

RURAL COUNTY HEALTH CARE FACILITIES TAX

AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Joseph Elison

Senate Sponsor: Derrin R. Owens

LONG TITLE

General Description:

This bill modifies provisions related to the rural county health care facilities tax.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ clarifies that a third, fourth, fifth, or sixth class county may use revenue from a rural county health care facilities tax to fund rural emergency medical services;
- ▶ allows certain second class counties to impose a rural county health care facilities tax within all or a portion of the county to fund emergency medical services;
- ▶ establishes requirements for a second class county to impose a rural county health care facilities tax within a portion of that county; and
- ▶ makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-12-801, as last amended by Laws of Utah 2014, Chapter 50

59-12-802, as last amended by Laws of Utah 2020, Chapter 427

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

Section 1. Section **59-12-801** is amended to read:

59-12-801. Definitions.

As used in this part:

(1) "Affected area" means the portion of a county in which a tax is imposed under Subsection 59-12-802(4).

~~[(1)]~~ (2) "Emergency medical services" [is-as] means the same as that term is defined in Section 26-8a-102.

~~[(2)]~~ (3) "Federally qualified health center" [is-as] means the same as that term is defined in 42 U.S.C. Sec. 1395x.

~~[(3)]~~ (4) "Freestanding urgent care center" means a facility that provides outpatient health care service:

- (a) on an as-needed basis, without an appointment;
- (b) to the public;
- (c) for the diagnosis and treatment of a medical condition if that medical condition does not require hospitalization or emergency intervention for a life threatening or potentially permanently disabling condition; and
- (d) including one or more of the following services:
 - (i) a medical history physical examination;
 - (ii) an assessment of health status; or
 - (iii) treatment:
 - (A) for a variety of medical conditions; and
 - (B) that is commonly offered in a physician's office.

(5) "Municipality" means a city or town.

~~[(4)]~~ (6) "Nursing care facility" [is-as] means the same as that term is defined in Section 26-21-2.

56 (7) "Political subdivision" means a county, municipality, local district, or special
57 service district.

58 [~~5~~] (8) "Rural city hospital" means a hospital owned by a city that is located within a
59 third, fourth, fifth, or sixth class county.

60 [~~6~~] (9) "Rural county health care facility" means a:

- 61 (a) rural county hospital; or
- 62 (b) rural county nursing care facility.

63 [~~7~~] (10) "Rural county hospital" means a hospital owned by a county that is:

- 64 (a) a third, fourth, fifth, or sixth class county, as defined in Section 17-50-501; and
- 65 (b) located outside of a standard metropolitan statistical area, as designated by the
66 United States Bureau of the Census.

67 [~~8~~] (11) "Rural county nursing care facility" means a nursing care facility owned by:

- 68 (a) a county that is:
 - 69 (i) a third, fourth, fifth, or sixth class county, as defined in Section 17-50-501; and
 - 70 (ii) located outside of a standard metropolitan statistical area, as designated by the
71 United States Census Bureau; or

- 72 (b) a special service district if the special service district is:

- 73 (i) created for the purpose of operating the nursing care facility; and
- 74 (ii) within a county that is:
 - 75 (A) a third, fourth, fifth, or sixth class county, as defined in Section 17-50-501; and
 - 76 (B) located outside of a standard metropolitan statistical area, as designated by the
77 United States Census Bureau.

78 [~~9~~] (12) "Rural emergency medical services" means emergency medical services that
79 are provided by a county that is:

- 80 (a) a [~~fifth~~] third, fourth, fifth, or sixth class county, as defined in Section 17-50-501;
81 and
- 82 (b) located outside of a standard metropolitan statistical area, as designated by the

83 United States Census Bureau.

84 ~~[(+)]~~ (13) "Rural health clinic" ~~[is as]~~ means the same as that term is defined in 42
85 U.S.C. Sec. 1395x.

86 Section 2. Section **59-12-802** is amended to read:

87 **59-12-802. Imposition of rural county health care facilities tax -- Expenditure of**
88 **tax revenue -- Base -- Rate -- Administration, collection, and enforcement of tax --**
89 **Administrative charge.**

90 (1) (a) A county legislative body of ~~[a county of the third, fourth, fifth, or sixth class]~~
91 the following counties may impose a sales and use tax of up to 1% on the transactions
92 described in Subsection **59-12-103**(1) located within the county:

93 (i) a county of the third, fourth, fifth, or sixth class; or

94 (ii) a county of the second class that has:

95 (A) a national park within or partially within the county's boundaries; and

96 (B) two or more state parks within or partially within the county's boundaries.

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

99 (i) for a county described in Subsection (1)(a)(i):

100 ~~[(+)]~~ (A) rural emergency medical services in that county;

101 ~~[(+)]~~ (B) federally qualified health centers in that county;

102 ~~[(+)]~~ (C) freestanding urgent care centers in that county;

103 ~~[(+)]~~ (D) rural county health care facilities in that county;

104 ~~[(+)]~~ (E) rural health clinics in that county; or

105 ~~[(+)]~~ (F) a combination of Subsections (1)(b)(i)(A) through ~~[(+)]~~ (E); and

106 (ii) for a county described in Subsection (1)(a)(ii), emergency medical services that are
107 provided by a political subdivision within that county, subject to Subsection (4)(c).

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

110 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
111 are exempt from taxation under Section 59-12-104;

112 (ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in
113 a city that imposes a tax under Section 59-12-804; and

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

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

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

122 (2) (a) [~~Before~~] Except as provided in Subsection (4)(b), before imposing a tax under
123 Subsection (1), a county legislative body shall obtain approval to impose the tax from a
124 majority of the:

125 (i) members of the county's legislative body; and

126 (ii) county's registered voters voting on the imposition of the tax.

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

129 (3) The money collected from a tax imposed under Subsection (1) may only be used to
130 fund:

131 (a) for a county described in Subsection (1)(a)(i):

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

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

136 [~~(c)~~] (iii) the design, construction, equipping, or furnishing of a center, clinic, or

137 facility described in Subsection (1)(b)(i) within that county; or
138 ~~[(4)]~~ (iv) rural emergency medical services within that county[-]; and
139 (b) for a county described in Subsection (1)(a)(ii), emergency medical services that are
140 provided by a political subdivision within that county, subject to Subsection (4)(c).
141 (4) (a) A county described in Subsection (1)(a)(ii) may impose a tax under this section
142 within a portion of the county if the affected area includes:
143 (i) the entire unincorporated area of the county; and
144 (ii) the entire boundaries of any municipality located within the affected area.
145 (b) Before a county described in Subsection (1)(a)(ii) may impose a tax under this
146 section within a portion of the county, the county legislative body shall obtain approval to
147 impose the tax from a majority of:
148 (i) the members of the county's legislative body;
149 (ii) the county's registered voters within the affected area voting on the imposition of
150 the tax, in an election conducted according to the procedures and requirements of Title 11,
151 Chapter 14, Local Government Bonding Act; and
152 (iii) (A) the members of the legislative body of each municipality located within the
153 affected area; or
154 (B) the members of the governing body of a special service district established under
155 Title 17D, Chapter 1, Special Service District Act, to provide emergency medical services
156 within the affected area.
157 (c) A county described in Subsection (1)(a)(ii) that imposes a tax under this section
158 within a portion of the county in accordance with this Subsection (4) may use the money
159 collected from the tax to fund emergency medical services that are provided by a political
160 subdivision within the affected area.
161 ~~[(4)]~~ (5) (a) A tax under this section shall be:
162 (i) except as provided in Subsection ~~[(4)(b)]~~ (5)(b), administered, collected, and
163 enforced in accordance with:

164 (A) the same procedures used to administer, collect, and enforce the tax under:
165 (I) Part 1, Tax Collection; or
166 (II) Part 2, Local Sales and Use Tax Act; and
167 (B) Chapter 1, General Taxation Policies; and
168 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
169 period by the county legislative body as provided in Subsection (1).

170 (b) A tax under this section is not subject to Subsections 59-12-205(2) through (6).

171 (c) A county legislative body shall distribute money collected from a tax under this
172 section quarterly.

173 [~~5~~] (6) The commission shall retain and deposit an administrative charge in
174 accordance with Section 59-1-306 from the revenue the commission collects from a tax under
175 this section.

176 Section 3. **Effective date.**

177 This bill takes effect on July 1, 2023.