

RURAL COUNTY HEALTH CARE FACILITIES TAX

AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Joseph Elison

Senate Sponsor: _____

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ allows certain second class counties to impose a rural county health care facilities sales and use tax to provide funding for emergency medical services;
- ▶ establishes requirements for a second class county to impose a rural county health care facilities sales and use tax; 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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29 *Be it enacted by the Legislature of the state of Utah:*30 Section 1. Section **59-12-801** is amended to read:31 **59-12-801. Definitions.**

32 As used in this part:

33 (1) "Emergency medical services" is as defined in Section [26-8a-102](#).

34 (2) "Federally qualified health center" is as defined in 42 U.S.C. Sec. 1395x.

35 (3) "Freestanding urgent care center" means a facility that provides outpatient health
36 care service:

37 (a) on an as-needed basis, without an appointment;

38 (b) to the public;

39 (c) for the diagnosis and treatment of a medical condition if that medical condition
40 does not require hospitalization or emergency intervention for a life threatening or potentially
41 permanently disabling condition; and

42 (d) including one or more of the following services:

43 (i) a medical history physical examination;

44 (ii) an assessment of health status; or

45 (iii) treatment:

46 (A) for a variety of medical conditions; and

47 (B) that is commonly offered in a physician's office.

48 (4) "Municipality" means a city or town.49 [~~(4)~~] (5) "Nursing care facility" [is as] means the same as that term is defined in
50 Section [26-21-2](#).51 (6) "Political subdivision" means a county, municipality, local district, or special
52 service district.53 [~~(5)~~] (7) "Rural city hospital" means a hospital owned by a city that is located within a
54 third, fourth, fifth, or sixth class county.55 [~~(6)~~] (8) "Rural county health care facility" means a:

56 (a) rural county hospital; or

57 (b) rural county nursing care facility.

58 [~~(7)~~] (9) "Rural county hospital" means a hospital owned by a county that is:

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

62 [(8)] (10) "Rural county nursing care facility" means a nursing care facility owned by:

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

67 (b) a special service district if the special service district is:

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

73 [(9)] (11) "Rural emergency medical services" means emergency medical services that
 74 are provided by a county that is:

75 (a) a 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 [(10)] (12) "Rural health clinic" is as defined in 42 U.S.C. Sec. 1395x.

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

80 **59-12-802. Imposition of rural county health care facilities tax -- Expenditure of**
 81 **tax revenue -- Base -- Rate -- Administration, collection, and enforcement of tax --**
 82 **Administrative charge.**

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

86 (i) a county of the third, fourth, fifth, or sixth class; or
 87 (ii) a county of the second class that has:
 88 (A) a national park within or partially within the county's boundaries; and
 89 (B) two or more state parks within or partially within the county's boundaries.

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

- 92 (i) for a county described in Subsection (1)(a)(i):
93 [~~(i)~~] (A) rural emergency medical services in that county;
94 [~~(ii)~~] (B) federally qualified health centers in that county;
95 [~~(iii)~~] (C) freestanding urgent care centers in that county;
96 [~~(iv)~~] (D) rural county health care facilities in that county;
97 [~~(v)~~] (E) rural health clinics in that county; or
98 [~~(vi)~~] (F) a combination of Subsections (1)(b)(i)(A) through [~~(v)~~:] (E); and
99 (ii) for a county described in Subsection (1)(a)(ii), emergency medical services that are
100 provided by a political subdivision within that county.

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

- 103 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
104 are exempt from taxation under Section 59-12-104;
105 (ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in
106 a city that imposes a tax under Section 59-12-804; and
107 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and
108 food ingredients.
109 (d) For purposes of this Subsection (1), the location of a transaction shall be
110 determined in accordance with Sections 59-12-211 through 59-12-215.

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

115 (2) (a) Before imposing a tax under Subsection (1), and subject to Subsection (2)(b), a
116 county legislative body shall obtain approval to impose the tax from a majority of [~~the~~]:

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

119 (b) In addition to the approval required in Subsection (2)(a), before a county described
120 in Subsection (1)(a)(ii) may impose a tax under this section, the county legislative body shall

121 obtain approval to impose the tax from a majority of:

122 (i) the members of the legislative body of each municipality located within the county;

123 or

124 (ii) the members of the governing body of a special service district established under
125 Title 17D, Chapter 1, Special Service District Act, to provide emergency medical services
126 within the county.

127 ~~[(b)]~~ (c) ~~[The]~~ A county legislative body shall conduct the election required in
128 Subsection (2)(a) according to the procedures and requirements of Title 11, Chapter 14, Local
129 Government Bonding Act.

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

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

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

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

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

139 ~~[(d)]~~ (iv) rural emergency medical services within that county~~[-]; and~~

140 (b) for a county described in Subsection (1)(a)(ii), emergency medical services that are
141 provided by a political subdivision within that county.

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

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

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

146 (I) Part 1, Tax Collection; or

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

148 (B) Chapter 1, General Taxation Policies; and

149 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
150 period by the county legislative body as provided in Subsection (1).

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

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

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

156 Section 3. **Effective date.**

157 This bill takes effect on July 1, 2023.