

1                                   **MEDICAID EXPANSION ADJUSTMENTS**

2                                   2019 GENERAL SESSION

3                                   STATE OF UTAH

4                                   **Chief Sponsor: Allen M. Christensen**

5                                   House Sponsor: James A. Dunnigan

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7   **LONG TITLE**

8   **General Description:**

9           This bill amends provisions relating to the state Medicaid program and the state sales  
10 tax.

11 **Highlighted Provisions:**

12           This bill:

- 13           ▶ makes changes to eligibility for and administration of the state Medicaid program;
- 14           ▶ directs the Department of Health to continue to seek approval from the federal  
15 government to implement the Medicaid waiver expansion;
- 16           ▶ directs the department to submit a request to the federal government to provide  
17 Medicaid benefits to enrollees who are newly eligible under the Medicaid waiver  
18 expansion in a manner that:
  - 19           • incorporates a per capita cap on federal reimbursement;
  - 20           • limits presumptive eligibility;
  - 21           • imposes a lock-out period for individuals who violate certain program  
22 requirements; and
  - 23           • gives enrollees continuous eligibility for a period of 12 months;
- 24           ▶ directs the department to submit a request to the federal government to allow  
25 Medicaid funds to be used for housing supports for certain enrollees;
- 26           ▶ amends provisions related to the Medicaid Expansion Fund;
- 27           ▶ amends provisions related to the state sales tax; and



28           ▶ makes technical changes.

29 **Money Appropriated in this Bill:**

30           None

31 **Other Special Clauses:**

32           This bill provides a special effective date.

33 **Utah Code Sections Affected:**

34 AMENDS:

35           **26-18-3.9**, as enacted by Statewide Initiative -- Proposition 3, Nov. 6, 2018

36           **26-18-415**, as enacted by Laws of Utah 2018, Chapter 468

37           **26-36b-208**, as last amended by Laws of Utah 2018, Chapters 384 and 468

38           **59-12-103**, as amended by Statewide Initiative -- Proposition 3, Nov. 6, 2018

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

41           Section 1. Section **26-18-3.9** is amended to read:

42           **26-18-3.9. Protecting and expanding the Medicaid program and Utah Children’s**

43 **Health Insurance Program.**

44           ~~[(1) Findings and purpose:]~~

45           ~~[(a) Findings. The People of the State of Utah find that:]~~

46           ~~[(i) Adequate medical care is crucial to the health and welfare of the residents of Utah;]~~

47           ~~[(ii) It is essential that all Utahns have access to medical care, including preventive~~  
48 ~~care, emergency services, and hospital care;]~~

49           ~~[(iii) Utah’s Medicaid program and CHHP provide care to Utahns who are unable to~~  
50 ~~afford private health insurance and are not eligible for other health insurance. Medicaid and~~  
51 ~~CHHP are vital parts of the Utah health care system and it is essential that they continue to~~  
52 ~~provide health care for the most vulnerable citizens of our state;]~~

53           ~~[(iv) However, over 250,000 Utahns remain uninsured and do not have adequate access~~  
54 ~~to health care. Over 100,000 of the uninsured would be covered by Medicaid if the State of~~  
55 ~~Utah were to expand eligibility to all individuals who are in the federal optional Medicaid~~  
56 ~~expansion population, as defined as of January 1, 2017;]~~

57           ~~[(v) When people don’t have access to care they are far more likely to develop chronic~~  
58 ~~conditions, like diabetes or asthma, that often require expensive treatment for a patient’s entire~~

59 life, resulting in unnecessary suffering and driving up the cost of healthcare;]

60 [~~(vi) When medical providers provide care for which patients are not insured, the cost~~  
61 ~~of that care is passed on to others, thus increasing the cost of medical care for all Utah~~  
62 ~~residents;]~~

63 [~~(vii) It is critical to the survival of the Medicaid program that it remain adequately~~  
64 ~~funded so that it can provide needed medical services to those who otherwise would not have~~  
65 ~~access to care, and can compensate the providers who serve participants. The compensation to~~  
66 ~~providers must be adequate to encourage providers to continue to treat patients on Medicaid;~~  
67 ~~and]~~

68 [~~(viii) From moral, health and fiscal perspectives, protecting and expanding the~~  
69 ~~Medicaid program in Utah is essential to maintaining the quality of life in our state.]~~

70 [~~(b) Purpose. The purpose of this measure is to preserve and strengthen medical care~~  
71 ~~in the State of Utah by the following:]~~

72 [~~(i) Protecting Medicaid and CHHP so that they can continue to provide medical care to~~  
73 ~~those who are currently eligible, and]~~

74 [~~(ii) Expanding Medicaid eligibility to adults who are in the federal optional Medicaid~~  
75 ~~expansion population, as defined as of January 1, 2017:]~~

76 (1) As used in this section:

77 (a) "CMS" means the Centers for Medicare and Medicaid Services in the United States  
78 Department of Health and Human Services.

79 (b) "Federal poverty level" means the same as that term is defined in Section  
80 [26-18-411](#).

81 (c) "Medicaid waiver expansion" means the same as that term is defined in Section  
82 [26-18-415](#).

83 (2) [~~Eligibility.~~] As set forth in Subsections (2)(a) through (2)(d), eligibility criteria for  
84 the Medicaid program shall be [~~maintained as they existed on January 1, 2017 and also]~~  
85 expanded to cover additional low-income individuals.

86 [~~(a) The standards, methodologies, and procedures for determining eligibility for the~~  
87 ~~Medicaid program and CHHP shall be no more restrictive than the eligibility standards,~~  
88 ~~methodologies, and procedures, respectively, that were in effect on January 1, 2017.]~~

89 [~~(b) (a) Notwithstanding Sections [26-18-18](#) and [63J-5-204](#), [beginning April 1, 2019;]~~

90 eligibility for the Medicaid program shall be expanded [~~to include all persons in the optional~~  
91 ~~Medicaid expansion population under the Patient Protection and Affordable Care Act, Pub. L.~~  
92 ~~No. 111-148 and the Health Care Education Reconciliation Act of 2010, Pub. L. No. 111-152,~~  
93 ~~and related federal regulations and guidance, as those statutory and regulatory provisions and~~  
94 ~~guidance existed on January 1, 2017] in accordance with this Subsection (2).~~

95 [~~(c) There shall be no caps on enrollment beyond those in place as of January 1, 2017.]~~

96 [~~(d) The eligibility criteria in Subsection (2)(b) shall be construed to include all~~  
97 ~~individuals eligible for the health coverage improvement program under Section 26-18-411.]~~

98 [~~(3) Care and Services. For each enrollment group or category in the Medicaid~~  
99 ~~program and CHHP, the categories of care or services and the types of benefits provided in each~~  
100 ~~category shall be no more restrictive than the categories of care or services and the types of~~  
101 ~~benefits provided on January 1, 2017. Such services and benefits shall be provided in~~  
102 ~~sufficient amount, duration, and scope to achieve their purposes.]~~

103 [~~(4) Out-of-Pocket Costs. Any premium, beneficiary enrollment fee, and cost sharing~~  
104 ~~requirement applicable to care and services described in this section, including but not limited~~  
105 ~~to co-pay, co-insurance, deductible, or out-of-pocket maximum, shall be no greater than those~~  
106 ~~in effect on January 1, 2017.]~~

107 [~~(5) Provider payments:]~~

108 [~~(a) Payments to providers under the Medicaid program and CHHP for covered care and~~  
109 ~~services shall be made at a rate not less than 100% of the payment rate that applied to such care~~  
110 ~~and services on January 1, 2017, and shall increase annually at a rate not less than the region's~~  
111 ~~Consumer Price Index:]~~

112 [~~(b) Managed care:]~~

113 [~~(i) If the department contracts with an accountable care organization or other~~  
114 ~~organization to cover care and services under the Medicaid program or CHHP, a contract with~~  
115 ~~that organization shall provide that the organization shall make payments to providers for items~~  
116 ~~and services that are subject to the contract and that are furnished to individuals eligible for the~~  
117 ~~Medicaid program or CHHP at a rate not less than 100% of the payment rate that at least one~~  
118 ~~accountable care organization that contracted with the department paid for such care and~~  
119 ~~services on January 1, 2017 (regardless of the manner in which such payments are made,~~  
120 ~~including in the form of capitation or partial capitation), and that the minimum payment~~

121 required by this provision will increase annually at a rate not less than the region's Consumer  
122 Price Index.]

123 ~~[(ii) Payments by the department to accountable care organizations or such other~~  
124 ~~organizations shall be sufficient for the organizations to comply with the provider payment rate~~  
125 ~~requirements of this section.]~~

126 ~~[(c) This subsection (5) shall not apply to physician reimbursement for drugs or~~  
127 ~~devices.]~~

128 (b) The department shall continue to seek approval from CMS for a waiver to  
129 implement the provisions of the Medicaid waiver expansion.

130 (c) On or before July 1, 2019, the department shall submit one or more waivers or state  
131 plan amendments to CMS to implement the following provisions in the Medicaid program  
132 under the Medicaid waiver expansion:

133 (i) administer federal funds for the Medicaid program according to a per capita cap, by  
134 eligibility group, developed by the department that:

135 (A) includes an annual inflationary adjustment;

136 (B) accounts for differences in cost among categories of Medicaid eligibility; and

137 (C) provides greater flexibility to the state than the current Medicaid payment model;

138 and

139 (ii) for each individual who is newly eligible for the Medicaid program under the  
140 Medicaid waiver expansion:

141 (A) limit, in certain circumstances as defined by the department, the ability of a  
142 qualified entity to determine presumptive eligibility for Medicaid coverage;

143 (B) impose a lock-out period if the individual violates certain program requirements as  
144 defined by the department; and

145 (C) allow the individual to remain in the Medicaid program for a 12-month  
146 certification period as defined by the department.

147 (d) On or before July 1, 2019, the department shall submit a waiver or state plan  
148 amendment to allow federal Medicaid funds to be used for housing support for eligible  
149 enrollees.

150 ~~[(6)]~~ (3) Nothing in this section shall prevent the people acting through initiative, the  
151 Legislature by statute, or the department by promulgating rules from:

- 152 (a) Expanding eligibility by adopting less restrictive eligibility standards,
- 153 methodologies, or procedures [~~than those permitted by Subsection (2)~~];
- 154 (b) Expanding covered care and services by adding to the list, amount, duration, or
- 155 scope of covered care and services [~~required by Subsection (3)~~];
- 156 (c) Reducing premiums, beneficiary enrollment fees, or cost sharing requirements
- 157 [~~below the maximum levels permitted by Subsection (4)~~]; or
- 158 (d) Increasing provider payments [~~above the minimum payments required by~~
- 159 ~~Subsection (5)~~].

160 [~~(7) For purposes of this section:~~]

161 [~~(a) The “Medicaid program” means the Medicaid program defined by Section~~

162 ~~26-18-2, including any waivers.~~]  
163 [~~(b) The “Utah Children’s Health Insurance Program” or “CHIP” means the Utah~~

164 ~~Children’s Health Insurance Program created in Chapter 40, Utah Children’s Health Insurance~~

165 ~~Act.~~]  
166 [~~(8) (4) The department shall maximize federal financial participation in~~

167 ~~implementing this section, including by seeking to obtain any necessary federal approvals or~~

168 ~~waivers.~~]  
169 [~~(9) This section and Section 26-18-3.1(4) shall not apply to CHIP in any year for~~

170 ~~which the State Children’s Health Insurance Program, as described in Subchapter XXI, 42~~

171 ~~U.S.C. Sec. 1397aa et seq., is not extended at the federal level.~~]  
172 [~~(10) (5) Notwithstanding Sections 17-43-201 and 17-43-301, a county does not have~~

173 ~~to provide matching funds to the state for the cost of providing Medicaid services to newly~~

174 ~~enrolled individuals who qualify for Medicaid coverage under Subsection (2)~~[(b)].  
175 [~~(11) Severability. If any provision of this section or its application to any person or~~

176 ~~circumstance is held invalid, the remainder of this section shall be given effect without the~~

177 ~~invalid provision or application, and to this end the provisions of this section are severable.~~]  
178 Section 2. Section **26-18-415** is amended to read:

179 **26-18-415. Medicaid waiver expansion.**

180 (1) As used in this section:

181 (a) "CMS" means the Centers for Medicare and Medicaid Services within the United

183 (b) "Expansion population" means individuals:  
184 (i) whose household income is less than 95% of the federal poverty level; and  
185 (ii) who are not eligible for enrollment in the Medicaid program, with the exception of  
186 the Primary Care Network program, on May 8, 2018.

187 (c) "Federal poverty level" means the same as that term is defined in Section  
188 [26-18-411](#).

189 (d) "Medicaid waiver expansion" means a Medicaid expansion in accordance with this  
190 section.

191 (2) (a) Before January 1, 2019, the department shall apply to CMS for approval of a  
192 waiver or state plan amendment to implement the Medicaid waiver expansion.

193 (b) The Medicaid waiver expansion shall:

194 (i) expand Medicaid coverage to eligible individuals whose income is below 95% of  
195 the federal poverty level;

196 (ii) obtain maximum federal financial participation under 42 U.S.C. Sec. 1396d(y) for  
197 enrolling an individual in the Medicaid program;

198 (iii) provide Medicaid benefits through the state's Medicaid accountable care  
199 organizations in areas where a Medicaid accountable care organization is implemented;

200 (iv) integrate the delivery of behavioral health services and physical health services  
201 with Medicaid accountable care organizations in select geographic areas of the state that  
202 choose an integrated model;

203 (v) include a path to self-sufficiency, including work activities as defined in 42 U.S.C.  
204 Sec. 607(d), for qualified adults;

205 (vi) require an individual who is offered a private health benefit plan by an employer to  
206 enroll in the employer's health plan;

207 (vii) sunset in accordance with Subsection (5)(a); and

208 (viii) permit the state to close enrollment in the Medicaid waiver expansion if the  
209 department has insufficient funding to provide services to additional eligible individuals.

210 (3) If the Medicaid waiver described in Subsection (1) is approved, the department may  
211 only pay the state portion of costs for the Medicaid waiver expansion with appropriations from:

212 (a) the Medicaid Expansion Fund, created in Section [26-36b-208](#);

213 (b) county contributions to the non-federal share of Medicaid expenditures; and

214 (c) any other contributions, funds, or transfers from a non-state agency for Medicaid  
215 expenditures.

216 (4) Medicaid accountable care organizations and counties that elect to integrate care  
217 under Subsection (2)(b)(iv) shall collaborate on enrollment, engagement of patients, and  
218 coordination of services.

219 (5) (a) If CMS approves the provision described in Subsection (2)(b)(viii), the  
220 department shall close enrollment under Subsection (2)(b)(viii) when the department  
221 determines that the revenues generated from the tax described in Subsection 59-12-103(14) are  
222 insufficient to provide services to additional eligible individuals.

223 (b) The department may implement the provisions described in Subsections  
224 26-18-3.9(2)(c) and (d) in the Medicaid waiver expansion.

225 (6) Notwithstanding Subsection (2)(b), the department may implement the Medicaid  
226 waiver expansion without a provision described in Subsection (2)(b)(iv), (v), or (viii) if the  
227 department is unable to implement the provision solely because CMS does not approve a  
228 waiver request to implement the provision.

229 [~~5~~] (7) (a) If federal financial participation for the Medicaid waiver expansion is  
230 reduced below 90%, the authority of the department to implement the Medicaid waiver  
231 expansion shall sunset no later than the next July 1 after the date on which the federal financial  
232 participation is reduced.

233 (b) The department shall close the program to new enrollment if the cost of the  
234 Medicaid waiver expansion is projected to exceed the appropriations for the fiscal year that are  
235 authorized by the Legislature through an appropriations act adopted in accordance with Title  
236 63J, Chapter 1, Budgetary Procedures Act.

237 [~~6~~] (8) If the Medicaid waiver expansion is approved by CMS, the department shall  
238 report to the Social Services Appropriations Subcommittee on or before November 1 of each  
239 year that the Medicaid waiver expansion is operational:

- 240 (a) the number of individuals who enrolled in the Medicaid waiver program;
- 241 (b) costs to the state for the Medicaid waiver program;
- 242 (c) estimated costs for the current and following state fiscal year; and
- 243 (d) recommendations to control costs of the Medicaid waiver expansion.

244 Section 3. Section **26-36b-208** is amended to read:



245 **26-36b-208. Medicaid Expansion Fund.**

246 (1) There is created an expendable special revenue fund known as the Medicaid  
247 Expansion Fund.

248 (2) The fund consists of:

249 (a) assessments collected under this chapter;

250 (b) intergovernmental transfers under Section [26-36b-206](#);

251 (c) savings attributable to the health coverage improvement program as determined by  
252 the department;

253 (d) savings attributable to the enhancement waiver program as determined by the  
254 department;

255 (e) savings attributable to the Medicaid waiver expansion as determined by the  
256 department;

257 (f) savings attributable to the inclusion of psychotropic drugs on the preferred drug list  
258 under Subsection [26-18-2.4\(3\)](#) as determined by the department;

259 (g) savings attributable to the services provided by the Public Employees' Health Plan  
260 under Subsection [49-20-401\(1\)\(u\)](#);

261 (h) revenues collected from the sales tax described in Subsection [59-12-103\(14\)](#);

262 [~~(h)~~] (i) gifts, grants, donations, or any other conveyance of money that may be made to  
263 the fund from private sources;

264 [~~(i)~~] (j) interest earned on money in the fund; and

265 [~~(j)~~] (k) additional amounts as appropriated by the Legislature.

266 (3) (a) The fund shall earn interest.

267 (b) All interest earned on fund money shall be deposited into the fund.

268 (4) (a) A state agency administering the provisions of this chapter may use money from  
269 the fund to pay the costs, not otherwise paid for with federal funds or other revenue sources, of:

270 (i) the health coverage improvement program;

271 (ii) the enhancement waiver program;

272 (iii) the Medicaid waiver expansion; and

273 (iv) the outpatient upper payment limit supplemental payments under Section  
274 [26-36b-210](#).

275 (b) A state agency administering the provisions of this chapter may not use:

276 (i) funds described in Subsection (2)(b) to pay the cost of private outpatient upper  
277 payment limit supplemental payments; or

278 (ii) money in the fund for any purpose not described in Subsection (4)(a).

279 Section 4. Section **59-12-103** is amended to read:

280 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**  
281 **tax revenues.**

282 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or  
283 sales price for amounts paid or charged for the following transactions:

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

285 (b) amounts paid for:

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

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

291 (iii) an ancillary service associated with a:

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

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

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

295 (i) gas;

296 (ii) electricity;

297 (iii) heat;

298 (iv) coal;

299 (v) fuel oil; or

300 (vi) other fuels;

301 (d) sales of the following for residential use:

302 (i) gas;

303 (ii) electricity;

304 (iii) heat;

305 (iv) coal;

306 (v) fuel oil; or

- 307 (vi) other fuels;
- 308 (e) sales of prepared food;
- 309 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 310 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 311 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 312 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 313 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 314 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 315 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 316 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 317 exhibition, cultural, or athletic activity;
- 318 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 319 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 320 (i) the tangible personal property; and
- 321 (ii) parts used in the repairs or renovations of the tangible personal property described
- 322 in Subsection (1)(g)(i), regardless of whether:
- 323 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 324 property; or
- 325 (B) the particular parts used in the repairs or renovations of that tangible personal
- 326 property are exempt from a tax under this chapter;
- 327 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 328 assisted cleaning or washing of tangible personal property;
- 329 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 330 accommodations and services that are regularly rented for less than 30 consecutive days;
- 331 (j) amounts paid or charged for laundry or dry cleaning services;
- 332 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 333 this state the tangible personal property is:
- 334 (i) stored;
- 335 (ii) used; or
- 336 (iii) otherwise consumed;
- 337 (l) amounts paid or charged for tangible personal property if within this state the

338 tangible personal property is:

339 (i) stored;

340 (ii) used; or

341 (iii) consumed; and

342 (m) amounts paid or charged for a sale:

343 (i) (A) of a product transferred electronically; or

344 (B) of a repair or renovation of a product transferred electronically; and

345 (ii) regardless of whether the sale provides:

346 (A) a right of permanent use of the product; or

347 (B) a right to use the product that is less than a permanent use, including a right:

348 (I) for a definite or specified length of time; and

349 (II) that terminates upon the occurrence of a condition.

350 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax  
351 is imposed on a transaction described in Subsection (1) equal to the sum of:

352 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

353 (A) (I) ~~[through March 31, 2019]~~ before the calendar quarter described in Subsection  
354 (14)(c)(i), 4.70%; [and]

355 (II) beginning [on April 1, 2019] in the calendar quarter described in Subsection  
356 (14)(c)(i), 4.70% plus the rate specified in Subsection (14)(a); and

357 (III) beginning in the calendar quarter described in Subsection (14)(c)(ii), 4.70%; and

358 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
359 and Use Tax Act, if the location of the transaction as determined under Sections [59-12-211](#)  
360 through [59-12-215](#) is in a county in which the state imposes the tax under Part 18, Additional  
361 State Sales and Use Tax Act; and

362 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales  
363 and Use Tax Act, if the location of the transaction as determined under Sections [59-12-211](#)  
364 through [59-12-215](#) is in a city, town, or the unincorporated area of a county in which the state  
365 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

368 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed

369 on a transaction described in Subsection (1)(d) equal to the sum of:

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

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

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

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

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

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

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

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

384 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
385 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
386 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
387 Additional State Sales and Use Tax Act; and

388 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
389 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
390 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
391 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

394 (ii) If an optional computer software maintenance contract is a bundled transaction that  
395 consists of taxable and nontaxable products that are not separately itemized on an invoice or  
396 similar billing document, the purchase of the optional computer software maintenance contract  
397 is 40% taxable under this chapter and 60% nontaxable under this chapter.

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

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

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

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

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

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

415 (II) state or federal law provides otherwise.

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

419 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)  
420 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
421 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
422 of tangible personal property, other property, a product, or a service that is not subject to  
423 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
424 the seller, at the time of the transaction:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 462 (A) Subsection (2)(a)(i)(A);
- 463 (B) Subsection (2)(b)(i);
- 464 (C) Subsection (2)(c)(i); or
- 465 (D) Subsection (2)(d)(i)(A)(I).

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

- 469 (A) Subsection (2)(a)(i)(A);
- 470 (B) Subsection (2)(b)(i);
- 471 (C) Subsection (2)(c)(i); or
- 472 (D) Subsection (2)(d)(i)(A)(I).

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

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

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

- 479 (A) Subsection (2)(a)(i)(A);
- 480 (B) Subsection (2)(b)(i);
- 481 (C) Subsection (2)(c)(i); or
- 482 (D) Subsection (2)(d)(i)(A)(I).

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

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

- 486 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 487 (ii) the tax imposed by Subsection (2)(b)(i);
- 488 (iii) the tax imposed by Subsection (2)(c)(i); or
- 489 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

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

- 492 (i) the tax imposed by Subsection (2)(a)(ii);



493 (ii) the tax imposed by Subsection (2)(b)(ii);

494 (iii) the tax imposed by Subsection (2)(c)(ii); and

495 (iv) the tax imposed by Subsection (2)(d)(i)(B).

496 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
497 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)  
498 through (g):

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

500 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

501 (B) for the fiscal year; or

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

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

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

508 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
509 act, to political subdivisions of the state to implement the measures described in Subsections  
510 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

522 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
523 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund

524 created in Section [4-18-106](#).

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

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

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

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

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

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

539 (ii) In addition to the uses allowed of the Water Resources Conservation and  
540 Development Fund under Section [73-10-24](#), the Water Resources Conservation and  
541 Development Fund may also be used to:

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

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

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

550 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
551 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount  
552 created in Section [73-10c-5](#) for use by the Water Quality Board to fund wastewater projects.

553 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
554 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount

555 created in Section 73-10c-5 for use by the Division of Drinking Water to:

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

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

559 (iii) develop surface water sources.

560 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
561 2006, the difference between the following amounts shall be expended as provided in this  
562 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

583 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the  
584 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
585 Resources Conservation and Development Fund created in Section 73-10-24 for use by the

586 Division of Water Resources for:  
587       (i) preconstruction costs:  
588       (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
589 26, Bear River Development Act; and  
590       (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project  
591 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;  
592       (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,  
593 Chapter 26, Bear River Development Act;  
594       (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project  
595 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and  
596       (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and  
597 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).  
598       (e) After making the transfers required by Subsections (5)(b) and (c) and subject to  
599 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be  
600 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
601 incurred for employing additional technical staff for the administration of water rights.  
602       (f) At the end of each fiscal year, any unexpended dedicated credits described in  
603 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development  
604 Fund created in Section 73-10-24.  
605       (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the  
606 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection  
607 (1) for the fiscal year shall be deposited as follows:  
608       (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)  
609 shall be deposited into the Transportation Investment Fund of 2005 created by Section  
610 72-2-124;  
611       (b) for fiscal year 2017-18 only:  
612       (i) 80% of the revenue described in this Subsection (6) shall be deposited into the  
613 Transportation Investment Fund of 2005 created by Section 72-2-124; and  
614       (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the  
615 Water Infrastructure Restricted Account created by Section 73-10g-103;  
616       (c) for fiscal year 2018-19 only:

- 617 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the  
618 Transportation Investment Fund of 2005 created by Section 72-2-124; and
- 619 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the  
620 Water Infrastructure Restricted Account created by Section 73-10g-103;
- 621 (d) for fiscal year 2019-20 only:
  - 622 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the  
623 Transportation Investment Fund of 2005 created by Section 72-2-124; and
  - 624 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the  
625 Water Infrastructure Restricted Account created by Section 73-10g-103;
- 626 (e) for fiscal year 2020-21 only:
  - 627 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the  
628 Transportation Investment Fund of 2005 created by Section 72-2-124; and
  - 629 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the  
630 Water Infrastructure Restricted Account created by Section 73-10g-103; and
- 631 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described  
632 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account  
633 created by Section 73-10g-103.
- 634 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in  
635 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,  
636 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
637 created by Section 72-2-124:
  - 638 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of  
639 the revenues collected from the following taxes, which represents a portion of the  
640 approximately 17% of sales and use tax revenues generated annually by the sales and use tax  
641 on vehicles and vehicle-related products:
    - 642 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
    - 643 (B) the tax imposed by Subsection (2)(b)(i);
    - 644 (C) the tax imposed by Subsection (2)(c)(i); and
    - 645 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus
  - 646 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the  
647 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through

648 (D) that exceeds the amount collected from the sales and use taxes described in Subsections  
649 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

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

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

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

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

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

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

674 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
675 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit  
676 \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the  
677 Transportation Investment Fund of 2005 created by Section [72-2-124](#).

678 (c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under

679 Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or  
680 after July 1, 2018, the commission shall annually deposit into the Transportation Investment  
681 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)  
682 in an amount equal to 3.68% of the revenues collected from the following taxes:

- 683 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 684 (B) the tax imposed by Subsection (2)(b)(i);
- 685 (C) the tax imposed by Subsection (2)(c)(i); and
- 686 (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

687 (ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually  
688 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i)  
689 by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year  
690 by the portion of the tax imposed on motor and special fuel that is sold, used, or received for  
691 sale or use in this state that exceeds 29.4 cents per gallon.

692 (iii) The commission shall annually deposit the amount described in Subsection  
693 (8)(c)(ii) into the Transit and Transportation Investment Fund created in Section 72-2-124.

694 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
695 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
696 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

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

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

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

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



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

712 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a  
713 .05% tax rate on the transactions described in Subsection (1); and

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

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

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

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

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

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

736 (14) (a) The rate specified in this subsection is 0.15%.

737 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall:

738 (i) on or before September 30, 2019, transfer the amount of revenue [~~generated by~~  
739 collected from a 0.15% tax rate imposed beginning on April 1, 2019, and ending on June 30,  
740 2019, on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A)



741 ~~[as dedicated credits to the Division of Health Care Financing]~~ into the Medicaid Expansion  
 742 Fund created in Section 26-36b-208; and

743 (ii) for a fiscal year beginning on or after ~~[fiscal year 2019-20]~~ July 1, 2019, annually  
 744 transfer the amount of revenue ~~[generated by]~~ collected from a 0.15% tax rate on the  
 745 transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) ~~[as dedicated~~  
 746 ~~credits to the Division of Health Care Financing]~~ into the Medicaid Expansion Fund created in  
 747 Section 26-36b-208.

748 ~~[(c) The revenue described in Subsection (14)(b) that the Division of Finance transfers~~  
 749 ~~to the Division of Health Care Financing as dedicated credits shall be expended for the~~  
 750 ~~following uses:]~~

751 ~~[(i) implementation of the Medicaid expansion described in Sections 26-18-3.1(4) and~~  
 752 ~~26-18-3.9(2)(b);]~~

753 ~~[(ii) if revenue remains after the use specified in Subsection (14)(c)(i), other measures~~  
 754 ~~required by Section 26-18-3.9; and]~~

755 ~~[(iii) if revenue remains after the uses specified in Subsections (14)(c)(i) and (ii), other~~  
 756 ~~measures described in Title 26, Chapter 18, Medical Assistance Act.]~~

757 (c) The tax specified in this Subsection (14) shall:

758 (i) take effect on the first day of the first calendar quarter that is at least 30 days after  
 759 the day on which the Department of Health certifies to the commission that the Centers for  
 760 Medicare and Medicaid Services in the United States Department of Health and Human  
 761 Services has approved a waiver or state plan amendment to implement the Medicaid waiver  
 762 expansion described in Section 26-18-415; and

763 (ii) be repealed on the first day of the first calendar quarter that is at least 30 days after  
 764 the day on which the Department of Health certifies to the commission that the authority of the  
 765 department to implement the Medicaid waiver expansion as defined in Section 26-18-415 has  
 766 sunset in accordance with Subsection 26-18-415(7)(a).

767 **Section 5. Effective date.**

768 If approved by two-thirds of all the members elected to each house, this bill takes effect  
 769 upon approval by the governor, or the day following the constitutional time limit of Utah  
 770 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,  
 771 the date of veto override.