HB0300S01 compared with HB0300

~~{deleted text}~~ shows text that was in HB0300 but was deleted in HB0300S01.

inserted text shows text that was not in HB0300 but was inserted into HB0300S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

~~{CAR-SHARING}~~ **Representative Robert M. Spendlove** proposes the following substitute bill:

CAR-SHARING AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Robert M. Spendlove

Senate Sponsor: ~~{_____}~~Curtis S. Bramble

LONG TITLE

General Description:

This bill modifies provisions relating to motor vehicles shared through a car-sharing business platform.

Highlighted Provisions:

This bill:

- ~~{exempts motor vehicles shared through a car-sharing}~~enacts provisions relating to business ~~{platform from short-term rental taxes if the applicable sales tax was paid upon the purchase of the motor vehicle; and~~ ~~makes technical changes}~~platforms that connect motor vehicle owners with drivers to enable the sharing of motor

vehicles for consideration;

- enacts consumer protection provisions relating to a car-sharing program, including required disclosures on a car-sharing agreement, driver requirements, and records of a car-sharing program; and
- enacts provisions relating to liability and insurance for claims arising during the period a shared vehicle is used under a car-sharing program.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

~~{AMENDS}~~ENACTS:

~~{17-31-5.5, as last amended by Laws of Utah 2021, Chapters 282 and 370-12-108, as last amended by Laws of Utah 2020, Chapters 294 and 4071 2-603, as last~~

amended by Laws of Utah 2020, Chapter 407 12-1201, as last amended by Laws of Utah 2016, Chapters 184 and 409 N-2-502, as last

~~amended by Laws of Utah 2020, Chapter 407~~; **13-48a-101,** Utah Code Annotated 1953

13-48a-102, Utah Code Annotated 1953

13-48a-201, Utah Code Annotated 1953

13-48a-202, Utah Code Annotated 1953

13-48a-203, Utah Code Annotated 1953

13-48a-204, Utah Code Annotated 1953

13-48a-205, Utah Code Annotated 1953

13-48a-301, Utah Code Annotated 1953

13-48a-302, Utah Code Annotated 1953

13-48a-303, Utah Code Annotated 1953

13-48a-304, Utah Code Annotated 1953

13-48a-305, Utah Code Annotated 1953

13-48a-306, Utah Code Annotated 1953

13-48a-307, Utah Code Annotated 1953

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

Section 1. Section {**17-31-5.5** is amended to read: **17-31-5.5. Report by county legislative body -- Content.** (1) The legislative body of each county that imposes a transient room tax under Section 59-12-301 or a tourism, recreation, cultural, convention, and airport facilities tax under Section 59-12-603 shall prepare annually a report in accordance with Subsection (2).

(2) The report described in Subsection (1) shall include a breakdown of expenditures into the following categories: (a) for the transient room tax, identification of expenditures for: (i) establishing and promoting: (A) recreation; (B) tourism; (C) film production; (D) conventions; and (E) economic diversification activity; (ii) acquiring, leasing, constructing, furnishing, or operating: (A) convention meeting rooms; (B) exhibit halls; (C) visitor information centers; (D) museums; and (E) related facilities; (iii) acquiring or leasing land required for or related to the purposes listed in Subsection (2)(a)(ii); (iv) mitigation costs as identified in Subsection 17-31-2(2)(d); and (v) making the annual payment of principal, interest, premiums, and necessary reserves for any or the aggregate of bonds issued to pay for costs referred to in Subsections 17-31-2(2)(c) and (5)(a); and (b) for the tourism, recreation, cultural, convention, and airport facilities tax, identification of expenditures for: (i) financing tourism promotion, which means an activity to develop, encourage, solicit, or market tourism that attracts transient guests to the county, including planning, product development, and advertising; (ii) the development, operation, and maintenance of the following facilities}**13-48a-101** is enacted to read:

CHAPTER 48a. CAR-SHARING PROGRAMS

Part 1. General Provisions

13-48a-101. Definitions.

As used in this chapter:

(1) (a) "Car-sharing agreement" means an agreement:

(i) applicable to a shared vehicle owner and a shared vehicle driver; and

(ii) that governs a shared vehicle driver's use of a shared vehicle through a car-sharing

program.

(b) "Car-sharing agreement" does not mean:

(i) a short-term lease or rental of a vehicle as used in Section 59-12-1201; or

(ii) a rental agreement, as defined in Section ~~{59-12-602: (A) an airport facility; (B) a convention facility; (C) a cultural facility; (D) a recreation facility; and (E) a tourist facility; and (iii) a pledge as security for evidences of indebtedness under Subsection 59-12-603[(3)](4).~~

~~(3) For the transient room tax, the report described in Subsection (1) shall include a breakdown of each expenditure described in Subsection (2)(a)(i), including: (a) whether the expenditure was used for in-state and out-of-state promotion efforts; (b) an explanation of how the expenditure targeted a cost created by tourism; and (c) an accounting of the expenditure showing that the expenditure was used only for costs directly related to a cost created by tourism.~~

~~(4) A county legislative body shall provide a copy of the report described in Subsection (1) to: (a) the Utah Office of Tourism within the Governor's Office of Economic Opportunity; (b) the county's tourism tax advisory board; and (c) the Office of the Legislative Fiscal Analyst.~~

~~Section 2. Section **59-12-108** is amended to read: **59-12-108. Monthly payment -- Amount of tax a seller may retain -- Penalty -- Certain amounts allocated to local taxing jurisdictions.** (1) (a) Notwithstanding Section 59-12-107, a seller that has a tax liability under this chapter of $50,000 or more for the previous calendar year shall: (i) file a return with the commission: (A) monthly on or before the last day of the month immediately following the month for which the seller collects a tax under this chapter; and (B) for the month for which the seller collects a tax under this chapter; and (ii) except as provided in Subsection (1)(b), remit with the return required by Subsection (1)(a)(i) the amount the person is required to remit to the commission for each tax, fee, or charge described in Subsection (1)(c): (A) if that seller's tax liability under this chapter for the previous calendar year is less than $96,000, by any method permitted by the commission; or (B) if that seller's tax liability under this chapter for the previous calendar year is $96,000 or more, by electronic funds transfer.~~

~~(b) A seller shall remit electronically with the return required by Subsection (1)(a)(i)~~

the amount the seller is required to remit to the commission for each tax, fee, or charge described in Subsection (1)(c) if that seller: (i) is required by Section 59-12-107 to file the return electronically; or (ii) (A) is required to collect and remit a tax under Section 59-12-107; and (B) files a simplified electronic return.

(c) Subsections (1)(a) and (b) apply to the following taxes, fees, or charges: (i) a tax under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act; (ii) a fee under Section 19-6-714; (iii) a fee under Section 19-6-805; (iv) a charge under Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges; or (v) a tax under this chapter.

(d) Notwithstanding Subsection (1)(a)(ii) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules providing for a method for making same-day payments other than by electronic funds transfer if making payments by electronic funds transfer fails.

(e) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall establish by rule procedures and requirements for determining the amount a seller is required to remit to the commission under this Subsection (1).

(2) (a) Except as provided in Subsection (3), a seller subject to Subsection (1) or a seller described in Subsection (4) may retain each month the amount allowed by this Subsection (2).

(b) A seller subject to Subsection (1) or a seller described in Subsection (4) may retain each month 1.31% of any amounts the seller is required to remit to the commission: (i) for a transaction described in Subsection 59-12-103(1) that is subject to a state tax and a local tax imposed in accordance with the following, for the month for which the seller is filing a return in accordance with Subsection (1): (A) Subsection 59-12-103(2)(a); (B) Subsection 59-12-103(2)(b); and (C) Subsection 59-12-103(2)(d); and (ii) for an agreement sales and use tax.

(c) (i) A seller subject to Subsection (1) or a seller described in Subsection (4) may retain each month the amount calculated under Subsection (2)(c)(ii) for a transaction described in Subsection 59-12-103(1) that is subject to the state tax and the local tax imposed in accordance with Subsection 59-12-103(2)(c).

(ii) For purposes of Subsection (2)(c)(i), the amount a seller may retain is an amount

~~equal to the sum of: (A) 1.31% of any amounts the seller is required to remit to the commission for: (I) the state tax and the local tax imposed in accordance with Subsection 59-12-103(2)(c); (II) the month for which the seller is filing a return in accordance with Subsection (1); and (III) an agreement sales and use tax; and (B) 1.31% of the difference between: (I) the amounts the seller would have been required to remit to the commission: (Aa) in accordance with Subsection 59-12-103(2)(a) if the transaction had been subject to the state tax and the local tax imposed in accordance with Subsection 59-12-103(2)(a); (Bb) for the month for which the seller is filing a return in accordance with Subsection (1); and (Cc) for an agreement sales and use tax; and (II) the amounts the seller is required to remit to the commission for: (Aa) the state tax and the local tax imposed in accordance with Subsection 59-12-103(2)(c); (Bb) the month for which the seller is filing a return in accordance with Subsection (1); and (Cc) an agreement sales and use tax.~~

~~(d) A seller subject to Subsection (1) or a seller described in Subsection (4) may retain each month 1% of any amounts the seller is required to remit to the commission: (i) for the month for which the seller is filing a return in accordance with Subsection (1); and (ii) under: (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;~~

~~(B) Subsection 59-12-603[(1)(a)(i)(A)](2)(a)(i); (C) Subsection 59-12-603[(1)(a)(i)(B)](2)(a)(ii); or (D) Subsection 59-12-603[(1)(a)(ii)](2)(b).~~

~~(3) A state government entity that is required to remit taxes monthly in accordance with Subsection (1) may not retain any amount under Subsection (2).~~

~~(4) A seller that has a tax liability under this chapter for the previous calendar year of less than $50,000 may: (a) voluntarily meet the requirements of Subsection (1); and~~

~~(b) if the seller voluntarily meets the requirements of Subsection (1), retain the amounts allowed by Subsection (2).~~

~~(5) Penalties for late payment shall be as provided in Section 59-1-401.~~

~~(6) (a) Except as provided in Subsection (6)(c), for any amounts required to be remitted to the commission under this part, the commission shall each month calculate an amount equal to the difference between: (i) the total amount retained for that month by all sellers had the percentages listed under Subsections (2)(b) and (2)(c)(ii) been 1.5%; and (ii) the total amount retained for that month by all sellers at the percentages listed under Subsections (2)(b) and~~

~~(2)(c)(ii).~~

~~(b) The commission shall each month allocate the amount calculated under Subsection (6)(a) to each county, city, and town on the basis of the proportion of agreement sales and use tax that the commission distributes to each county, city, and town for that month compared to the total agreement sales and use tax that the commission distributes for that month to all counties, cities, and towns.~~

~~(c) The amount the commission calculates under Subsection (6)(a) may not include an amount collected from a tax that: (i) the state imposes within a county, city, or town, including the unincorporated area of a county; and (ii) is not imposed within the entire state.~~

~~Section 3. Section **59-12-603** is amended to read: **59-12-603. County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance required -- Advisory board -- Administration -- Collection -- Administrative charge -- Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice requirements.** (1) As used in this section: (a) "Applicable sales and use tax" means: (i) for a motor vehicle purchased in the state, sales and use taxes provided for under this chapter that are due upon the purchase of the motor vehicle; or (ii) for a motor vehicle purchased in another state, the sales, use, excise, or other tax generally due upon the purchase of the motor vehicle in the location where the motor vehicle was purchased. (b) "Taxed shared vehicle" means a motor vehicle: (i) that is made available for sharing through}~~31A-22-311.

(2) "Car-sharing delivery period" means the period of time during which a shared vehicle is being delivered to the location of the car-sharing start time, if applicable, as documented by the governing car-sharing agreement.

(3) "Car-sharing period" means the period of time that:

(a) (i) begins at the car-sharing delivery period; or

(ii) if there is no car-sharing delivery period, begins at the car-sharing start time; and

(b) ends at the car-sharing termination time.

(4) (a) "Car-sharing program" means a business platform that connects motor vehicle owners with drivers to enable the sharing of motor vehicles for consideration~~{; and (ii) on which the applicable sales and use tax was paid. [(1) (a)] (2) In addition to any other taxes, a county legislative body may, as provided in this part, impose a tax as follows: [(i) (A)] (a) (i) a county legislative body of any county may impose a tax of not to exceed 3% on all~~

~~short-term rentals of motor vehicles, except for: (A) a short-term [rentals of motor vehicles] rental}~~.

(b) "Car-sharing program" does not mean:

(i) a motor vehicle rental company, as defined in Section 13-48-102; or

(ii) a rental company, as defined in Section 31A-22-311.

(5) (a) "Car sharing" means the authorized use of a motor vehicle~~{ made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement; and (B) a short-term rental of a taxed shared}~~:

(i) by an individual other than the owner of the motor vehicle; and

~~{[(B)] (ii) a county legislative body of any county imposing a tax under Subsection [(1)(a)(i)(A)] (2)(a)(i) may, in addition to imposing the tax under Subsection [(1)(a)(i)(A)] (2)(a)(i), impose a tax of not to exceed 4% on all short-term rentals of motor vehicles, except for: (A) a short-term [rentals of motor vehicles] rental of a motor vehicle made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement; or (B) a short-term rental of a taxed shared vehicle; [(ii)] (b) beginning on January 1, 2021, a county legislative body of any county may impose a tax of not to exceed 7% on all short-term rentals of off-highway vehicles and recreational vehicles; [(iii)] (c) a county legislative body of any county may impose a tax of not to exceed 1% of all sales}~~(ii) through a car-sharing program.

(b) "Car sharing" does not mean the business of providing private passenger motor vehicles to the public as used in Section 31A-22-311.

(6) "Car-sharing start time" means the time when a shared vehicle becomes subject to the control of the shared vehicle driver at or after the time the reservation of the shared vehicle is scheduled to begin, as documented in the records of the car-sharing program.

(7) "Car-sharing termination time" means the earliest of the following ~~{that are sold by a restaurant: [(A)] (i) alcoholic beverages; [(B)] (ii) food and food ingredients; or [(C)] (iii) prepared food; and [(iv)] (d) a county legislative body of a county of the first class may impose a tax of not to exceed .5% on charges for the accommodations and services described in Subsection 59-12-103(1)(i).~~

~~[(b)] (3) A tax imposed under Subsection [(1)(a)] (2) is subject to the audit provisions of Section 17-31-5.5.~~

~~[(2)] (4) (a) Subject to Subsection [(2)] (4)(b), a county may use revenue from the imposition of a tax under Subsection [(1)] (2) for: (i) financing tourism promotion; and~~

~~(ii) the development, operation, and maintenance of: (A) an airport facility;~~

~~(B) a convention facility; (C) a cultural facility; (D) a recreation facility; or~~

~~(E) a tourist facility.~~

~~(b) A county of the first class shall expend at least $450,000 each year of the revenue from the imposition of a tax authorized by Subsection [(1)(a)(iv)] (2)(d) within the county to fund a marketing and ticketing system designed to: (i) promote tourism in ski areas within the county by persons that do not reside within the state; and (ii) combine the sale of: (A) ski lift tickets; and (B) accommodations and services described in Subsection 59-12-103(1)(i).~~

~~[(3)] (5) A tax imposed under this part may be pledged as security for bonds, notes, or other evidences of indebtedness incurred by a county, city, or town under Title 11, Chapter 14, Local Government Bonding Act, or a community reinvestment agency under Title 17C, Chapter 1, Part 5, Agency Bonds, to finance: (a) an airport facility; (b) a convention facility; (c) a cultural facility; (d) a recreation facility; or (e) a tourist facility.~~

~~[(4)] (6) (a) To impose a tax under Subsection [(1)] (2), the county legislative body shall adopt an ordinance imposing the tax.~~

~~(b) The ordinance under Subsection [(4)] (6)(a) shall include provisions substantially the same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on those items and sales described in Subsection [(1)] (2).~~

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

~~[(5)] (7) To maintain in effect a tax ordinance adopted under this part, each county legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1, Tax Collection, adopt amendments to the county's tax ordinance to conform with the applicable amendments to Part 1, Tax Collection.~~

~~[(6)] (8) (a) Regardless of whether a county of the first class creates a tourism tax advisory board in accordance with Section 17-31-8, the county legislative body of the county of~~

~~the first class shall create a tax advisory board in accordance with this Subsection [(6)] (8).~~

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

~~(i) four members shall be residents of a county of the first class appointed by the county legislative body of the county of the first class; and (ii) subject to Subsections [(6)] (8)(c) and (d), five members shall be mayors of cities or towns within the county of the first class appointed by an organization representing all mayors of cities and towns within the county of the first class.~~

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

~~(d) The county legislative body of the county of the first class shall determine: (i) terms of the members of the tax advisory board; (ii) procedures and requirements for removing a member of the tax advisory board; (iii) voting requirements, except that action of the tax advisory board shall be by at least a majority vote of a quorum of the tax advisory board; (iv) chairs or other officers of the tax advisory board; (v) how meetings are to be called and the frequency of meetings; and (vi) the compensation, if any, of members of the tax advisory board.~~

~~(e) The tax advisory board under this Subsection [(6)] (8) shall advise the county legislative body of the county of the first class on the expenditure of revenue collected within the county of the first class from the taxes described in Subsection [(1)(a)] (2).~~

~~[(7)] (9) (a) (i) Except as provided in Subsection [(7)] (9)(a)(ii), a tax authorized under this part shall be administered, collected, and enforced in accordance with: (A) the same procedures used to administer, collect, and enforce the tax under: (I) Part 1, Tax Collection; or (II) Part 2, Local Sales and Use Tax Act; and (B) Chapter 1, General Taxation Policies.~~

~~(ii) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections 59-12-205(2) through (6).~~

~~(b) Except as provided in Subsection [(7)] (9)(c): (i) for a tax under this part other than the tax under Subsection [(1)(a)(i)(B)] (2)(a)(ii), the commission shall distribute the revenue to the county imposing the tax; and (ii) for a tax under Subsection [(1)(a)(i)(B)] (2)(a)(ii), the commission shall distribute the revenue}~~events:

(a) the expiration of the agreed upon period of time established for the use of a shared vehicle according to the ~~{distribution formula provided in Subsection [(8)] (10).~~

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

~~[(8)] (10) The commission shall distribute the revenue generated by the tax under Subsection [(1)(a)(i)(B)] (2)(a)(ii) to each county collecting a tax under Subsection [(1)(a)(i)(B)] (2)(a)(ii) according to the following formula: (a) the commission shall distribute 70% of the revenue based on the percentages generated by dividing the revenue collected by each county under Subsection [(1)(a)(i)(B)] (2)(a)(ii) by the total revenue collected by all counties under Subsection [(1)(a)(i)(B)] (2)(a)(ii); and (b) the commission shall distribute 30% of the revenue based on the percentages generated by dividing the population of each county collecting a tax under Subsection [(1)(a)(i)(B)] (2)(a)(ii) by the total population of all counties collecting a tax under Subsection [(1)(a)(i)(B)] (2)(a)(ii).~~

~~[(9) (a) For purposes of] (11) (a) As used in this Subsection [(9)] (11): (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2, County Annexation.~~

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

~~(b) (i) Except as provided in Subsection [(9)] (11)(c), if a county enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:~~

~~(A) on the first day of a calendar quarter; and (B) after a 90-day period beginning on the day on which the commission receives notice meeting the requirements of Subsection [(9)] (11)(b)(ii) from the county.~~

~~(ii) The notice described in Subsection [(9)] (11)(b)(i)(B) shall state: (A) that the county will enact or repeal a tax or change the rate of a tax under this part; (B) the statutory authority for the tax described in Subsection [(9)] (11)(b)(ii)(A); (C) the effective date of the tax described in Subsection [(9)] (11)(b)(ii)(A); and (D) if the county enacts the tax or changes the rate of the tax described in Subsection [(9)] (11)(b)(ii)(A), the rate of the tax.~~

~~(c) (i) If the billing period for a transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Subsection [(1)] (2), the enactment of the tax or the tax rate increase shall take effect on the first day of the first billing period that begins after the effective date of the enactment of the tax or the tax rate increase.~~

~~(ii) If the billing period for a transaction begins before the effective date of the repeal~~

of the tax or the tax rate decrease imposed under Subsection [(1)] (2), the repeal of the tax or the tax rate decrease shall take effect on the first day of the last billing period that began before the effective date of the repeal of the tax or the tax rate decrease.

(d) (i) Except as provided in Subsection [(9)] (11)(e), if the annexation will result in the enactment, repeal, or change in the rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take effect: (A) on the first day of a calendar quarter; and (B) after a 90-day period beginning on the day on which the commission receives notice meeting the requirements of Subsection [(9)] (11)(d)(ii) from the county that annexes the annexing area.

(ii) The notice described in Subsection [(9)] (11)(d)(i)(B) shall state: (A) that the annexation described in Subsection [(9)] (11)(d)(i) will result in an enactment, repeal, or change in the rate of a tax under this part for the annexing area; (B) the statutory authority for the tax described in Subsection [(9)] (11)(d)(ii)(A); (C) the effective date of the tax described in Subsection [(9)] (11)(d)(ii)(A); and (D) if the county enacts the tax or changes the rate of the tax described in Subsection [(9)] (11)(d)(ii)(A), the rate of the tax.

(e) (i) If the billing period for a transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Subsection [(1)] (2), the enactment of the tax or the tax rate increase shall take effect on the first day of the first billing period that begins after the effective date of the enactment of the tax or the tax rate increase.

(ii) If the billing period for a transaction begins before the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection [(1)] (2), the repeal of the tax or the tax rate decrease shall take effect on the first day of the last billing period that began before the effective date of the repeal of the tax or the tax rate decrease.

Section 4. Section **59-12-1201** is amended to read: **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration, collection, and enforcement of tax -- Administrative charge -- Deposits.** (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all short-term leases and rentals of motor vehicles not exceeding 30 days.

(b) The tax imposed in this section is in addition to all other state, county, or municipal fees and taxes imposed on rentals of motor vehicles.

(2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax

~~imposed under Subsection (1) shall take effect on the first day of a calendar quarter.~~

~~(b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall take effect on the first day of the first billing period: (A) that begins after the effective date of the tax rate increase; and (B) if the billing period for the transaction begins before the effective date of a tax rate increase imposed under Subsection (1).~~

~~(ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last billing period: (A) that began before the effective date of the repeal of the tax or the tax rate decrease; and (B) if the billing period for the transaction begins before the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1).~~

~~(3) A short-term lease or rental of a motor vehicle is exempt from the tax imposed under Subsection (1) if: (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds; (b) the motor vehicle is rented as a personal household goods moving van; [or] (c) the lease or rental of the motor vehicle is made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an insurance agreement[.]; or (d) the motor vehicle is a taxed}~~terms of the car-sharing agreement, if the shared vehicle is delivered to the location agreed upon in the car-sharing agreement;

(b) when the shared vehicle is returned to a location as alternatively agreed upon by the shared vehicle owner and shared vehicle~~{, as defined in Section 59-12-603. (4) (a) (i) The tax authorized under this section shall be administered, collected, and enforced in accordance with: (A) the same procedures used to administer, collect, and enforce the tax under Part 1, Tax Collection; and (B) Chapter 1, General Taxation Policies.~~

~~(ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to Subsections 59-12-103(4) through (10) or Section 59-12-107.1 or 59-12-123.~~

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

~~(c) Except as provided under Subsection (4)(b), all revenue received by the commission under this section shall be deposited daily with the state treasurer and credited monthly to the Marda Dillree Corridor Preservation Fund under Section 72-2-117.~~

~~Section 5. Section **63N-2-502** is amended to read: **63N-2-502. Definitions.** As~~

~~used in this part:~~ ~~(1) "Agreement" means an agreement described in Section 63N-2-503.~~

~~(2) "Base taxable value" means the value of hotel property before the construction on a qualified hotel begins, as that value is established by the county in which the hotel property is located, using a reasonable valuation method that may include the value of the hotel property on the county assessment rolls the year before the year during which construction on the qualified hotel begins.~~

~~(3) "Certified claim" means a claim that the office has approved and certified as provided in Section 63N-2-505.~~

~~(4) "Claim" means a written document submitted by a qualified hotel owner or host local government to request a convention incentive.~~

~~(5) "Claimant" means the qualified hotel owner or host local government that submits a claim under Subsection 63N-2-505(1)(a) for a convention incentive.~~

~~(6) "Commission" means the [Utah] State Tax Commission.~~

~~(7) "Community reinvestment agency}~~ driver as communicated through a car-sharing program, which alternatively agreed upon location shall be incorporated into the car-sharing agreement; and

(c) when the shared vehicle owner or shared vehicle owner's authorized designee takes possession and control of the shared vehicle.

(8) "Motor vehicle" means the same as that term is defined in Section ~~{17C-1-102}~~41-1a-102.~~{~~

~~(8) "Construction revenue" means revenue generated from state taxes and local taxes imposed on transactions occurring during the eligibility period}~~

(9) "Shared vehicle" means a motor vehicle that is available for use by an individual other than the shared vehicle owner through a car-sharing program.

(10) (a) "Shared vehicle driver" means an individual who has been authorized to drive a shared vehicle by the shared vehicle owner under a car-sharing program.

(b) "Shared vehicle driver" does not mean a renter, as defined in Section 31A-22-311.

(11) (a) "Shared vehicle owner" means:

(i) the registered owner of a motor vehicle made available for car sharing; or

(ii) a person designated by the registered owner of a motor vehicle made available for car sharing.

(b) "Shared vehicle owner" does not mean a rental company, as defined in Section 31A-22-311.

Section 2. Section **13-48a-102** is enacted to read:

13-48a-102. Limits on reach of chapter.

Nothing in this chapter:

(1) limits the liability of a car-sharing program for an act or omission of the car-sharing program that results in injury to a person as a result of the ~~{construction of the hotel property, including purchases made by a qualified hotel owner and its subcontractors.~~

~~(9) "Convention incentive" means an incentive for the development of a qualified hotel, in the form of payment from the incentive fund as provided in this part, as authorized in an agreement.~~

~~(10) "Eligibility period" means: (a) the period that: (i) begins the date construction of a qualified hotel begins; and (ii) ends: (A) for purposes of the state portion, 20 years after the date of initial occupancy of that qualified hotel; or (B) for purposes of the local portion and incremental property tax revenue, 25 years after the date of initial occupancy of that hotel; or (b) as provided in}~~use of a shared vehicle through a car-sharing program; or

(2) limits the ability of the car-sharing program, by contract, to seek indemnification from the shared vehicle owner or the shared vehicle driver for economic loss sustained by the car-sharing program resulting from a breach of the terms and conditions of the car-sharing agreement.

Section 3. Section **13-48a-201** is enacted to read:

Part 2. Consumer Protection Provisions

13-48a-201. Notification about possible violation of lienholder agreement.

(1) As used in this section, "lienholder agreement" means an agreement between the ~~{office and a qualified hotel owner or host local government, a period that: (i) begins no earlier than the date construction of a qualified hotel begins; and (ii) is shorter than the period described in Subsection (10)(a).~~

~~(11) "Endorsement letter" means a letter: (a) from the county in which a qualified hotel is located or is proposed to be located; (b) signed by the county executive; and~~

~~(c) expressing the county's endorsement of a developer of a qualified hotel as meeting~~

~~all the county's criteria for}~~owner of a motor vehicle and another person under which the other person has a lien against the motor vehicle.

(2) At the time that the owner of a motor vehicle registers to make the owner's motor vehicle available for sharing through a car-sharing program, the car-sharing program shall notify the owner that the use of the owner's motor vehicle through the car-sharing program, including without physical damage coverage, may violate the terms of a lienholder agreement that the motor vehicle may be subject to.

Section 4. Section **13-48a-202** is enacted to read:

13-48a-202. Safety recalls.

(1) At the time that the owner of a motor vehicle registers to make the owner's motor vehicle available for sharing through a car-sharing program, the car-sharing program shall:

(a) verify that the shared vehicle does not have any safety recalls for which the repairs have not been made; and

(b) notify the motor vehicle owner of the requirements under Subsections (2), (3), and (4).

(2) An owner of a motor vehicle may not register to make the owner's motor vehicle available for sharing through a car-sharing program if:

(a) the owner has received an actual notice of a safety recall applicable to the motor vehicle; and

(b) the safety recall repair has not been made.

(3) A shared vehicle owner who receives an actual notice of a safety recall applicable to the shared vehicle during the time that the shared vehicle is made available for sharing through a car-sharing program shall, as soon as practicably possible after receiving the ~~{county's endorsement.~~

~~(12) "Host agency" means the community reinvestment agency of the host local government.~~

~~(13) "Host local government" means: (a) a county that enters into an agreement with the office for the construction of a qualified hotel within the unincorporated area of the county; or (b) a city or town that enters into an agreement with the office for the construction of a qualified hotel within the boundary of the city or town.~~

~~(14) "Hotel property" means a qualified hotel and any property that is included in the~~

same development as the qualified hotel, including convention, exhibit, and meeting space, retail shops, restaurants, parking, and other ancillary facilities and amenities.

(15) "Incentive fund" means the Convention Incentive Fund created in Section 63N-2-503.5.

(16) "Incremental property tax revenue" means the amount of property tax revenue generated from hotel property that equals the difference between: (a) the amount of property tax revenue generated in any tax year by all taxing entities from hotel property, using the current assessed value of the hotel property; and (b) the amount of property tax revenue that would be generated that tax year by all taxing entities from hotel property, using the hotel property's base taxable value.

(17) "Local portion" means the portion of new tax revenue that is generated by local taxes.

(18) "Local taxes" means a tax imposed under: (a) Section 59-12-204; (b) Section 59-12-301; (c) Sections 59-12-352 and 59-12-353; (d) Subsection 59-12-603[(1)(a)](2); or (e) Section 59-12-1102.

(19) "New tax revenue" means construction revenue, offsite revenue, and onsite revenue.

(20) "Offsite revenue" means revenue generated from state taxes and local taxes imposed on transactions by a third-party seller occurring other than on hotel property during the eligibility period, if: (a) the transaction is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act; and (b) the third-party seller voluntarily consents to the disclosure of information to the office, as provided in Subsection 63N-2-505(2)(b)(i)(E).

(21) "Onsite revenue" means revenue generated from state taxes and local taxes imposed on transactions occurring on hotel property during the eligibility period.

(22) "Public infrastructure" means: (a) water, sewer, storm drainage, electrical, telecommunications, and other similar systems and lines; (b) streets, roads, curbs, gutters, sidewalks, walkways, parking facilities, and public transportation facilities; and (c) other buildings, facilities, infrastructure, and improvements that benefit the public.

(23) "Qualified hotel" means a full-service hotel development constructed in the state on or after July 1, 2014 that: (a) requires a significant capital investment; (b) includes at least 85 square feet of convention, exhibit, and meeting space per guest room; and (c)

~~is located within 1,000 feet of a convention center that contains at least 500,000 square feet of convention, exhibit, and meeting space.~~

~~(24) "Qualified hotel owner" means a person who owns a qualified hotel.~~

~~(25) "Review committee" means the independent review committee established under Section 63N-2-504.~~

~~(26) "Significant capital investment" means an amount of at least $200,000,000.~~

~~(27) "State portion" means the portion of new tax revenue that is generated by state taxes.~~

~~(28) "State taxes" means a tax imposed under Subsection 59-12-103(2)(a)(i), (2)(b)(i), (2)(c)(i), or (2)(d)(i)(A).~~

~~(29) "Third-party seller" means a person who is a seller in a transaction: (a) occurring other than on hotel property; (b) that is: (i) the sale, rental, or lease of a room or of convention or exhibit space or other facilities on hotel property; or (ii) the sale of tangible personal property or a service that is part of a bundled transaction, as defined in Section 59-12-102, with a sale, rental, or lease;~~notice, remove the shared vehicle from availability for sharing through the car-sharing program until the safety recall repair is made.

(4) A shared vehicle owner who receives an actual notice of a safety recall applicable to the shared vehicle during the time that the shared vehicle is in the possession of a shared vehicle driver under a car-sharing agreement shall, as soon as practicably possible after receiving the notice, notify the car-sharing program about the safety recall so that the shared vehicle owner may address the safety recall repair.

Section 5. Section **13-48a-203** is enacted to read:

13-48a-203. Required disclosures for a car-sharing agreement.

A car-sharing agreement shall disclose to the shared vehicle owner and the shared vehicle driver:

(1) a right of the car-sharing company to seek indemnification from the shared vehicle owner or shared vehicle driver for economic loss resulting from a breach of the car-sharing agreement;

(2) that a motor vehicle liability insurance policy issued to the shared vehicle owner or shared vehicle driver does not provide a defense or indemnification for any claim asserted by the car-sharing company;

(3) that the car-sharing program's insurance policy covering the shared vehicle owner and the shared vehicle driver is in effect only during the car-sharing period and that, for any use of the shared vehicle by the shared vehicle driver after the car-sharing termination time, the shared vehicle driver and the shared vehicle owner may not have insurance coverage;

(4) of the daily rate, fees, and, if applicable, insurance or protection package costs that are charged to the shared vehicle owner or shared vehicle driver;

(5) that the shared vehicle owner's motor vehicle liability insurance policy may not provide coverage for the shared vehicle;

(6) of an emergency telephone number to contact personnel capable of fielding roadside assistance or other customer service inquiries; and

(7) whether there are conditions under which a shared vehicle driver must maintain a personal automobile insurance policy with certain applicable coverage limits on a primary basis in order to book a shared vehicle.

Section 6. Section **13-48a-204** is enacted to read:

13-48a-204. Records relating to the use of shared vehicles.

(1) A car-sharing program shall collect and verify records pertaining to the use of a shared vehicle, including times used, car-sharing period pick up and drop off locations, fees paid by the shared vehicle driver, and revenues received by the shared vehicle owner, and provide that information upon request to the shared vehicle owner, the shared vehicle owner's insurer, or the shared vehicle driver's insurer to facilitate a claim coverage investigation, settlement, negotiation, or litigation.

(2) The car-sharing program shall retain the records for a time period not less than two years.

Section 7. Section **13-48a-205** is enacted to read:

13-48a-205. GPS or other special equipment.

(1) A car-sharing program:

(a) has sole responsibility for any GPS or other special equipment that the car-sharing company places on or in a shared vehicle to monitor the shared vehicle or facilitate the car-sharing agreement; and

(b) shall agree to indemnify and hold harmless the shared vehicle owner for any damage to the shared vehicle that:

(i) is a result of damage to or theft of equipment described in Subsection (~~(~~29)(b)(i); and (c) that is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act. ~~)~~1)(a);

(ii) occurs during the car-sharing period; and

(iii) is not caused by the shared vehicle owner.

(2) A car-sharing program may seek indemnity from a shared vehicle driver for any loss of or damage to equipment described in Subsection (1)(a) that occurs during the car-sharing period.

Section 8. Section **13-48a-301** is enacted to read:

Part 3. Liability and Insurance for Covered Loss from Operation of Shared Vehicle

13-48a-301. Car-sharing company liability for a covered loss -- Exception.

(1) Except as provided in Subsection (2), a car-sharing program shall assume liability of a shared vehicle owner for bodily injury or property damage to third parties or personal injury protection losses during the car-sharing period in an amount stated in the car-sharing agreement, which amount may not be less than those set forth in Section 31A-22-304.

(2) Notwithstanding the definition of car-sharing termination time, the assumption of liability under Subsection (1) does not apply to a shared vehicle owner when:

(a) a shared vehicle owner makes an intentional or fraudulent material misrepresentation or omission to the car-sharing program before the car-sharing period in which the loss occurred; or

(b) acting in concert with a shared vehicle driver who fails to return the shared vehicle pursuant to the terms of the car-sharing agreement.

(3) Notwithstanding the definition of car-sharing termination time, the assumption of liability under Subsection (1) would apply to bodily injury, property damage, or personal injury protection losses by damaged third parties required by Section 31A-22-304.

Section 9. Section **13-48a-302** is enacted to read:

13-48a-302. Motor vehicle liability insurance.

(1) A car-sharing program shall ensure that, during each car-sharing period, the shared vehicle owner and the shared vehicle driver are insured under a motor vehicle liability insurance policy in amounts no less than the minimum amounts set forth in Section 31A-22-304; and

(a) recognizes that the shared vehicle insured under the policy is made available and used through a car-sharing program; or

(b) does not exclude use of a shared vehicle by a shared vehicle driver.

(2) The insurance described in Subsection (1) may be satisfied by motor vehicle liability insurance maintained by:

(a) a shared vehicle owner;

(b) a shared vehicle driver;

(c) a car-sharing program; or

(d) a shared vehicle owner, a shared vehicle driver, and a car-sharing program.

(3) The insurance described in Subsection (1) that is satisfying the insurance requirement of Subsection (1) shall be primary during each car-sharing period and in the event that a claim occurs in another state with minimum financial responsibility limits higher than those in Section 31A-22-304, during the car-sharing period, the coverage maintained under Subsection (2) shall satisfy the difference in minimum coverage amounts, up to the applicable policy limits.

(4) The insurer, insurers, or car-sharing program providing coverage under Subsection (1) or (2) shall assume primary liability for a claim when:

(a) a dispute exists as to who was in control of the shared motor vehicle at the time of the loss and the car-sharing program does not have available, did not retain, or fails to provide the information required by Section 13-48a-203; or

(b) a dispute exists as to whether the shared vehicle was returned to the alternatively agreed upon location as required under Section 13-48a-101.

(5) If insurance maintained by a shared vehicle owner or shared vehicle driver in accordance with Subsection (2) has lapsed or does not provide the required coverage, insurance maintained by the car-sharing program shall provide the coverage required by Subsection (1) beginning with the first dollar of a claim and have the duty to defend the claim except under circumstances set forth in Subsection 13-48a-301(2).

(6) Coverage under an automobile insurance policy maintained by the car-sharing program is not dependent on another automobile insurer first denying a claim, nor shall another automobile insurance policy be required to first deny a claim.

Section 10. Section **13-48a-303** is enacted to read:

13-48a-303. Certain abilities of insurance companies preserved.

(1) (a) A motor vehicle liability insurance policy may exclude coverage and a duty to defend or indemnify with respect to a claim arising during a motor vehicle's use as a shared vehicle, based on the motor vehicle's use as a shared vehicle.

(b) Coverage that may be excluded as provided in Subsection (1) includes coverage for:

(i) bodily injury or property damage suffered by a third party;

(ii) a claim covered by uninsured motorist coverage described in Section 31A-22-305;

(iii) a claim covered by underinsured motorist coverage described in Section 31A-22-305.5;

(iv) a claim covered by personal injury protection coverage and benefits described in Section 31A-22-307;

(v) a claim for medical payments;

(vi) a claim for comprehensive physical damage; and

(vii) a claim for collision physical damage.

(2) Nothing in this chapter invalidates, limits, or restricts the ability of an insurance company under other applicable law to:

(a) underwrite an insurance policy; or

(b) cancel or fail to renew an insurance policy.

(3) Nothing in this chapter invalidates or limits a provision in a motor vehicle liability insurance policy, including any insurance policy in use or approved for use, that excludes coverage for a motor vehicle made available for rent, sharing, hire, or any business use.

Section 11. Section **13-48a-304** is enacted to read:

13-48a-304. Insurable interest -- Insurance to cover various liabilities -- No liability to maintain certain insurance.

(1) Notwithstanding any other provision of law, a car-sharing program has an insurable interest in a shared vehicle during the car-sharing period.

(2) A car-sharing program may own and maintain as the named insured one or more policies of motor vehicle insurance that provide coverage for:

(a) a liability assumed by the car-sharing company under a car-sharing program;

(b) a liability of the shared vehicle owner;

(c) a liability of the shared vehicle driver; or

(d) damage or loss to a shared vehicle.

(3) Nothing in this section requires a car-sharing program to maintain insurance coverage for the car-sharing program's liability under this chapter.

Section 12. Section **13-48a-305** is enacted to read:

13-48a-305. Recovery for claim excluded from insurance policy.

An insurance company that defends or indemnifies a claim against a shared vehicle that is excluded under the terms of the insurance company's policy shall have the right to seek recovery against the motor vehicle insurer of the car-sharing program if the claim is:

(1) made against the shared vehicle owner or shared vehicle driver for a loss or injury that occurs during the car-sharing period; and

(2) excluded under the terms of the policy of the insurance company that defends or indemnifies the claim.

Section 13. Section **13-48a-306** is enacted to read:

13-48a-306. Exemption from liability based on operation of a car-sharing program or on vehicle ownership.

A car-sharing program and a shared vehicle owner are exempt from vicarious liability consistent with 49 U.S.C. Section 30106 and under any state or local law that imposes liability solely based on vehicle ownership.

Section 14. Section **13-48a-307** is enacted to read:

13-48a-307. Driver license requirement and records.

(1) A car-sharing program may not enter into a car-sharing agreement with a driver unless the driver who will operate the shared vehicle:

(a) holds a driver license issued under the applicable law of this state that authorizes the driver to operate vehicles of the class of the shared vehicle;

(b) is a nonresident who:

(i) has a driver license issued by the state or country of the driver's residence that authorizes the driver in that state or country to drive vehicles of the class of the shared vehicle; and

(ii) is at least the same age as that required of a resident to drive; or

(c) otherwise is specifically authorized to drive vehicles of the class of the shared

vehicle.

(2) A car-sharing program shall keep a record of:

(a) the name and address of the shared vehicle driver;

(b) the number of the driver license of the shared vehicle driver and each other person, if any, who will operate the shared vehicle; and

(c) the place of issuance of the driver license.