

RURAL COUNTY HEALTH CARE FACILITIES TAX

AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Phil Lyman

Senate Sponsor: David P. Hinkins

LONG TITLE

General Description:

This bill modifies provisions relating to the county sales and use tax for rural county health care facilities.

Highlighted Provisions:

This bill:

- ▶ modifies the purposes for which a county of the third or fourth class may use money collected from the rural county health care facilities tax; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-12-802, as last amended by Laws of Utah 2017, Chapter 422

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

Section 1. Section **59-12-802** is amended to read:

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

30 (1) (a) A county legislative body of a county of the third, fourth, fifth, or sixth class
31 may impose a sales and use tax of up to 1% on the transactions described in Subsection
32 [59-12-103](#)(1) located within the county.

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

35 [~~(i) for a county of the third or fourth class, rural county health care facilities in that~~
36 ~~county; or]~~

37 [~~(ii) for a county of the fifth or sixth class:]~~

38 [~~(A)~~] (i) rural emergency medical services in that county;

39 [~~(B)~~] (ii) federally qualified health centers in that county;

40 [~~(C)~~] (iii) freestanding urgent care centers in that county;

41 [~~(D)~~] (iv) rural county health care facilities in that county;

42 [~~(E)~~] (v) rural health clinics in that county; or

43 [~~(F)~~] (vi) a combination of Subsections [~~(1)(b)(ii)(A)~~] (1)(b)(i) through [~~(E)~~] (v).

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

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

48 (ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in
49 a city that imposes a tax under Section [59-12-804](#); and

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

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

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

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

- 60 (i) members of the county's legislative body; and
- 61 (ii) county's registered voters voting on the imposition of the tax.

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

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

66 ~~[(i) ongoing operating expenses of a rural county health care facility within that~~
67 ~~county;]~~

68 ~~[(ii) the acquisition of land for a rural county health care facility within that county; or]~~

69 ~~[(iii) the design, construction, equipping, or furnishing of a rural county health care~~
70 ~~facility within that county.]~~

71 ~~[(b)]~~ (3) The money collected from a tax imposed under Subsection (1) ~~[by a county of~~
72 ~~the fifth or sixth class]~~ may only be used to fund:

73 ~~[(i)]~~ (a) ongoing operating expenses of a center, clinic, or facility described in
74 Subsection (1)(b)~~[(i)]~~ within that county;

75 ~~[(ii)]~~ (b) the acquisition of land for a center, clinic, or facility described in Subsection
76 (1)(b)~~[(ii)]~~ within that county;

77 ~~[(iii)]~~ (c) the design, construction, equipping, or furnishing of a center, clinic, or
78 facility described in Subsection (1)(b)~~[(iii)]~~ within that county; or

79 ~~[(iv)]~~ (d) rural emergency medical services within that county.

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

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

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

84 (I) Part 1, Tax Collection; or

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

- 86 (B) Chapter 1, General Taxation Policies; and
- 87 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
- 88 period by the county legislative body as provided in Subsection (1).
- 89 (b) A tax under this section is not subject to Subsections 59-12-205(2) through (6).
- 90 (c) A county legislative body shall distribute money collected from a tax under this
- 91 section quarterly.
- 92 (5) The commission shall retain and deposit an administrative charge in accordance
- 93 with Section 59-1-306 from the revenue the commission collects from a tax under this section.