

1 **LOCAL OPTION SALES TAX DISTRIBUTION**

2 **AMENDMENTS**

3 2021 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Lincoln Fillmore**

6 House Sponsor: Candice B. Pierucci

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies provisions related to county option funding for botanical, cultural,
11 recreational, and zoological organizations or facilities.

12 **Highlighted Provisions:**

13 This bill:

14 ▶ addresses the distribution of revenue generated by a county option sales tax for
15 funding botanical, cultural, recreational, and zoological organizations or facilities by
16 amending the eligibility requirements for certain botanical and cultural
17 organizations to receive revenue; and

18 ▶ makes technical changes.

19 **Money Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 This bill provides a special effective date.

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **59-12-704**, as last amended by Laws of Utah 2020, Chapter 419

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

28 Section 1. Section **59-12-704** is amended to read:

29 **59-12-704. Distribution of revenues -- Advisory board creation -- Determining**

30 **operating expenses -- Administrative charge.**

31 (1) Except as provided in Subsections (3)(b) and (5), and subject to the requirements of
32 this section, any revenues collected by a county of the first class under this part shall be
33 distributed annually by the county legislative body to support cultural facilities, recreational
34 facilities, and zoological facilities and botanical organizations, cultural organizations, and
35 zoological organizations within that first class county as follows:

36 (a) 30% of the revenue collected by the county under this section shall be distributed
37 by the county legislative body to support cultural facilities and recreational facilities located
38 within the county;

39 (b) (i) subject to Subsection (1)(b)(ii) and except as provided in Subsection (1)(b)(iii),
40 16% of the revenue collected by the county under this section shall be distributed by the county
41 legislative body to support no more than three zoological facilities and zoological organizations
42 located within the county, having average annual operating expenses of \$1,500,000 or more as
43 determined under Subsection (3), with:

44 (A) 63.5% of that revenue being distributed to support a zoological organization
45 having as its primary purpose the operation of a zoological park, or a zoological facility that is
46 part of or integrated with a zoological park;

47 (B) 28.25% of that revenue being distributed to support a zoological organization
48 having as its primary purpose the operation of an aquarium, or a zoological facility that is part
49 of or integrated with an aquarium; and

50 (C) 8.25% of that revenue being distributed to support a zoological organization having
51 as its primary purpose the operation of an aviary, or a zoological facility that is part of or
52 integrated with an aviary;

53 (ii) if more than one zoological organization or zoological facility qualifies to receive
54 the money described in Subsection (1)(b)(i)(A), (B), or (C), the county legislative body shall
55 distribute the money described in the subsection for which more than one zoological
56 organization or zoological facility qualifies to whichever zoological organization or zoological
57 facility the county legislative body determines is most appropriate, except that a zoological

58 organization or zoological facility may not receive money under more than one subsection
59 under Subsection (1)(b)(i); and

60 (iii) if no zoological organization or zoological facility qualifies to receive money
61 described in Subsection (1)(b)(i)(A), (B), or (C), the county legislative body shall distribute the
62 money described in the subsection for which no zoological organization or zoological facility
63 qualifies among the zoological organizations or zoological facilities qualifying for and
64 receiving money under the other subsections in proportion to the zoological organizations' or
65 zoological facilities' average annual operating expenses as determined under Subsection (3);

66 (c) (i) 45% of the revenue collected by the county under this section shall be distributed
67 to no more than 22 botanical organizations and cultural organizations ~~[with]~~:

68 (A) each of which has average annual operating expenses of more than \$250,000 as
69 determined under Subsection (3); and

70 (B) whose activities impact all or a significant region of the county or state;

71 (ii) subject to Subsection (1)(c)(iii), the county legislative body shall distribute the
72 money described in Subsection (1)(c)(i) among the botanical organizations and cultural
73 organizations in proportion to their average annual operating expenses as determined under
74 Subsection (3); and

75 (iii) the amount distributed to any botanical organization or cultural organization
76 described in Subsection (1)(c)(i) may not exceed 35% of the botanical organization's or cultural
77 organization's operating budget; and

78 (d) (i) 9% of the revenue collected by the county under this section shall be distributed
79 to botanical organizations and cultural organizations that do not receive revenue under
80 Subsection (1)(c)(i) in communities throughout the county; and

81 (ii) the county legislative body shall determine how the money shall be distributed
82 among the botanical organizations and cultural organizations described in Subsection (1)(d)(i).

83 (2) (a) The county legislative body of each county shall create an advisory board to
84 advise the county legislative body on disbursement of funds to botanical organizations and
85 cultural organizations under Subsection (1)(c)(i).

86 (b) (i) The advisory board under Subsection (2)(a) shall consist of seven members
87 appointed by the county legislative body.

88 (ii) In a county of the first class, two of the seven members of the advisory board under
89 Subsection (2)(a) shall be appointed by the Division of Arts and Museums created in Section
90 9-6-201.

91 (3) (a) Except as provided in Subsection (3)(b), to be eligible to receive money
92 collected by the county under this part, a botanical organization, cultural organization,
93 zoological organization, and zoological facility located within a county of the first class shall,
94 every year:

95 (i) calculate its average annual operating expenses based upon audited operating
96 expenses for three preceding fiscal years; and

97 (ii) submit to the appropriate county legislative body:

98 (A) a verified audit of annual operating expenses for each of those three preceding
99 fiscal years; and

100 (B) the average annual operating expenses as calculated under Subsection (3)(a)(i).

101 (b) The county legislative body may waive the operating expenses reporting
102 requirements under Subsection (3)(a) for organizations described in Subsection (1)(d)(i).

103 (4) When calculating average annual operating expenses as described in Subsection
104 (3), each botanical organization, cultural organization, and zoological organization shall use the
105 same three-year fiscal period as determined by the county legislative body.

106 (5) (a) By July 1 of each year, the county legislative body of a first class county may
107 index the threshold amount in Subsections (1)(c) and (d).

108 (b) Any change under Subsection (5)(a) shall be rounded off to the nearest \$100.

109 (6) (a) In a county except for a county of the first class, the county legislative body
110 shall by ordinance provide for the distribution of the entire amount of the revenues generated
111 by the tax imposed by this section:

112 (i) as provided in this Subsection (6); and

113 (ii) as stated in the opinion question described in Subsection 59-12-703(1).

114 (b) Pursuant to an interlocal agreement established in accordance with Title 11,
115 Chapter 13, Interlocal Cooperation Act, a county described in Subsection (6)(a) may distribute
116 to a city, town, or political subdivision within the county revenues generated by a tax under this
117 part.

118 (c) The revenues distributed under Subsection (6)(a) or (b) shall be used for one or
119 more organizations or facilities defined in Section 59-12-702 regardless of whether the
120 revenues are distributed:

121 (i) directly by the county described in Subsection (6)(a) to be used for an organization
122 or facility defined in Section 59-12-702; or

123 (ii) in accordance with an interlocal agreement described in Subsection (6)(b).

124 (7) A county legislative body may retain up to 1.5% of the proceeds from a tax under
125 this part for the cost of administering this part.

126 (8) The commission shall retain and deposit an administrative charge in accordance
127 with Section 59-1-306 from the revenues the commission collects from a tax under this part.

128 **Section 2. Effective date.**

129 This bill takes effect on January 1, 2022.