 exempt from taxation under Section 59-12-104.

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

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

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

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

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

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

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

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

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

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

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

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

709 (c) (i) Before holding the public hearings required by Subsection (2)(a), the county

710 shall advertise:

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

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

713 (C) a statement that the purpose of each public hearing is to obtain public comments

714 regarding the proposed tax.

715 (ii) The advertisement shall be published:

716 (A) in a newspaper of general circulation in the county once each week for the two

717 weeks preceding the earlier of the two public hearings; and

718 (B) on the Utah Public Notice Website created in Section [63F-1-701](#), for two weeks

719 preceding the earlier of the two public hearings.

720 (iii) The advertisement described in Subsection (2)(c)(ii)(A) shall be no less than 1/8

721 page in size, and the type used shall be no smaller than 18 point and surrounded by a 1/4-inch

722 border.

723 (iv) The advertisement described in Subsection (2)(c)(ii)(A) may not be placed in that

724 portion of the newspaper where legal notices and classified advertisements appear.

725 (v) In accordance with Subsection (2)(c)(ii)(A), whenever possible:

726 (A) the advertisement shall appear in a newspaper that is published at least five days a

727 week, unless the only newspaper in the county is published less than five days a week; and

728 (B) the newspaper selected shall be one of general interest and readership in the

729 community, and not one of limited subject matter.

730 (d) The adoption of an ordinance imposing a county option sales and use tax is subject

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

732 6, Local Referenda - Procedures.

733 (3) (a) Subject to Subsection (5), if the aggregate population of the counties imposing a

734 county option sales and use tax under Subsection (1) is less than 75% of the state population,

735 the tax levied under Subsection (1) shall be distributed to the county in which the tax was

736 collected.

737 (b) Subject to Subsection (5), if the aggregate population of the counties imposing a

738 county option sales and use tax under Subsection (1) is greater than or equal to 75% of the state

739 population:

740 (i) 50% of the tax collected under Subsection (1) in each county shall be distributed to

741 the county in which the tax was collected; and

742 (ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection
743 (1) in each county shall be distributed proportionately among all counties imposing the tax,
744 based on the total population of each county.

745 (c) Except as provided in Subsection (5), the amount to be distributed annually to a
746 county under Subsection (3)(b)(ii), when combined with the amount distributed to the county
747 under Subsection (3)(b)(i), does not equal at least \$75,000, then:

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

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

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

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

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

759 (A) Part 1, Tax Collection; or

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

761 (ii) Chapter 1, General Taxation Policies.

762 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~(7)~~ (5).

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

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

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

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

771 (5) (a) Beginning on July 1, 2009, the commission shall calculate and retain a portion

772 of the sales and use tax collected under this part as provided in this Subsection (5).

773 (b) For a county that imposes a tax under this part, the commission shall calculate a
774 percentage each month by dividing the sales and use tax collected under this part for that
775 month within the boundaries of that county by the total sales and use tax collected under this
776 part for that month within the boundaries of all of the counties that impose a tax under this part.

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

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

781 (ii) \$6,354.

782 (d) The commission shall deposit an amount the commission retains in accordance
783 with this Subsection (5) into the Qualified Emergency Food Agencies Fund created by Section
784 [35A-8-1009](#).

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

787 (6) (a) For purposes of this Subsection (6):

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

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

791 (b) (i) Except as provided in Subsection (6)(c) or (d), if, on or after July 1, 2004, a
792 county enacts or repeals a tax under this part:

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

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

795 (B) after a 90-day period beginning on the date the commission receives notice meeting
796 the requirements of Subsection (6)(b)(ii) from the county.

797 (ii) The notice described in Subsection (6)(b)(i)(B) shall state:

798 (A) that the county will enact or repeal a tax under this part;

799 (B) the statutory authority for the tax described in Subsection (6)(b)(ii)(A);

800 (C) the effective date of the tax described in Subsection (6)(b)(ii)(A); and

801 (D) if the county enacts the tax described in Subsection (6)(b)(ii)(A), the rate of the
802 tax.

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

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

809 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
810 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
811 Subsection (6)(b)(i) takes effect:

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

813 (B) beginning 60 days after the effective date of the enactment or repeal under
814 Subsection (6)(b)(i).

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

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

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

821 (B) after a 90-day period beginning on the date the commission receives notice meeting
822 the requirements of Subsection (6)(e)(ii) from the county that annexes the annexing area.

823 (ii) The notice described in Subsection (6)(e)(i)(B) shall state:

824 (A) that the annexation described in Subsection (6)(e)(i) will result in an enactment or
825 repeal of a tax under this part for the annexing area;

826 (B) the statutory authority for the tax described in Subsection (6)(e)(ii)(A);

827 (C) the effective date of the tax described in Subsection (6)(e)(ii)(A); and

828 (D) the rate of the tax described in Subsection (6)(e)(ii)(A).

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

832 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
833 period is produced on or after the effective date of the repeal of the tax imposed under

834 Subsection (1).

835 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
836 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
837 Subsection (6)(e)(i) takes effect:

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

839 (B) beginning 60 days after the effective date of the enactment or repeal under
840 Subsection (6)(e)(i).

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

843 Section 10. Section **59-12-1302** is amended to read:

844 **59-12-1302. Imposition of tax -- Base -- Rate -- Enactment or repeal of tax -- Tax**
845 **rate change -- Effective date -- Notice requirements -- Administration, collection, and**
846 **enforcement of tax -- Administrative charge.**

847 (1) Beginning on or after January 1, 1998, the governing body of a town may impose a
848 tax as provided in this part in an amount that does not exceed 1%.

849 (2) A town may impose a tax as provided in this part if the town imposed a license fee
850 or tax on businesses based on gross receipts under Section [10-1-203](#) on or before January 1,
851 1996.

852 (3) A town imposing a tax under this section shall:

853 (a) except as provided in Subsection (4), impose the tax on the transactions described
854 in Subsection [59-12-103](#)(1) located within the town; and

855 (b) provide an effective date for the tax as provided in Subsection (5).

856 (4) (a) A town may not impose a tax under this section on:

857 (i) the sales and uses described in Section [59-12-104](#) to the extent the sales and uses
858 are exempt from taxation under Section [59-12-104](#); and

859 (ii) except as provided in Subsection (4)(c), amounts paid or charged for food and food
860 ingredients.

861 (b) For purposes of this Subsection (4), the location of a transaction shall be
862 determined in accordance with Sections [59-12-211](#) through [59-12-215](#).

863 (c) A town imposing a tax under this section shall impose the tax on the purchase price
864 or sales price for amounts paid or charged for food and food ingredients if the food and food

865 ingredients are sold as part of a bundled transaction attributable to food and food ingredients
866 and tangible personal property other than food and food ingredients.

867 (5) (a) For purposes of this Subsection (5):

868 (i) "Annexation" means an annexation to a town under Title 10, Chapter 2, Part 4,
869 Annexation.

870 (ii) "Annexing area" means an area that is annexed into a town.

871 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
872 town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal,
873 or change shall take effect:

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

875 (B) after a 90-day period beginning on the date the commission receives notice meeting
876 the requirements of Subsection (5)(b)(ii) from the town.

877 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

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

879 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

880 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

881 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
882 (5)(b)(ii)(A), the rate of the tax.

883 (c) (i) If the billing period for the transaction begins before the effective date of the
884 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
885 the tax or the tax rate increase takes effect on the first day of the first billing period that begins
886 on or after the effective date of the enactment of the tax or the tax rate increase.

887 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
888 statement for the billing period is produced on or after the effective date of the repeal of the tax
889 or the tax rate decrease imposed under Subsection (1).

890 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
891 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
892 a tax described in Subsection (5)(b)(i) takes effect:

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

894 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
895 rate of the tax under Subsection (5)(b)(i).

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

898 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
899 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
900 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
901 effect:

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

903 (B) after a 90-day period beginning on the date the commission receives notice meeting
904 the requirements of Subsection (5)(e)(ii) from the town that annexes the annexing area.

905 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

906 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment,
907 repeal, or change in the rate of a tax under this part for the annexing area;

908 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

909 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

910 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
911 (5)(e)(ii)(A), the rate of the tax.

912 (f) (i) If the billing period for a transaction begins before the effective date of the
913 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
914 the tax or the tax rate increase takes effect on the first day of the first billing period that begins
915 on or after the effective date of the enactment of the tax or the tax rate increase.

916 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
917 statement for the billing period is produced on or after the effective date of the repeal of the tax
918 or the tax rate decrease imposed under Subsection (1).

919 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
920 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
921 a tax described in Subsection (5)(e)(i) takes effect:

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

923 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
924 rate of the tax under Subsection (5)(e)(i).

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

- 927 (6) The commission shall:
- 928 (a) distribute the revenue generated by the tax under this section to the town imposing
- 929 the tax; and
- 930 (b) except as provided in Subsection (8), administer, collect, and enforce the tax
- 931 authorized under this section in accordance with:
- 932 (i) the same procedures used to administer, collect, and enforce the tax under:
- 933 (A) Part 1, Tax Collection; or
- 934 (B) Part 2, Local Sales and Use Tax Act; and
- 935 (ii) Chapter 1, General Taxation Policies.
- 936 (7) The commission shall retain and deposit an administrative charge in accordance
- 937 with Section [59-1-306](#) from the revenue the commission collects from a tax under this part.
- 938 (8) A tax under this section is not subject to Subsections [59-12-205](#)(2) through [(7)]
- 939 (5).

940 Section 11. Section **59-12-1402** is amended to read:

941 **59-12-1402. Opinion question election -- Base -- Rate -- Imposition of tax --**

942 **Expenditure of revenue -- Enactment or repeal of tax -- Effective date -- Notice**

943 **requirements.**

- 944 (1) (a) Subject to the other provisions of this section, a city or town legislative body
- 945 subject to this part may submit an opinion question to the residents of that city or town, by
- 946 majority vote of all members of the legislative body, so that each resident of the city or town
- 947 has an opportunity to express the resident's opinion on the imposition of a local sales and use
- 948 tax of .1% on the transactions described in Subsection [59-12-103](#)(1) located within the city or
- 949 town, to:
- 950 (i) fund cultural facilities, recreational facilities, and zoological facilities and botanical
- 951 organizations, cultural organizations, and zoological organizations in that city or town; or
- 952 (ii) provide funding for a botanical organization, cultural organization, or zoological
- 953 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in
- 954 furtherance of the botanical organization's, cultural organization's, or zoological organization's
- 955 primary purpose.
- 956 (b) The opinion question required by this section shall state:
- 957 "Shall (insert the name of the city or town), Utah, be authorized to impose a .1% sales

958 and use tax for (list the purposes for which the revenue collected from the sales and use tax
959 shall be expended)?"

960 (c) A city or town legislative body may not impose a tax under this section:

961 (i) if the county in which the city or town is located imposes a tax under Part 7, County
962 Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or
963 Facilities;

964 (ii) on the sales and uses described in Section 59-12-104 to the extent the sales and
965 uses are exempt from taxation under Section 59-12-104; and

966 (iii) except as provided in Subsection (1)(e), on amounts paid or charged for food and
967 food ingredients.

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

970 (e) A city or town legislative body imposing a tax under this section shall impose the
971 tax on the purchase price or sales price for amounts paid or charged for food and food
972 ingredients if the food and food ingredients are sold as part of a bundled transaction attributable
973 to food and food ingredients and tangible personal property other than food and food
974 ingredients.

975 (f) Except as provided in Subsection (6), the election shall be held at a regular general
976 election or a municipal general election, as those terms are defined in Section 20A-1-102, and
977 shall follow the procedures outlined in Title 11, Chapter 14, Local Government Bonding Act.

978 (2) If the city or town legislative body determines that a majority of the city's or town's
979 registered voters voting on the imposition of the tax have voted in favor of the imposition of
980 the tax as prescribed in Subsection (1), the city or town legislative body may impose the tax by
981 a majority vote of all members of the legislative body.

982 (3) Subject to Section 59-12-1403, revenue collected from a tax imposed under
983 Subsection (2) shall be expended:

984 (a) to finance cultural facilities, recreational facilities, and zoological facilities within
985 the city or town or within the geographic area of entities that are parties to an interlocal
986 agreement, to which the city or town is a party, providing for cultural facilities, recreational
987 facilities, or zoological facilities;

988 (b) to finance ongoing operating expenses of:

989 (i) recreational facilities described in Subsection (3)(a) within the city or town or
990 within the geographic area of entities that are parties to an interlocal agreement, to which the
991 city or town is a party, providing for recreational facilities; or

992 (ii) botanical organizations, cultural organizations, and zoological organizations within
993 the city or town or within the geographic area of entities that are parties to an interlocal
994 agreement, to which the city or town is a party, providing for the support of botanical
995 organizations, cultural organizations, or zoological organizations; and

996 (c) as stated in the opinion question described in Subsection (1).

997 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall
998 be:

999 (i) administered, collected, and enforced in accordance with:

1000 (A) the same procedures used to administer, collect, and enforce the tax under:

1001 (I) Part 1, Tax Collection; or

1002 (II) Part 2, Local Sales and Use Tax Act; and

1003 (B) Chapter 1, General Taxation Policies; and

1004 (ii) (A) levied for a period of eight years; and

1005 (B) may be reauthorized at the end of the eight-year period in accordance with this
1006 section.

1007 (b) (i) If a tax under this part is imposed for the first time on or after July 1, 2011, the
1008 tax shall be levied for a period of 10 years.

1009 (ii) If a tax under this part is reauthorized in accordance with Subsection (4)(a) on or
1010 after July 1, 2011, the tax shall be reauthorized for a ten-year period.

1011 (c) A tax under this section is not subject to Subsections 59-12-205(2) through [~~7~~]
1012 (5).

1013 (5) (a) For purposes of this Subsection (5):

1014 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
1015 4, Annexation.

1016 (ii) "Annexing area" means an area that is annexed into a city or town.

1017 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a city
1018 or town enacts or repeals a tax under this part, the enactment or repeal shall take effect:

1019 (A) on the first day of a calendar quarter; and

1020 (B) after a 90-day period beginning on the date the commission receives notice meeting
1021 the requirements of Subsection (5)(b)(ii) from the city or town.

1022 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

1023 (A) that the city or town will enact or repeal a tax under this part;

1024 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

1025 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

1026 (D) if the city or town enacts the tax described in Subsection (5)(b)(ii)(A), the rate of
1027 the tax.

1028 (c) (i) If the billing period for a transaction begins before the effective date of the
1029 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
1030 the first billing period that begins on or after the effective date of the enactment of the tax.

1031 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
1032 period is produced on or after the effective date of the repeal of the tax imposed under this
1033 section.

1034 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
1035 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
1036 Subsection (5)(b)(i) takes effect:

1037 (A) on the first day of a calendar quarter; and

1038 (B) beginning 60 days after the effective date of the enactment or repeal under
1039 Subsection (5)(b)(i).

1040 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1041 commission may by rule define the term "catalogue sale."

1042 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
1043 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
1044 part for an annexing area, the enactment or repeal shall take effect:

1045 (A) on the first day of a calendar quarter; and

1046 (B) after a 90-day period beginning on the date the commission receives notice meeting
1047 the requirements of Subsection (5)(e)(ii) from the city or town that annexes the annexing area.

1048 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

1049 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
1050 repeal a tax under this part for the annexing area;

- 1051 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);
1052 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and
1053 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

1054 (f) (i) If the billing period for a transaction begins before the effective date of the
1055 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
1056 the first billing period that begins on or after the effective date of the enactment of the tax.

1057 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
1058 period is produced on or after the effective date of the repeal of the tax imposed under this
1059 section.

1060 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
1061 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
1062 Subsection (5)(e)(i) takes effect:

1063 (A) on the first day of a calendar quarter; and

1064 (B) beginning 60 days after the effective date of the enactment or repeal under
1065 Subsection (5)(e)(i).

1066 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1067 commission may by rule define the term "catalogue sale."

1068 (6) (a) Before a city or town legislative body submits an opinion question to the
1069 residents of the city or town under Subsection (1), the city or town legislative body shall:

1070 (i) submit to the county legislative body in which the city or town is located a written
1071 notice of the intent to submit the opinion question to the residents of the city or town; and

1072 (ii) receive from the county legislative body:

1073 (A) a written resolution passed by the county legislative body stating that the county
1074 legislative body is not seeking to impose a tax under Part 7, County Option Funding for
1075 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities; or

1076 (B) a written statement that in accordance with Subsection (6)(b) the results of a county
1077 opinion question submitted to the residents of the county under Part 7, County Option Funding
1078 for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, permit the city
1079 or town legislative body to submit the opinion question to the residents of the city or town in
1080 accordance with this part.

1081 (b) (i) Within 60 days after the day the county legislative body receives from a city or

1082 town legislative body described in Subsection (6)(a) the notice of the intent to submit an
1083 opinion question to the residents of the city or town, the county legislative body shall provide
1084 the city or town legislative body:

1085 (A) the written resolution described in Subsection (6)(a)(ii)(A); or

1086 (B) written notice that the county legislative body will submit an opinion question to
1087 the residents of the county under Part 7, County Option Funding for Botanical, Cultural,
1088 Recreational, and Zoological Organizations or Facilities, for the county to impose a tax under
1089 that part.

1090 (ii) If the county legislative body provides the city or town legislative body the written
1091 notice that the county legislative body will submit an opinion question as provided in
1092 Subsection (6)(b)(i)(B), the county legislative body shall submit the opinion question by no
1093 later than, from the date the county legislative body sends the written notice, the later of:

1094 (A) a 12-month period;

1095 (B) the next regular primary election; or

1096 (C) the next regular general election.

1097 (iii) Within 30 days of the date of the canvass of the election at which the opinion
1098 question under Subsection (6)(b)(ii) is voted on, the county legislative body shall provide the
1099 city or town legislative body described in Subsection (6)(a) written results of the opinion
1100 question submitted by the county legislative body under Part 7, County Option Funding for
1101 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, indicating that:

1102 (A) (I) the city or town legislative body may not impose a tax under this part because a
1103 majority of the county's registered voters voted in favor of the county imposing the tax and the
1104 county legislative body by a majority vote approved the imposition of the tax; or

1105 (II) for at least 12 months from the date the written results are submitted to the city or
1106 town legislative body, the city or town legislative body may not submit to the county legislative
1107 body a written notice of the intent to submit an opinion question under this part because a
1108 majority of the county's registered voters voted against the county imposing the tax and the
1109 majority of the registered voters who are residents of the city or town described in Subsection
1110 (6)(a) voted against the imposition of the county tax; or

1111 (B) the city or town legislative body may submit the opinion question to the residents
1112 of the city or town in accordance with this part because although a majority of the county's

1113 registered voters voted against the county imposing the tax, the majority of the registered voters
1114 who are residents of the city or town voted for the imposition of the county tax.

1115 (c) Notwithstanding Subsection (6)(b), at any time a county legislative body may
1116 provide a city or town legislative body described in Subsection (6)(a) a written resolution
1117 passed by the county legislative body stating that the county legislative body is not seeking to
1118 impose a tax under Part 7, County Option Funding for Botanical, Cultural, Recreational, and
1119 Zoological Organizations or Facilities, which permits the city or town legislative body to
1120 submit under Subsection (1) an opinion question to the city's or town's residents.

1121 Section 12. Section **59-12-2103** is amended to read:

1122 **59-12-2103. Imposition of tax -- Base -- Rate -- Expenditure of revenue collected**
1123 **from the tax -- Administration, collection, and enforcement of tax by commission --**
1124 **Administrative charge -- Enactment or repeal of tax -- Annexation -- Notice.**

1125 (1) (a) As used in this section, "eligible city or town" means a city or town that
1126 imposed a tax under this part on July 1, 2016.

1127 ~~[(+)(a)] (b)~~ Subject to the other provisions of this section and except as provided in
1128 Subsection (2) or (3), ~~[beginning on January 1, 2009 and ending on June 30, 2016, if a city or~~
1129 ~~town receives a distribution for the 12 consecutive months of fiscal year 2005-06 because the~~
1130 ~~city or town would have received a tax revenue distribution of less than .75% of the taxable~~
1131 ~~sales within the boundaries of the city or town but for Subsection 59-12-205(4)(a), the city or~~
1132 ~~town]~~ the legislative body of an eligible city or town may impose a sales and use tax of up to
1133 .20% on the transactions:

1134 (i) described in Subsection 59-12-103(1); and

1135 (ii) within the city or town.

1136 ~~[(b)] (c)~~ A city or town legislative body that imposes a tax under Subsection (1)~~[(a)](b)~~
1137 shall expend the revenue collected from the tax for the same purposes for which the city or
1138 town may expend the city's or town's general fund revenue.

1139 ~~[(e)] (d)~~ For purposes of this Subsection (1), the location of a transaction shall be
1140 determined in accordance with Sections 59-12-211 through 59-12-215.

1141 (2) (a) A city or town legislative body may not impose a tax under this section on:

1142 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
1143 are exempt from taxation under Section 59-12-104; and

1144 (ii) except as provided in Subsection (2)(b), amounts paid or charged for food and food
1145 ingredients.

1146 (b) A city or town legislative body imposing a tax under this section shall impose the
1147 tax on the purchase price or sales price for amounts paid or charged for food and food
1148 ingredients if the food and food ingredients are sold as part of a bundled transaction attributable
1149 to food and food ingredients and tangible personal property other than food and food
1150 ingredients.

1151 ~~[(3)(a) Beginning on January 1, 2009, and ending on June 30, 2016, to impose a tax~~
1152 ~~under this part, a city or town legislative body shall obtain approval from a majority of the~~
1153 ~~members of the city or town legislative body.]~~

1154 ~~[(b) If, on June 30, 2016, a city or town is not imposing a tax under this part, the city or~~
1155 ~~town legislative body may not impose a tax under this part beginning on or after July 1, 2016.]~~

1156 ~~[(c)(i) If, on June 30, 2016, a city or town imposes a tax under this part, the city or~~
1157 ~~town shall repeal the tax on July 1, 2016, unless, on or after July 1, 2012, but on or before~~
1158 ~~March 31, 2016, the city or town legislative body obtains approval from a majority vote of the~~
1159 ~~members of the city or town legislative body to continue to impose the tax.]~~

1160 ~~[(ii) If a city or town obtains approval under Subsection (3)(c)(i) from a majority vote~~
1161 ~~of the members of the city or town legislative body to continue to impose a tax under this part~~
1162 ~~on or after July 1, 2016, the]~~

1163 (3) An eligible city or town may impose ~~[the]~~ a tax under this part until no later than
1164 June 30, 2030.

1165 (4) The commission shall transmit revenue collected within a city or town from a tax
1166 under this part:

1167 (a) to the city or town legislative body;

1168 (b) monthly; and

1169 (c) by electronic funds transfer.

1170 (5) (a) Except as provided in Subsection (5)(b), the commission shall administer,
1171 collect, and enforce a tax under this part in accordance with:

1172 (i) the same procedures used to administer, collect, and enforce the tax under:

1173 (A) Part 1, Tax Collection; or

1174 (B) Part 2, Local Sales and Use Tax Act; and

- 1175 (ii) Chapter 1, General Taxation Policies.
- 1176 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~(7)~~ (5).
- 1177 (6) The commission shall retain and deposit an administrative charge in accordance
1178 with Section 59-1-306 from the revenue the commission collects from a tax under this part.
- 1179 (7) (a) (i) Except as provided in Subsection (7)(b) or (c), if, on or after January 1, 2009,
1180 a city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
1181 repeal, or change shall take effect:
- 1182 (A) on the first day of a calendar quarter; and
- 1183 (B) after a 90-day period beginning on the date the commission receives notice meeting
1184 the requirements of Subsection (7)(a)(i) from the city or town.
- 1185 (ii) The notice described in Subsection (7)(a)(i)(B) shall state:
- 1186 (A) that the city or town will enact or repeal a tax or change the rate of the tax under
1187 this part;
- 1188 (B) the statutory authority for the tax described in Subsection (7)(a)(ii)(A);
- 1189 (C) the effective date of the tax described in Subsection (7)(a)(ii)(A); and
- 1190 (D) if the city or town enacts the tax or changes the rate of the tax described in
1191 Subsection (7)(a)(ii)(A), the rate of the tax.
- 1192 (b) (i) If the billing period for a transaction begins before the enactment of the tax or
1193 the tax rate increase under Subsection (1), the enactment of the tax or the tax rate increase takes
1194 effect on the first day of the first billing period that begins on or after the effective date of the
1195 enactment of the tax or the tax rate increase.
- 1196 (ii) If the billing period for a transaction begins before the effective date of the repeal
1197 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
1198 rate decrease applies to a billing period if the billing statement for the billing period is rendered
1199 on or after the effective date of the repeal of the tax or the tax rate decrease.
- 1200 (c) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales
1201 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax
1202 described in Subsection (7)(a)(i) takes effect:
- 1203 (A) on the first day of a calendar quarter; and
- 1204 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
1205 rate of the tax under Subsection (7)(a)(i).

1206 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1207 commission may by rule define the term "catalogue sale."

1208 (d) (i) Except as provided in Subsection (7)(e) or (f), if, for an annexation that occurs
1209 on or after January 1, 2009, the annexation will result in the enactment, repeal, or change in the
1210 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
1211 effect:

1212 (A) on the first day of a calendar quarter; and

1213 (B) after a 90-day period beginning on the date the commission receives notice meeting
1214 the requirements of Subsection (7)(d)(ii) from the city or town that annexes the annexing area.

1215 (ii) The notice described in Subsection (7)(d)(i)(B) shall state:

1216 (A) that the annexation described in Subsection (7)(d)(i)(B) will result in the
1217 enactment, repeal, or change in the rate of a tax under this part for the annexing area;

1218 (B) the statutory authority for the tax described in Subsection (7)(d)(ii)(A);

1219 (C) the effective date of the tax described in Subsection (7)(d)(ii)(A); and

1220 (D) if the city or town enacts the tax or changes the rate of the tax described in
1221 Subsection (7)(d)(ii)(A), the rate of the tax.

1222 (e) (i) If the billing period for a transaction begins before the effective date of the
1223 enactment of the tax or a tax rate increase under Subsection (1), the enactment of a tax or a tax
1224 rate increase takes effect on the first day of the first billing period that begins on or after the
1225 effective date of the enactment of the tax or the tax rate increase.

1226 (ii) If the billing period for a transaction begins before the effective date of the repeal
1227 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
1228 rate decrease applies to a billing period if the billing statement for the billing period is rendered
1229 on or after the effective date of the repeal of the tax or the tax rate decrease.

1230 (f) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales
1231 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax
1232 described in Subsection (7)(d)(i) takes effect:

1233 (A) on the first day of a calendar quarter; and

1234 (B) beginning 60 days after the effective date of the enactment, repeal, or change under
1235 Subsection (7)(d)(i).

1236 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

1237 commission may by rule define the term "catalogue sale."

1238 Section 13. Section **59-12-2206** is amended to read:

1239 **59-12-2206. Administration, collection, and enforcement of a sales and use tax**
1240 **under this part -- Transmission of revenue monthly by electronic funds transfer --**
1241 **Transfer of revenue to a public transit district or eligible political subdivision.**

1242 (1) Except as provided in Subsection (2), the commission shall administer, collect, and
1243 enforce a sales and use tax imposed under this part.

1244 (2) The commission shall administer, collect, and enforce a sales and use tax imposed
1245 under this part in accordance with:

1246 (a) the same procedures used to administer, collect, and enforce a tax under:

1247 (i) Part 1, Tax Collection; or

1248 (ii) Part 2, Local Sales and Use Tax Act; and

1249 (b) Chapter 1, General Taxation Policies.

1250 (3) A sales and use tax under this part is not subject to Subsections **59-12-205**(2)
1251 through ~~(7)~~ (5).

1252 (4) Subject to Section **59-12-2207** and except as provided in Subsection (5) or another
1253 provision of this part, the state treasurer shall transmit revenue collected within a county, city,
1254 or town from a sales and use tax under this part to the county, city, or town legislative body
1255 monthly by electronic funds transfer.

1256 (5) (a) Subject to Section **59-12-2207**, and except as provided in Subsection (5)(b), the
1257 state treasurer shall transfer revenue collected within a county, city, or town from a sales and
1258 use tax under this part directly to a public transit district organized under Title 17B, Chapter 2a,
1259 Part 8, Public Transit District Act, or an eligible political subdivision as defined in Section
1260 **59-12-2219**, if the county, city, or town legislative body:

1261 (i) provides written notice to the commission and the state treasurer requesting the
1262 transfer; and

1263 (ii) designates the public transit district or eligible political subdivision to which the
1264 county, city, or town legislative body requests the state treasurer to transfer the revenue.

1265 (b) The commission shall transmit a portion of the revenue collected within a county,
1266 city, or town from a sales and use tax under this part that would be transferred to a public
1267 transit district or an eligible political subdivision under Subsection (5)(a) to the county, city, or

1268 town to fund public transit fixed guideway safety oversight under Section 72-1-214 if the
1269 county, city, or town legislative body:

1270 (i) provides written notice to the commission and the state treasurer requesting the
1271 transfer; and

1272 (ii) specifies the amount of revenue required to be transmitted to the county, city, or
1273 town.

Legislative Review Note
Office of Legislative Research and General Counsel