

Representative Brian S. King proposes the following substitute bill:

MEDICAID EXPANSION ADJUSTMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Allen M. Christensen

House Sponsor: James A. Dunnigan

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ makes changes to eligibility for and administration of the state Medicaid program;
- ▶ directs the Department of Health to continue to seek approval from the federal government to implement a Medicaid expansion;
- ▶ directs the Department of Health to seek approval from the federal government to expand eligibility for the Medicaid program to individuals whose income is below 100% of the federal poverty level in a manner that:
 - incorporates a per capita cap on federal reimbursement;
 - limits presumptive eligibility;
 - imposes a lock-out period for individuals who violate certain program requirements;
 - gives enrollees continuous eligibility for a period of up to 12 months;
 - allows Medicaid funds to be used for housing supports for certain enrollees; and
 - permits the state to limit enrollment;



26 ▶ if the federal government does not approve an expansion in the manner requested by
27 the department, directs the department to expand eligibility for the Medicaid
28 program to individuals whose income is below 138% of the federal poverty level,
29 with certain cost controls;

30 ▶ if the department expands eligibility for the Medicaid program to individuals whose
31 income is below 138% of the federal poverty level and the cost of the expansion
32 exceeds the amounts appropriated:

33 • permits the Department of Health to seek additional waivers to control costs of
34 the Medicaid expansion;

35 • permits the Department of Health to reduce certain optional Medicaid services;
36 and

37 • directs a cut of up to 10% of certain agency appropriations sufficient to cover
38 the costs of the expansion;

39 ▶ amends provisions related to various hospital assessments;

40 ▶ creates a new work effort requirement for certain individuals who claim a capital
41 gains tax subsidy;

42 ▶ amends provisions related to the state sales tax; and

43 ▶ makes technical changes.

44 **Money Appropriated in this Bill:**

45 This bill appropriates in fiscal year 2019:

46 ▶ to Department of Health - Medicaid Services, as a one-time appropriation:

47 • from the General Fund, One-time, (\$14,900,000).

48 ▶ to Department of Health - Medicaid Expansion Fund, as a one-time appropriation:

49 • from the General Fund, One-time, \$38,200,000; and

50 • from the General Fund Restricted - Medicaid Restricted Account, One-time,
51 \$1,200,000.

52 This bill appropriates in fiscal year 2020:

53 ▶ to Department of Health - Children's Health Insurance Program, as a One-time
54 appropriation:

55 • from the General Fund, One-time, (\$18,663,900).

56 ▶ to Department of Health - Medicaid Services, as a One-time appropriation:

- 57 • from the General Fund Restricted - Medicaid Restricted Account, One-time,
- 58 \$16,800,000.
- 59 ▸ to Department of Health - Medicaid Expansion Fund, as an ongoing appropriation:
- 60 • from the General Fund, \$15,000,000.

61 **Other Special Clauses:**

62 This bill provides a special effective date.

63 **Utah Code Sections Affected:**

64 AMENDS:

- 65 **26-18-3.1**, as amended by Statewide Initiative -- Proposition 3, Nov. 6, 2018
- 66 **26-18-3.9**, as enacted by Statewide Initiative -- Proposition 3, Nov. 6, 2018
- 67 **26-18-415**, as enacted by Laws of Utah 2018, Chapter 468
- 68 **26-36b-103**, as last amended by Laws of Utah 2018, Chapters 285, 316, 384, and 468
- 69 **26-36b-208**, as last amended by Laws of Utah 2018, Chapters 384 and 468
- 70 **26-36c-102**, as enacted by Laws of Utah 2018, Chapter 468
- 71 **26-36c-201**, as enacted by Laws of Utah 2018, Chapter 468
- 72 **26-36c-203**, as enacted by Laws of Utah 2018, Chapter 468
- 73 **26-36c-204**, as enacted by Laws of Utah 2018, Chapter 468
- 74 **26-36c-206**, as enacted by Laws of Utah 2018, Chapter 468
- 75 **26-36c-208**, as enacted by Laws of Utah 2018, Chapter 468
- 76 **26-36c-209**, as enacted by Laws of Utah 2018, Chapter 468
- 77 **59-12-103**, as amended by Statewide Initiative -- Proposition 3, Nov. 6, 2018

78 ENACTS:

- 79 **59-10-138**, Utah Code Annotated 1953



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

82 Section 1. Section **26-18-3.1** is amended to read:

83 **26-18-3.1. Medicaid expansion.**

84 (1) The purpose of this section is to expand the coverage of the Medicaid program to
85 persons who are in categories traditionally not served by that program.

86 (2) Within appropriations from the Legislature, the department may amend the state
87 plan for medical assistance to provide for eligibility for Medicaid:

88 (a) on or after July 1, 1994, for children 12 to 17 years old who live in households
89 below the federal poverty income guideline; and

90 (b) on or after July 1, 1995, for persons who have incomes below the federal poverty
91 income guideline and who are aged, blind, or have a disability.

92 (3) (a) Within appropriations from the Legislature, on or after July 1, 1996, the
93 Medicaid program may provide for eligibility for persons who have incomes below the federal
94 poverty income guideline.

95 (b) In order to meet the provisions of this subsection, the department may seek
96 approval for a demonstration project under 42 U.S.C. [Section] Sec. 1315 from the secretary of
97 the United States Department of Health and Human Services. This demonstration project may
98 also provide for the voluntary participation of private firms that:

99 (i) are newly established or marginally profitable;

100 (ii) do not provide health insurance to their employees;

101 (iii) employ predominantly low wage workers; and

102 (iv) are unable to obtain adequate and affordable health care insurance in the private
103 market.

104 (4) The Medicaid program shall provide for eligibility for persons as required by
105 [Section] Subsection 26-18-3.9(2).

106 (5) [~~Subject to the requirements of Section 26-18-3.9(2) and (3), services~~] Services
107 available for persons described in this section shall include required Medicaid services and may
108 include one or more optional Medicaid services if those services are funded by the Legislature.
109 [~~Subject to the requirements of Section 26-18-3.9(2), the~~] The department may also require
110 persons described in [~~this section~~] Subsections (1) through (3) to meet an asset test.

111 Section 2. Section 26-18-3.9 is amended to read:

112 **26-18-3.9. Expanding the Medicaid program.**

113 [~~(1) Findings and purpose.~~]

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

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

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

118 [~~(iii) Utah's Medicaid program and CHIP provide care to Utahns who are unable to~~]

119 afford private health insurance and are not eligible for other health insurance. Medicaid and
120 CHHP are vital parts of the Utah health care system and it is essential that they continue to
121 provide health care for the most vulnerable citizens of our state;]

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

126 [(v) When people don't have access to care they are far more likely to develop chronic
127 conditions, like diabetes or asthma, that often require expensive treatment for a patient's entire
128 life, resulting in unnecessary suffering and driving up the cost of healthcare;]

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

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

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

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

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

143 [(ii) Expanding Medicaid eligibility to adults who are in the federal optional Medicaid
144 expansion population, as defined as of January 1, 2017;]

145 (1) As used in this section:

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

148 (b) "Federal poverty level" means the same as that term is defined in Section
149 [26-18-411](#).

150 (c) "Medicaid expansion" means an expansion of the Medicaid program in accordance
151 with this section.

152 (d) "Medicaid Expansion Fund" means the Medicaid Expansion Fund created in
153 Section 26-36b-208.

154 (2) (a) [~~Eligibility.~~] As set forth in Subsections (2)[~~(a)~~] through [~~(2)(d)~~] (5), eligibility
155 criteria for the Medicaid program shall be [~~maintained as they existed on January 1, 2017 and~~
156 ~~also~~] expanded to cover additional low-income individuals.

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

160 (b) The department shall continue to seek approval from CMS to implement the
161 Medicaid waiver expansion as defined in Section 26-18-415.

162 (c) The department may implement any provision described in Subsections
163 26-18-415(2)(b)(iii) through (viii) in a Medicaid expansion if the department receives approval
164 from CMS to implement that provision.

165 (3) The department shall expand the Medicaid program in accordance with this
166 Subsection (3) if the department:

167 (a) receives approval from CMS to:

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

170 (ii) obtain maximum federal financial participation under 42 U.S.C. Sec. 1396d(b) for
171 enrolling an individual in the Medicaid expansion under this Subsection (3); and

172 (iii) permit the state to close enrollment in the Medicaid expansion under this
173 Subsection (3) if the department has insufficient funds to provide services to new enrollment
174 under the Medicaid expansion under this Subsection (3);

175 (b) pays the state portion of costs for the Medicaid expansion under this Subsection (3)
176 with funds from:

177 (i) the Medicaid Expansion Fund;

178 (ii) county contributions to the nonfederal share of Medicaid expenditures; or

179 (iii) any other contributions, funds, or transfers from a nonstate agency for Medicaid
180 expenditures; and

181 (c) closes the Medicaid program to new enrollment under the Medicaid expansion
182 under this Subsection (3) if the department projects that the cost of the Medicaid expansion
183 under this Subsection (3) will exceed the appropriations for the fiscal year that are authorized
184 by the Legislature through an appropriations act adopted in accordance with Title 63J, Chapter
185 1, Budgetary Procedures Act.

186 (4) (a) The department shall expand the Medicaid program in accordance with this
187 Subsection (4) if the department:

188 (i) receives approval from CMS to:

189 (A) expand Medicaid coverage to eligible individuals whose income is below 95% of
190 the federal poverty level;

191 (B) obtain maximum federal financial participation under 42 U.S.C. Sec. 1396d(y) for
192 enrolling an individual in the Medicaid expansion under this Subsection (4); and

193 (C) permit the state to close enrollment in the Medicaid expansion under this
194 Subsection (4) if the department has insufficient funds to provide services to new enrollment
195 under the Medicaid expansion under this Subsection (4);

196 (ii) pays the state portion of costs for the Medicaid expansion under this Subsection (4)
197 with funds from:

198 (A) the Medicaid Expansion Fund;

199 (B) county contributions to the nonfederal share of Medicaid expenditures; or

200 (C) any other contributions, funds, or transfers from a nonstate agency for Medicaid
201 expenditures; and

202 (iii) closes the Medicaid program to new enrollment under the Medicaid expansion
203 under this Subsection (4) if the department projects that the cost of the Medicaid expansion
204 under this Subsection (4) will exceed the appropriations for the fiscal year that are authorized
205 by the Legislature through an appropriations act adopted in accordance with Title 63J, Chapter
206 1, Budgetary Procedures Act.

207 (b) The department shall submit a waiver, an amendment to an existing waiver, or a
208 state plan amendment to CMS to:

209 (i) administer federal funds for the Medicaid expansion under this Subsection (4)
210 according to a per capita cap developed by the department that includes an annual inflationary
211 adjustment, accounts for differences in cost among categories of Medicaid expansion enrollees,

212 and provides greater flexibility to the state than the current Medicaid payment model;

213 (ii) limit, in certain circumstances as defined by the department, the ability of a
214 qualified entity to determine presumptive eligibility for Medicaid coverage for an individual
215 enrolled in a Medicaid expansion under this Subsection (4);

216 (iii) impose a lock-out period if an individual enrolled in a Medicaid expansion under
217 this Subsection (4) violates certain program requirements as defined by the department;

218 (iv) allow an individual enrolled in a Medicaid expansion under this Subsection (4) to
219 remain in the Medicaid program for up to a 12-month certification period as defined by the
220 department; and

221 (v) allow federal Medicaid funds to be used for housing support for eligible enrollees
222 in the Medicaid expansion under this Subsection (4).

223 (5) (a) (i) If CMS does not approve a waiver to expand the Medicaid program in
224 accordance with Subsection (4)(a) on or before January 1, 2020, the department shall develop
225 proposals to implement additional flexibilities and cost controls, including cost sharing tools,
226 within a Medicaid expansion under this Subsection (5) through a request to CMS for a waiver
227 or state plan amendment.

228 (ii) The request for a waiver or state plan amendment described in Subsection (5)(a)(i)
229 shall include:

230 (A) a path to self-sufficiency for qualified adults in the Medicaid expansion that
231 includes employment and training as defined in 7 U.S.C. Sec. 2015(d)(4); and

232 (B) a requirement that an individual who is offered a private health benefit plan by an
233 employer to enroll in the employer's health plan.

234 (iii) The department shall submit the request for a waiver or state plan amendment
235 developed under Subsection (5)(a)(i) on or before March 15, 2020.

236 (b) Notwithstanding Sections 26-18-18 and 63J-5-204, [beginning April 1, 2019,] and
237 in accordance with this Subsection (5), eligibility for the Medicaid program shall be expanded
238 to include all persons in the optional Medicaid expansion population under the Patient
239 Protection and Affordable Care Act, Pub. L. No. 111-148 and the Health Care Education
240 Reconciliation Act of 2010, Pub. L. No. 111-152, and related federal regulations and
241 guidance[~~, as those statutory and regulatory provisions and guidance existed on January 1,~~
242 ~~2017], on the earlier of:~~

243 (i) the day on which CMS approves a waiver to implement the provisions described in
244 Subsections (5)(a)(ii)(A) and (B); or

245 (ii) July 1, 2020.

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

247 (c) The department shall seek a waiver, or an amendment to an existing waiver, from
248 federal law to:

249 (i) implement each provision described in Subsections 26-18-415(2)(b)(iii) through
250 (viii) in a Medicaid expansion under this Subsection (5);

251 (ii) limit, in certain circumstances as defined by the department, the ability of a
252 qualified entity to determine presumptive eligibility for Medicaid coverage for an individual
253 enrolled in a Medicaid expansion under this Subsection (5); and

254 (iii) impose a lock-out period if an individual enrolled in a Medicaid expansion under
255 this Subsection (5) violates certain program requirements as defined by the department.

256 (d) The eligibility criteria in this Subsection [(2)(b)] (5) shall be construed to include
257 all individuals eligible for the health coverage improvement program under Section 26-18-411.

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

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

267 ~~[(5) Provider payments.]~~

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

272 ~~[(b) Managed care.]~~

273 ~~[(i) If the department contracts with an accountable care organization or other~~

274 ~~organization to cover care and services under the Medicaid program or CHHP, a contract with~~
275 ~~that organization shall provide that the organization shall make payments to providers for items~~
276 ~~and services that are subject to the contract and that are furnished to individuals eligible for the~~
277 ~~Medicaid program or CHHP at a rate not less than 100% of the payment rate that at least one~~
278 ~~accountable care organization that contracted with the department paid for such care and~~
279 ~~services on January 1, 2017 (regardless of the manner in which such payments are made,~~
280 ~~including in the form of capitation or partial capitation), and that the minimum payment~~
281 ~~required by this provision will increase annually at a rate not less than the region's Consumer~~
282 ~~Price Index.]~~

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

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

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

290 ~~[(a) Expanding eligibility by adopting less restrictive eligibility standards,~~
291 ~~methodologies, or procedures than those permitted by Subsection (2);]~~

292 ~~[(b) Expanding covered care and services by adding to the list, amount, duration, or~~
293 ~~scope of covered care and services required by Subsection (3);]~~

294 ~~[(c) Reducing premiums, beneficiary enrollment fees, or cost sharing requirements~~
295 ~~below the maximum levels permitted by Subsection (4); or]~~

296 ~~[(d) Increasing provider payments above the minimum payments required by~~
297 ~~Subsection (5).]~~

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

299 ~~[(a) The "Medicaid program" means the Medicaid program defined by Section~~
300 ~~26-18-2, including any waivers.]]~~

301 ~~[(b) The "Utah Children's Health Insurance Program" or "CHHP" means the Utah~~
302 ~~Children's Health Insurance Program created in Chapter 40, Utah Children's Health Insurance~~
303 ~~Act.]]~~

304 (e) The department shall pay the state portion of costs for a Medicaid expansion under

305 this Subsection (5) entirely from:

306 (i) the Medicaid Expansion Fund;

307 (ii) county contributions to the nonfederal share of Medicaid expenditures; or

308 (iii) any other contributions, funds, or transfers from a nonstate agency for Medicaid
309 expenditures.

310 (f) If the costs of the Medicaid expansion under this Subsection (5) exceed the funds
311 available under Subsection (5)(e):

312 (i) the department may reduce or eliminate optional Medicaid services under this
313 chapter; and

314 (ii) savings, as determined by the department, from the reduction or elimination of
315 optional Medicaid services under Subsection (5)(f)(i) shall be deposited into the Medicaid
316 Expansion Fund; and

317 (iii) the department may submit to CMS a request for waivers, or an amendment of
318 existing waivers, from federal law necessary to implement budget controls within the Medicaid
319 program to address the deficiency.

320 (g) If the costs of the Medicaid expansion under this Subsection (5) are projected by
321 the department to exceed the funds available in the current fiscal year under Subsection (5)(e),
322 including savings resulting from any action taken under Subsection (5)(f):

323 (i) the governor shall direct the Department of Health, Department of Human Services,
324 and Department of Workforce Services to reduce commitments and expenditures by an amount
325 sufficient to offset the deficiency:

326 (A) proportionate to the share of total current fiscal year General Fund appropriations
327 for each of those agencies; and

328 (B) up to 10% of each agency's total current fiscal year General Fund appropriations;
329 and

330 (ii) the Division of Finance shall reduce allotments to the Department of Health,
331 Department of Human Services, and Department of Workforce Services by a percentage:

332 (A) proportionate to the amount of the deficiency; and

333 (B) up to 10% of each agency's total current fiscal year General Fund appropriations;
334 and

335 (iii) the Division of Finance shall deposit the total amount from the reduced allotments

336 described in Subsection (5)(g)(ii) into the Medicaid Expansion Fund.

337 ~~[(8)]~~ (6) The department shall maximize federal financial participation in
338 implementing this section, including by seeking to obtain any necessary federal approvals or
339 waivers.

340 ~~[(9)]~~ This section and Section ~~26-18-3.1~~(4) shall not apply to CHIP in any year for
341 which the State Children's Health Insurance Program, as described in Subchapter XXI, 42
342 U.S.C. Sec. 1397aa et seq., is not extended at the federal level.]

343 ~~[(10)]~~ (7) Notwithstanding Sections ~~17-43-201~~ and ~~17-43-301~~, a county does not have
344 to provide matching funds to the state for the cost of providing Medicaid services to newly
345 enrolled individuals who qualify for Medicaid coverage under ~~[Subsection (2)(b)]~~ a Medicaid
346 expansion.

347 ~~[(11)]~~ Severability. If any provision of this section or its application to any person or
348 circumstance is held invalid, the remainder of this section shall be given effect without the
349 invalid provision or application, and to this end the provisions of this section are severable.]

350 (8) The department shall report to the Social Services Appropriations Subcommittee on
351 or before November 1 of each year that a Medicaid expansion is operational:

352 (a) the number of individuals who enrolled in the Medicaid expansion;

353 (b) costs to the state for the Medicaid expansion;

354 (c) estimated costs to the state for the Medicaid expansion for the current and
355 following fiscal years; and

356 (d) recommendations to control costs of the Medicaid expansion.

357 Section 3. Section ~~26-18-415~~ is amended to read:

358 **26-18-415. Medicaid waiver expansion.**

359 (1) As used in this section:

360 (a) "CMS" means the Centers for Medicare and Medicaid Services within the United
361 States Department of Health and Human Services.

362 (b) "Expansion population" means individuals:

363 (i) whose household income is less than 95% of the federal poverty level; and

364 (ii) who are not eligible for enrollment in the Medicaid program, with the exception of
365 the Primary Care Network program, on May 8, 2018.

366 (c) "Federal poverty level" means the same as that term is defined in Section

367 26-18-411.

368 (d) "Medicaid waiver expansion" means [~~a Medicaid expansion~~] an expansion of the
369 Medicaid program in accordance with this section.

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

372 (b) The Medicaid waiver expansion shall:

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

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

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

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

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

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

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

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

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

391 (a) the Medicaid Expansion Fund, created in Section 26-36b-208;

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

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

395 (4) (a) In consultation with the department, Medicaid accountable care organizations
396 and counties that elect to integrate care under Subsection (2)(b)(iv) shall collaborate on
397 enrollment, engagement of patients, and coordination of services.

398 (b) As part of the provision described in Subsection (2)(b)(iv), the department shall
399 apply for a waiver to permit the creation of an integrated delivery system:

400 (i) for any geographic area that expresses interest in integrating the delivery of services
401 under Subsection (2)(b)(iv); and

402 (ii) in which the department:

403 (A) may permit a local mental health authority to integrate the delivery of behavioral
404 health services and physical health services;

405 (B) may permit a county, local mental health authority, or Medicaid accountable care
406 organization to integrate the delivery of behavioral health services and physical health services
407 to select groups within the population that are newly eligible under the Medicaid waiver
408 expansion; and

409 (C) may make rules in accordance with Title 63G, Chapter 3, Utah Administrative
410 Rulemaking Act, to integrate payments for behavioral health services and physical health
411 services to plans or providers.

412 (5) (a) If federal financial participation for the Medicaid waiver expansion is reduced
413 below 90%, the authority of the department to implement the Medicaid waiver expansion shall
414 sunset no later than the next July 1 after the date on which the federal financial participation is
415 reduced.

416 (b) The department shall close the program to new enrollment if the cost of the
417 Medicaid waiver expansion is projected to exceed the appropriations for the fiscal year that are
418 authorized by the Legislature through an appropriations act adopted in accordance with Title
419 63J, Chapter 1, Budgetary Procedures Act.

420 (6) If the Medicaid waiver expansion is approved by CMS, the department shall report
421 to the Social Services Appropriations Subcommittee on or before November 1 of each year that
422 the Medicaid waiver expansion is operational:

423 (a) the number of individuals who enrolled in the Medicaid waiver program;

424 (b) costs to the state for the Medicaid waiver program;

425 (c) estimated costs for the current and following state fiscal year; and

426 (d) recommendations to control costs of the Medicaid waiver expansion.

427 Section 4. Section **26-36b-103** is amended to read:

428 **26-36b-103. Definitions.**

429 As used in this chapter:

430 (1) "Assessment" means the inpatient hospital assessment established by this chapter.

431 (2) "CMS" means the Centers for Medicare and Medicaid Services within the United
432 States Department of Health and Human Services.

433 (3) "Discharges" means the number of total hospital discharges reported on:

434 (a) Worksheet S-3 Part I, column 15, lines 14, 16, and 17 of the 2552-10 Medicare cost
435 report for the applicable assessment year; or

436 (b) a similar report adopted by the department by administrative rule, if the report
437 under Subsection (3)(a) is no longer available.

438 (4) "Division" means the Division of Health Care Financing within the department.

439 (5) "Enhancement waiver program" means the program established by the Primary
440 Care Network enhancement waiver program described in Section [26-18-416](#).

441 (6) "Health coverage improvement program" means the health coverage improvement
442 program described in Section [26-18-411](#).

443 (7) "Hospital share" means the hospital share described in Section [26-36b-203](#).

444 (8) "Medicaid accountable care organization" means a managed care organization, as
445 defined in 42 C.F.R. Sec. 438, that contracts with the department under the provisions of
446 Section [26-18-405](#).

447 (9) "Medicaid waiver expansion" means a Medicaid expansion in accordance with
448 Section [26-18-3.9](#) or [26-18-415](#).

449 (10) "Medicare cost report" means CMS-2552-10, the cost report for electronic filing
450 of hospitals.

451 (11) (a) "Non-state government hospital" means a hospital owned by a non-state
452 government entity.

453 (b) "Non-state government hospital" does not include:

454 (i) the Utah State Hospital; or

455 (ii) a hospital owned by the federal government, including the Veterans Administration
456 Hospital.

457 (12) (a) "Private hospital" means:

458 (i) a general acute hospital, as defined in Section [26-21-2](#), that is privately owned and
459 operating in the state; and

460 (ii) a privately owned specialty hospital operating in the state, including a privately
461 owned hospital whose inpatient admissions are predominantly for:

- 462 (A) rehabilitation;
- 463 (B) psychiatric care;
- 464 (C) chemical dependency services; or
- 465 (D) long-term acute care services.

466 (b) "Private hospital" does not include a facility for residential treatment as defined in
467 Section [62A-2-101](#).

468 (13) "State teaching hospital" means a state owned teaching hospital that is part of an
469 institution of higher education.

470 (14) "Upper payment limit gap" means the difference between the private hospital
471 outpatient upper payment limit and the private hospital Medicaid outpatient payments, as
472 determined in accordance with 42 C.F.R. Sec. 447.321.

473 Section 5. Section **26-36b-208** is amended to read:

474 **26-36b-208. Medicaid Expansion Fund.**

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

477 (2) The fund consists of:

- 478 (a) assessments collected under this chapter;
- 479 (b) intergovernmental transfers under Section [26-36b-206](#);
- 480 (c) savings attributable to the health coverage improvement program as determined by
481 the department;
- 482 (d) savings attributable to the enhancement waiver program as determined by the
483 department;
- 484 (e) savings attributable to the Medicaid waiver expansion as determined by the
485 department;
- 486 (f) savings attributable to the inclusion of psychotropic drugs on the preferred drug list
487 under Subsection [26-18-2.4\(3\)](#) as determined by the department;
- 488 (g) savings attributable to the services provided by the Public Employees' Health Plan
489 under Subsection [49-20-401\(1\)\(u\)](#);
- 490 (h) revenues collected from the sales tax described in Subsection [59-12-103\(14\)](#);

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

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

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

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

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

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

499 (i) the health coverage improvement program;

500 (ii) the enhancement waiver program;

501 (iii) ~~the~~ a Medicaid waiver expansion; and

502 (iv) the outpatient upper payment limit supplemental payments under Section
503 [26-36b-210](#).

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

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

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

508 Section 6. Section **26-36c-102** is amended to read:

509 **26-36c-102. Definitions.**

510 As used in this chapter:

511 (1) "Assessment" means the Medicaid expansion hospital assessment established by
512 this chapter.

513 (2) "CMS" means the Centers for Medicare and Medicaid Services within the United
514 States Department of Health and Human Services.

515 (3) "Discharges" means the number of total hospital discharges reported on:

516 (a) Worksheet S-3 Part I, column 15, lines 14, 16, and 17 of the 2552-10 Medicare cost
517 report for the applicable assessment year; or

518 (b) a similar report adopted by the department by administrative rule, if the report
519 under Subsection (3)(a) is no longer available.

520 (4) "Division" means the Division of Health Care Financing within the department.

521 (5) "Hospital share" means the hospital share described in Section [26-36c-203](#).

522 (6) "Medicaid accountable care organization" means a managed care organization, as
523 defined in 42 C.F.R. Sec. 438, that contracts with the department under the provisions of
524 Section 26-18-405.

525 (7) "Medicaid Expansion Fund" means the Medicaid Expansion Fund created in
526 Section 26-36b-208.

527 (8) "Medicaid waiver expansion" means the same as that term is defined in Section
528 26-18-415.

529 (9) "Medicare cost report" means CMS-2552-10, the cost report for electronic filing of
530 hospitals.

531 (10) (a) "Non-state government hospital" means a hospital owned by a non-state
532 government entity.

533 (b) "Non-state government hospital" does not include:

534 (i) the Utah State Hospital; or

535 (ii) a hospital owned by the federal government, including the Veterans Administration
536 Hospital.

537 (11) (a) "Private hospital" means:

538 (i) a privately owned general acute hospital operating in the state as defined in Section
539 26-21-2; or

540 (ii) a privately owned specialty hospital operating in the state, including a privately
541 owned hospital for which inpatient admissions are predominantly:

542 (A) rehabilitation;

543 (B) psychiatric;

544 (C) chemical dependency; or

545 (D) long-term acute care services.

546 (b) "Private hospital" does not include a facility for residential treatment as defined in
547 Section 62A-2-101.

548 (12) "Qualified Medicaid expansion" means an expansion of the Medicaid program in
549 accordance with Subsection 26-18-3.9(5).

550 [~~12~~] (13) "State teaching hospital" means a state owned teaching hospital that is part
551 of an institution of higher education.

552 Section 7. Section 26-36c-201 is amended to read:

553 **26-36c-201. Assessment.**

554 (1) An assessment is imposed on each private hospital:

555 (a) beginning upon the later of:556 [~~(a) beginning upon the later of CMS approval of:~~]557 (i) [~~the waiver for the Medicaid waiver expansion~~] April 1, 2019; and558 (ii) CMS approval of the assessment under this chapter;559 (b) in the amount designated in Sections 26-36c-204 and 26-36c-205; and560 (c) in accordance with Section 26-36c-202.561 (2) [~~Subject to Subsection 26-36c-202(4), the~~] The assessment imposed by this chapter562 is due and payable [~~on the last day of each quarter~~] in accordance with Subsection563 26-36c-202(4).564 [~~(3) The first quarterly payment is not due until at least three months after the effective~~
565 ~~date of the coverage provided through the Medicaid waiver expansion.~~]566 Section 8. Section **26-36c-203** is amended to read:567 **26-36c-203. Hospital share.**

568 (1) The hospital share is:

569 (a) for the period from April 1, 2019, through June 30, 2020, \$15,000,000; and570 (b) beginning July 1, 2020, 100% of the state's net cost of the qualified Medicaid571 [~~waiver~~] expansion, after deducting appropriate offsets and savings expected as a result of572 implementing the qualified Medicaid [~~waiver~~] expansion, including:573 (i) savings from:574 [~~(a)~~] (A) the Primary Care Network program;575 [~~(b)~~] (B) the health coverage improvement program, as defined in Section 26-18-411;576 [~~(c)~~] (C) the state portion of inpatient prison medical coverage;577 [~~(d)~~] (D) behavioral health coverage; and578 [~~(e)~~] (E) county contributions to the non-federal share of Medicaid expenditures[-]; and579 (ii) any funds appropriated to the Medicaid Expansion Fund.580 (2) (a) [~~The~~] Beginning July 1, 2020, the hospital share is capped at no more than581 [~~\$25,000,000~~] \$15,000,000 annually.582 (b) [~~The~~] Beginning July 1, 2020, the division shall prorate the cap specified in583 Subsection (2)(a) in any year in which the qualified Medicaid [~~waiver~~] expansion is not in

584 effect for the full fiscal year.

585 Section 9. Section **26-36c-204** is amended to read:

586 **26-36c-204. Hospital financing.**

587 (1) Private hospitals shall be assessed under this chapter for the portion of the hospital
588 share described in Section [26-36c-209](#).

589 (2) The department shall, on or before October 15, [~~2019~~] 2020, and on or before
590 October 15 of each subsequent year, produce a report that calculates the state's net cost of the
591 qualified Medicaid [~~waiver~~] expansion.

592 (3) If the assessment collected in the previous fiscal year is above or below the hospital
593 share for private hospitals for the previous fiscal year, the division shall apply the
594 underpayment or overpayment of the assessment by the private hospitals to the fiscal year in
595 which the report is issued.

596 Section 10. Section **26-36c-206** is amended to read:

597 **26-36c-206. State teaching hospital and non-state government hospital**
598 **mandatory intergovernmental transfer.**

599 (1) A state teaching hospital and a non-state government hospital shall make an
600 intergovernmental transfer to the Medicaid Expansion Fund, in accordance with this section.

601 (2) The hospitals described in Subsection (1) shall pay the intergovernmental transfer
602 beginning on the later of [~~CMS approval of~~]:

603 (a) [~~the waiver for the Medicaid waiver expansion~~] April 1, 2019; or

604 (b) CMS approval of the assessment for private hospitals in this chapter.

605 (3) The intergovernmental transfer is apportioned between the non-state government
606 hospitals as follows:

607 (a) the state teaching hospital shall pay for the portion of the hospital share described in
608 Section [26-36c-209](#); and

609 (b) non-state government hospitals shall pay for the portion of the hospital share
610 described in Section [26-36c-209](#).

611 (4) The department shall, by rule made in accordance with Title 63G, Chapter 3, Utah
612 Administrative Rulemaking Act, designate:

613 (a) the method of calculating the amounts designated in Subsection (3); and

614 (b) the schedule for the intergovernmental transfers.

615 Section 11. Section **26-36c-208** is amended to read:

616 **26-36c-208. Hospital reimbursement.**

617 (1) If the qualified Medicaid [~~waiver~~] expansion is implemented by contracting with a
618 Medicaid accountable care organization, the department shall, to the extent allowed by law,
619 include in a contract to provide benefits under the qualified Medicaid [~~waiver~~] expansion a
620 requirement that the accountable care organization reimburse hospitals in the accountable care
621 organization's provider network at no less than the Medicaid fee-for-service rate.

622 (2) If the qualified Medicaid [~~waiver~~] expansion is implemented by the department as a
623 fee-for-service program, the department shall reimburse hospitals at no less than the Medicaid
624 fee-for-service rate.

625 (3) Nothing in this section prohibits the department or a Medicaid accountable care
626 organization from paying a rate that exceeds the Medicaid fee-for-service rate.

627 Section 12. Section **26-36c-209** is amended to read:

628 **26-36c-209. Hospital financing of the hospital share.**

629 (1) For the first two full fiscal years that the assessment is in effect, the department
630 shall:

631 (a) assess private hospitals under this chapter for 69% of the hospital share [~~for the~~
632 ~~Medicaid waiver expansion~~];

633 (b) require the state teaching hospital to make an intergovernmental transfer under this
634 chapter for 30% of the hospital share [~~for the Medicaid waiver expansion~~]; and

635 (c) require non-state government hospitals to make an intergovernmental transfer under
636 this chapter for 1% of the hospital share [~~for the Medicaid waiver expansion~~].

637 (2) (a) At the beginning of the third full fiscal year that the assessment is in effect, and
638 at the beginning of each subsequent fiscal year, the department may set a different percentage
639 share for private hospitals, the state teaching hospital, and non-state government hospitals by
640 rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, with
641 input from private hospitals and private teaching hospitals.

642 (b) If the department does not set a different percentage share under Subsection (2)(a),
643 the percentage shares in Subsection (1) shall apply.

644 Section 13. Section **59-10-138** is enacted to read:

645 **59-10-138. Capital gains tax subsidy -- Work effort requirement.**

646 (1) As used in this section:

647 (a) "Capital gains tax subsidy" means the amount of the decrease in a taxpayer's state
648 and federal tax obligations on net capital gains directly attributable to the difference between:

649 (i) the tax rate for net capital gains under 26 U.S.C. Sec. 1(h); and

650 (ii) the highest marginal federal income tax rate that the taxpayer would be subject to if
651 the taxpayer's net capital gains were counted as ordinary income.

652 (b) "Medicaid program" means the same as that term is defined in Section 26-18-2.

653 (c) "Net capital gains" means a difference that is greater than \$0 between:

654 (i) a taxpayer's net long-term capital gain for the year; and

655 (ii) the taxpayer's net short-term capital loss for the year.

656 (d) "Qualified taxpayer" means a taxpayer who, in a given tax year:

657 (i) claims a net capital gain that is allocable to this state;

658 (ii) has a capital gains tax subsidy that is greater than \$0; and

659 (iii) would be subject to a work effort requirement if the taxpayer were enrolled in the
660 Medicaid program.

661 (e) "Work effort" means any program implemented by the Department of Health that
662 requires an enrollee in the Medicaid program to fulfill:

663 (i) a path to self-sufficiency as described in Subsection 26-18-415(2)(b)(v); or

664 (ii) any provision that is substantially similar to the requirement described in
665 Subsection (1)(d)(i).

666 (2) A taxpayer is subject to the requirements of a work effort for each tax year in
667 which:

668 (a) the taxpayer is a qualified taxpayer; and

669 (b) a work effort is required for any enrollee in the Medicaid program.

670 (3) (a) A qualified taxpayer is subject to the tax described in this Subsection (3)(b) for
671 each taxable year in which the qualified taxpayer:

672 (i) is subject to a work effort under Subsection (2); and

673 (ii) fails to comply with the requirements of the work effort.

674 (b) The tax is 100% of the qualified taxpayer's capital gains tax subsidy.

675 (4) (a) The commission shall require each taxpayer in the state to certify on the
676 taxpayer's individual income tax return that the taxpayer:

677 (i) is not subject to a work effort;
678 (ii) is subject to a work effort and has complied with the requirements of a work effort;

679 or

680 (iii) is subject to a work effort but has failed to comply with the requirements of a work
681 effort.

682 (b) A taxpayer described in Subsection (4)(a)(iii) shall file a return, in a form the
683 commission prescribes, calculating the taxpayer's capital gains tax subsidy.

684 Section 14. Section **59-12-103** is amended to read:

685 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
686 **tax revenues.**

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

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

690 (b) amounts paid for:

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

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

696 (iii) an ancillary service associated with a:

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

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

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

700 (i) gas;

701 (ii) electricity;

702 (iii) heat;

703 (iv) coal;

704 (v) fuel oil; or

705 (vi) other fuels;

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

707 (i) gas;

- 708 (ii) electricity;
- 709 (iii) heat;
- 710 (iv) coal;
- 711 (v) fuel oil; or
- 712 (vi) other fuels;
- 713 (e) sales of prepared food;
- 714 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 715 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 716 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 717 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 718 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 719 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 720 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 721 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 722 exhibition, cultural, or athletic activity;
- 723 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 724 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 725 (i) the tangible personal property; and
- 726 (ii) parts used in the repairs or renovations of the tangible personal property described
- 727 in Subsection (1)(g)(i), regardless of whether:
- 728 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 729 property; or
- 730 (B) the particular parts used in the repairs or renovations of that tangible personal
- 731 property are exempt from a tax under this chapter;
- 732 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 733 assisted cleaning or washing of tangible personal property;
- 734 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 735 accommodations and services that are regularly rented for less than 30 consecutive days;
- 736 (j) amounts paid or charged for laundry or dry cleaning services;
- 737 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 738 this state the tangible personal property is:

739 (i) stored;

740 (ii) used; or

741 (iii) otherwise consumed;

742 (l) amounts paid or charged for tangible personal property if within this state the

743 tangible personal property is:

744 (i) stored;

745 (ii) used; or

746 (iii) consumed; and

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

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

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

750 (ii) regardless of whether the sale provides:

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

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

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

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

755 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax

756 is imposed on a transaction described in Subsection (1) equal to the sum of:

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

758 (A) (I) through March 31, 2019, 4.70%; and

759 (II) beginning on April 1, 2019, 4.70% plus the rate specified in Subsection (14)(a);

760 and

761 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales

762 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

763 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional

764 State Sales and Use Tax Act; and

765 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales

766 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

767 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state

768 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

769 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

770 transaction under this chapter other than this part.

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

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

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

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

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

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

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

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

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

787 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
788 Sales and Use Tax Act, if the location of the transaction as determined under Sections
789 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
790 Additional State Sales and Use Tax Act; and

791 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
792 Sales and Use Tax Act, if the location of the transaction as determined under Sections
793 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
794 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

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

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

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

818 (II) state or federal law provides otherwise.

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

822 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
823 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
824 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
825 of tangible personal property, other property, a product, or a service that is not subject to
826 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
827 the seller, at the time of the transaction:

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

830 (B) is able to identify by reasonable and verifiable standards, from the books and
831 records the seller keeps in the seller's regular course of business, the portion of the transaction

832 that is not subject to taxation under this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

862 (h) (i) A tax rate increase takes effect on the first day of the first billing period that

- 863 begins on or after the effective date of the tax rate increase if the billing period for the
864 transaction begins before the effective date of a tax rate increase imposed under:
- 865 (A) Subsection (2)(a)(i)(A);
 - 866 (B) Subsection (2)(b)(i);
 - 867 (C) Subsection (2)(c)(i); or
 - 868 (D) Subsection (2)(d)(i)(A)(I).
- 869 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
870 statement for the billing period is rendered on or after the effective date of the repeal of the tax
871 or the tax rate decrease imposed under:
- 872 (A) Subsection (2)(a)(i)(A);
 - 873 (B) Subsection (2)(b)(i);
 - 874 (C) Subsection (2)(c)(i); or
 - 875 (D) Subsection (2)(d)(i)(A)(I).
- 876 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
877 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
878 change in a tax rate takes effect:
- 879 (A) on the first day of a calendar quarter; and
 - 880 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 881 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:
- 882 (A) Subsection (2)(a)(i)(A);
 - 883 (B) Subsection (2)(b)(i);
 - 884 (C) Subsection (2)(c)(i); or
 - 885 (D) Subsection (2)(d)(i)(A)(I).
- 886 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
887 the commission may by rule define the term "catalogue sale."
- 888 (3) (a) The following state taxes shall be deposited into the General Fund:
- 889 (i) the tax imposed by Subsection (2)(a)(i)(A);
 - 890 (ii) the tax imposed by Subsection (2)(b)(i);
 - 891 (iii) the tax imposed by Subsection (2)(c)(i); or
 - 892 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
- 893 (b) The following local taxes shall be distributed to a county, city, or town as provided

894 in this chapter:

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

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

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

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

899 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
900 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
901 through (g):

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

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

904 (B) for the fiscal year; or

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

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

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

911 (B) award grants, up to the amount authorized by the Legislature in an appropriations
912 act, to political subdivisions of the state to implement the measures described in Subsections
913 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 959 (i) provide for the installation and repair of collection, treatment, storage, and
960 distribution facilities for any public water system, as defined in Section 19-4-102;
- 961 (ii) develop underground sources of water, including springs and wells; and
- 962 (iii) develop surface water sources.

963 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
964 2006, the difference between the following amounts shall be expended as provided in this
965 Subsection (5), if that difference is greater than \$1:

- 966 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
967 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
- 968 (ii) \$17,500,000.

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

- 970 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
971 credits; and
- 972 (B) expended by the Department of Natural Resources for watershed rehabilitation or
973 restoration.

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

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

- 979 (A) transferred each fiscal year to the Division of Water Resources as dedicated
980 credits; and
- 981 (B) expended by the Division of Water Resources for cloud-seeding projects
982 authorized by Title 73, Chapter 15, Modification of Weather.

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

986 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the

987 remaining difference described in Subsection (5)(a) shall be deposited into the Water
988 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
989 Division of Water Resources for:

990 (i) preconstruction costs:

991 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
992 26, Bear River Development Act; and

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

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

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

999 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
1000 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

1001 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
1002 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be
1003 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
1004 incurred for employing additional technical staff for the administration of water rights.

1005 (f) At the end of each fiscal year, any unexpended dedicated credits described in
1006 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
1007 Fund created in Section 73-10-24.

1008 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the
1009 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
1010 (1) for the fiscal year shall be deposited as follows:

1011 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)
1012 shall be deposited into the Transportation Investment Fund of 2005 created by Section
1013 72-2-124;

1014 (b) for fiscal year 2017-18 only:

1015 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the
1016 Transportation Investment Fund of 2005 created by Section 72-2-124; and

1017 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the

1018 Water Infrastructure Restricted Account created by Section 73-10g-103;

1019 (c) for fiscal year 2018-19 only:

1020 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the

1021 Transportation Investment Fund of 2005 created by Section 72-2-124; and

1022 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the

1023 Water Infrastructure Restricted Account created by Section 73-10g-103;

1024 (d) for fiscal year 2019-20 only:

1025 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the

1026 Transportation Investment Fund of 2005 created by Section 72-2-124; and

1027 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the

1028 Water Infrastructure Restricted Account created by Section 73-10g-103;

1029 (e) for fiscal year 2020-21 only:

1030 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the

1031 Transportation Investment Fund of 2005 created by Section 72-2-124; and

1032 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the

1033 Water Infrastructure Restricted Account created by Section 73-10g-103; and

1034 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described

1035 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account

1036 created by Section 73-10g-103.

1037 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in

1038 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,

1039 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005

1040 created by Section 72-2-124:

1041 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of

1042 the revenues collected from the following taxes, which represents a portion of the

1043 approximately 17% of sales and use tax revenues generated annually by the sales and use tax

1044 on vehicles and vehicle-related products:

1045 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

1046 (B) the tax imposed by Subsection (2)(b)(i);

1047 (C) the tax imposed by Subsection (2)(c)(i); and

1048 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

1049 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
1050 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through
1051 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
1052 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

1053 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of
1054 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total
1055 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)
1056 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
1057 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
1058 (7)(a) equal to the product of:

1059 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the
1060 previous fiscal year; and

1061 (B) the total sales and use tax revenue generated by the taxes described in Subsections
1062 (7)(a)(i)(A) through (D) in the current fiscal year.

1063 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
1064 Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes
1065 described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of
1066 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
1067 Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

1068 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
1069 from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited
1070 under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues
1071 collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the
1072 current fiscal year under Subsection (7)(a).

1073 (8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited
1074 under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall
1075 deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into
1076 the Transportation Investment Fund of 2005 created by Section [72-2-124](#).

1077 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
1078 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit
1079 \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the

1080 Transportation Investment Fund of 2005 created by Section 72-2-124.

1081 (c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
1082 Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or
1083 after July 1, 2018, the commission shall annually deposit into the Transportation Investment
1084 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)
1085 in an amount equal to 3.68% of the revenues collected from the following taxes:

1086 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

1087 (B) the tax imposed by Subsection (2)(b)(i);

1088 (C) the tax imposed by Subsection (2)(c)(i); and

1089 (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

1090 (ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
1091 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i)
1092 by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year
1093 by the portion of the tax imposed on motor and special fuel that is sold, used, or received for
1094 sale or use in this state that exceeds 29.4 cents per gallon.

1095 (iii) The commission shall annually deposit the amount described in Subsection
1096 (8)(c)(ii) into the Transit and Transportation Investment Fund created in Section 72-2-124.

1097 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
1098 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
1099 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

1100 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),
1101 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17
1102 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund
1103 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on
1104 the transactions described in Subsection (1).

1105 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in
1106 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance
1107 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
1108 amount of revenue described as follows:

1109 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%
1110 tax rate on the transactions described in Subsection (1);

1111 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%
1112 tax rate on the transactions described in Subsection (1);

1113 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%
1114 tax rate on the transactions described in Subsection (1);

1115 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a
1116 .05% tax rate on the transactions described in Subsection (1); and

1117 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%
1118 tax rate on the transactions described in Subsection (1).

1119 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not
1120 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts
1121 paid or charged for food and food ingredients, except for tax revenue generated by a bundled
1122 transaction attributable to food and food ingredients and tangible personal property other than
1123 food and food ingredients described in Subsection (2)(d).

1124 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
1125 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that
1126 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of
1127 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue
1128 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,
1129 created in Section 63N-2-512.

1130 (12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the
1131 Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed
1132 under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

1133 (b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of
1134 Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under
1135 Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

1136 (13) Notwithstanding Subsections (4) through (12) and (14), an amount required to be
1137 expended or deposited in accordance with Subsections (4) through (12) and (14) may not
1138 include an amount the Division of Finance deposits in accordance with Section 59-12-103.2.

1139 (14) (a) The rate specified in this subsection is 0.15%.

1140 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall:

1141 (i) on or before September 30, 2019, transfer the amount of revenue [generated by a

1142 ~~0.15% tax rate imposed~~ collected from the rate described in Subsection (14)(a) beginning on
1143 April 1, 2019, and ending on June 30, 2019, on the transactions that are subject to the sales and
1144 use tax under Subsection (2)(a)(i)(A) [as dedicated credits to the Division of Health Care
1145 Financing] into the Medicaid Expansion Fund created in Section [26-36b-208](#); and

1146 (ii) for a fiscal year beginning on or after [~~fiscal year 2019-20~~] July 1, 2019, annually
1147 transfer the amount of revenue [generated by a 0.15% tax rate] collected from the rate
1148 described in Subsection (14)(a) on the transactions that are subject to the sales and use tax
1149 under Subsection (2)(a)(i)(A) [as dedicated credits to the Division of Health Care Financing]
1150 into the Medicaid Expansion Fund created in Section [26-36b-208](#).

1151 [~~(c) The revenue described in Subsection (14)(b) that the Division of Finance transfers~~
1152 ~~to the Division of Health Care Financing as dedicated credits shall be expended for the~~
1153 ~~following uses:]~~

1154 [~~(i) implementation of the Medicaid expansion described in Sections [26-18-3.1](#)(4) and~~
1155 ~~[26-18-3.9](#)(2)(b);]~~

1156 [~~(ii) if revenue remains after the use specified in Subsection (14)(c)(i), other measures~~
1157 ~~required by Section [26-18-3.9](#); and]~~

1158 [~~(iii) if revenue remains after the uses specified in Subsections (14)(c)(i) and (ii), other~~
1159 ~~measures described in Title 26, Chapter 18, Medical Assistance Act.]~~

1160 Section 15. **Fiscal Year 2019 Appropriations.**

1161 The following sums of money are appropriated for the fiscal year beginning July 1,
1162 2018, and ending June 30, 2019. These are additions to amounts previously appropriated for
1163 fiscal year 2019.

1164 Subsection 12(a). **Operating and Capital Budgets.**

1165 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
1166 Legislature appropriates the following sums of money from the funds or fund accounts
1167 indicated for the use and support of the government of the state of Utah.

1168 ITEM 1

1169 To Department of Health -- Medicaid Services

1170 From General Fund, One-time (\$14,900,000)

1171 Schedule of Programs:

1172 Other Services (\$18,000,000)

1173 Medicaid Expansion 2017 \$3,100,000

1174 The Legislature intends that the Department of Health use the funding increase
1175 provided for the Medicaid Expansion 2017 program for any increase in Medicaid enrollment in
1176 the base program resulting from a Medicaid expansion.

1177 Subsection 12(b). **Expendable Funds and Accounts.**

1178 The Legislature has reviewed the following expendable funds. The Legislature
1179 authorizes the State Division of Finance to transfer amounts between funds and accounts as
1180 indicated. Outlays and expenditures from the funds or accounts to which the money is
1181 transferred may be made without further legislative action, in accordance with statutory
1182 provisions relating to the funds or accounts.

1183 ITEM 2

1184 To Department of Health -- Medicaid Expansion Fund

1185 From General Fund, One-time \$38,200,000

1186 From General Fund Restricted - Medicaid Restricted Account,
1187 One-time \$1,200,000

1188 Schedule of Programs:

1189 Medicaid Expansion Fund \$39,400,000

1190 Section 13. **Fiscal Year 2020 Appropriations.**

1191 The following sums of money are appropriated for the fiscal year beginning July 1,
1192 2019, and ending June 30, 2020. These are additions to amounts previously appropriated for
1193 fiscal year 2020.

1194 Subsection 13(a). **Operating and Capital Budgets.**

1195 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
1196 Legislature appropriates the following sums of money from the funds or fund accounts
1197 indicated for the use and support of the government of the state of Utah.

1198 ITEM 3

1199 To Department of Health -- Children's Health Insurance Program

1200 From General Fund, One-time (\$18,663,900)

1201 Schedule of Programs:

1202 Children's Health Insurance Program (\$18,663,900)

1203 ITEM 4

1204 To Department of Health -- Medicaid Services
 1205 From General Fund Restricted - Medicaid Restricted Account,
 1206 One-time \$16,800,000

1207 Schedule of Programs:
 1208 Medicaid Expansion 2017 \$16,800,000

1209 The Legislature intends that the Department of Health use the funding provided for any
 1210 increase in Medicaid enrollment in the base program resulting from a Medicaid expansion.

1211 Subsection 13(b). **Expendable Funds and Accounts.**

1212 The Legislature has reviewed the following expendable funds. The Legislature
 1213 authorizes the State Division of Finance to transfer amounts between funds and accounts as
 1214 indicated. Outlays and expenditures from the funds or accounts to which the money is
 1215 transferred may be made without further legislative action, in accordance with statutory
 1216 provisions relating to the funds or accounts.

1217 ITEM 5

1218 To Department of Health -- Medicaid Expansion Fund
 1219 From General Fund \$15,000,000
 1220 Schedule of Programs:

1221 Medicaid Expansion Fund \$15,000,000

1222 Section 16. **Effective date.**

1223 If approved by two-thirds of all the members elected to each house, this bill takes effect
 1224 upon approval by the governor, or the day following the constitutional time limit of Utah
 1225 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
 1226 the date of veto override.