

# HB0392S03 compared with HB0392

~~text~~ shows text that was in HB0392 but was deleted in HB0392S03.

text shows text that was not in HB0392 but was inserted into HB0392S03.

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Representative Steve Eliason proposes the following substitute bill:

## RURAL COUNTY HEALTH CARE FACILITIES TAX

### AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Joseph Eliason**

Senate Sponsor: \_\_\_\_\_

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#### 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;
- ▶ 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 ~~sales and use~~ tax within all or a portion of the county to ~~provide funding for~~

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fund emergency medical services;

- ▶ establishes requirements for a second class county to impose a rural county health care facilities ~~{sales and use}~~ 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)]~~ (1) "Affected area" means the portion of a county in which a tax is imposed under Subsection 59-12-802(4).

~~[(2)]~~ (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:

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- (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.

~~(4)~~ ~~(5)~~ "Municipality" means a city or town.

~~(4)~~ ~~(5)~~ ~~(6)~~ "Nursing care facility" ~~[is as]~~ means the same as that term is defined in Section 26-21-2.

~~(6)~~ ~~(7)~~ "Political subdivision" means a county, municipality, local district, or special service district.

~~(5)~~ ~~(7)~~ ~~(8)~~ "Rural city hospital" means a hospital owned by a city that is located within a third, fourth, fifth, or sixth class county.

~~(6)~~ ~~(8)~~ ~~(9)~~ "Rural county health care facility" means a:

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

~~(7)~~ ~~(9)~~ ~~(10)~~ "Rural county hospital" means a hospital owned by a county that is:

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

United States Bureau of the Census.

~~(8)~~ ~~(10)~~ ~~(11)~~ "Rural county nursing care facility" means a nursing care facility owned by:

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

United States Census Bureau; or

- (b) a special service district if the special service district is:
  - (i) created for the purpose of operating the nursing care facility; and
  - (ii) within a county that is:
    - (A) a third, fourth, fifth, or sixth class county, as defined in Section 17-50-501; and
    - (B) located outside of a standard metropolitan statistical area, as designated by the

United States Census Bureau.

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~~[(9)]~~ ~~(~~11~~12)~~ "Rural emergency medical services" means emergency medical services that are provided by a county that is:

(a) a ~~[fifth]~~ third, fourth, fifth, or sixth class county, as defined in Section 17-50-501; and

(b) located outside of a standard metropolitan statistical area, as designated by the United States Census Bureau.

~~[(10)]~~ ~~(~~12~~13)~~ "Rural health clinic" ~~[is as]~~ means the same as that term is defined in 42 U.S.C. Sec. 1395x.

Section 2. 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.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) Notwithstanding Subsection (1)(a), a county legislative body may not impose a tax

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under this section on:

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

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

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

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

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

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

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

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

~~(b) In addition to the approval required in Subsection (2)(a), before a county described in Subsection (1)(a)(ii) may impose a tax under this section, the county legislative body shall obtain approval to impose the tax from a majority of:~~

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

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

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

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

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

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

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

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

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

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

~~— (4) }, subject to Subsection (4)(c).~~

(4) (a) A county described in Subsection (1)(a)(ii) may impose a tax under this section within a portion of the county if the affected area includes:

(i) the entire unincorporated area of the county; and

(ii) the entire boundaries of any municipality located within the affected area.

(b) Before a county described in Subsection (1)(a)(ii) may impose a tax under this section within a portion of the county, the county legislative body shall obtain approval to impose the tax from a majority of:

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

(ii) the county's registered voters within the affected area voting on the imposition of the tax, in an election conducted according to the procedures and requirements of Title 11, Chapter 14, Local Government Bonding Act; and

(iii) (A) the members of the legislative body of each municipality located within the affected area; or

(B) the members of the governing body of a special service district established under Title 17D, Chapter 1, Special Service District Act, to provide emergency medical services within the affected area.

(c) A county described in Subsection (1)(a)(ii) that imposes a tax under this section within a portion of the county in accordance with this Subsection (4) may use the money collected from the tax to fund emergency medical services that are provided by a political subdivision within the affected area.

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~~[(4)]~~ (5) (a) A tax under this section shall be:

(i) except as provided in Subsection ~~[(4)(b)]~~ (5)(b), 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; and

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

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

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

~~[(5)]~~ (6) 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 section.

Section 3. **Effective date.**

This bill takes effect on July 1, 2023.