

**Representative Jeffrey D. Stenquist** proposes the following substitute bill:

**SALES AND USE TAX MODIFICATIONS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jeffrey D. Stenquist**

Senate Sponsor: David P. Hinkins

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**LONG TITLE**

**General Description:**

This bill modifies the uses of the county option Funding for Health Care sales and use tax.

**Highlighted Provisions:**

This bill:

- ▶ amends definitions;
- ▶ authorizes a rural county to use revenue collected from the rural county health care tax to mitigate the impacts of visitors with the county and to forecast for avalanches; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-12-801 (Superseded 07/01/24)**, as last amended by Laws of Utah 2023, Chapters 92, 329



26           **59-12-801 (Effective 07/01/24)**, as last amended by Laws of Utah 2023, Chapters 92,  
27 310 and 329

28           **59-12-802**, as last amended by Laws of Utah 2023, Chapters 92, 471

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

31           Section 1. Section **59-12-801 (Superseded 07/01/24)** is amended to read:

32           **59-12-801 (Superseded 07/01/24). Definitions.**

33           As used in this part:

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

36           (2) "Emergency medical services" means the same as that term is defined in Section  
37 **26B-4-101**.

38           (3) "Federally qualified health center" means the same as that term is defined in 42  
39 U.S.C. Sec. 1395x.

40           (4) "Freestanding urgent care center" means a facility that provides outpatient health  
41 care service:

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

43           (b) to the public;

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

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

48           (i) a medical history physical examination;

49           (ii) an assessment of health status; or

50           (iii) treatment:

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

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

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

54           (6) "Nursing care facility" means the same as that term is defined in Section  
55 **26B-2-201**.

56           (7) "Political subdivision" means a county, municipality, special district, or special

57 service district.

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

60 (9) "Rural county health care facility" means a:

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

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

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

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

83 [~~(13)~~] (12) "Rural health clinic" means the same as that term is defined in 42 U.S.C.  
84 Sec. 1395x.

85 Section 2. Section 59-12-801 (Effective 07/01/24) is amended to read:

86 **59-12-801 (Effective 07/01/24). Definitions.**

87 As used in this part:

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

90 (2) "Emergency medical services" means the same as that term is defined in Section  
91 53-2d-101.

92 (3) "Federally qualified health center" means the same as that term is defined in 42  
93 U.S.C. Sec. 1395x.

94 (4) "Freestanding urgent care center" means a facility that provides outpatient health  
95 care service:

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

97 (b) to the public;

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

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

102 (i) a medical history physical examination;

103 (ii) an assessment of health status; or

104 (iii) treatment:

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

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

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

108 (6) "Nursing care facility" means the same as that term is defined in Section  
109 26B-2-201.

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

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

114 (9) "Rural county health care facility" means a:

115 (a) rural county hospital; or

116 (b) rural county nursing care facility.

117 (10) "Rural county hospital" means a hospital owned by a county that is:

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

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

121 (11) "Rural county nursing care facility" means a nursing care facility owned by:

122 (a) a county that is:

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

124 (ii) located outside of a standard metropolitan statistical area, as designated by the  
125 United States Census Bureau; or

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

127 (i) created for the purpose of operating the nursing care facility; and

128 (ii) within a county that is:

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

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

132 [~~(12) "Rural emergency medical services" means emergency medical services that are  
133 provided by a county that is:~~

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

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

137 [~~(13)~~] (12) "Rural health clinic" means the same as that term is defined in 42 U.S.C.  
138 Sec. 1395x.

139 Section 3. Section 59-12-802 is amended to read:

140 **59-12-802. Imposition of rural county health care tax -- Expenditure of tax**  
141 **revenue -- Base -- Rate -- Administration, collection, and enforcement of tax --**  
142 **Administrative charge.**

143 (1) (a) A county legislative body of the following counties may impose a sales and use  
144 tax of up to 1% on the transactions described in Subsection 59-12-103(1) located within the  
145 county:

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

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

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

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

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

152           ~~[(i) for a county described in Subsection (1)(a)(i):]~~

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

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

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

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

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

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

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

161           ~~[(e)]~~ (b) Notwithstanding Subsection (1)(a), a county legislative body may not impose  
162 a tax under this section on:

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

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

167           (iii) except as provided in Subsection ~~[(1)(e)]~~ (1)(d), amounts paid or charged for food  
168 and food ingredients.

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

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

176           (2) (a) Except as provided in Subsection (4)(b), before imposing a tax under  
177 Subsection (1), a county legislative body shall obtain approval to impose the tax from a  
178 majority of the:

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

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

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

183 (3) ~~[The]~~ A county legislative body may use money collected from a tax imposed under  
184 Subsection (1) ~~[may only be used to fund:]~~ to fund:

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

186 (i) the following costs associated with a federally qualified health center within the  
187 county, a freestanding urgent care center within the county, a rural county health care facility  
188 within the county, or a rural health clinic within the county:

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

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

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

195 ~~[(iv) rural]~~

196 (ii) emergency medical services within [that] the county; [and]

197 (iii) the following activities to mitigate the impacts of visitors within the county:

198 (A) solid waste disposal;

199 (B) search and rescue activities;

200 (C) law enforcement activities; or

201 (D) fire protection services;

202 (iv) avalanche forecasting within the county; or

203 (v) a combination of the activities described in this Subsection (3)(a); and

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

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

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

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

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

212 impose the tax from a majority of:

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

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

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

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

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

226 (5) (a) A tax under this section shall be:

227 (i) except as provided in Subsection (5)(b), administered, collected, and enforced in  
228 accordance with:

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

230 (I) Part 1, Tax Collection; or

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

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

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

235 (b) A tax under this section is not subject to Subsections 59-12-205(2) through (5).

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

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

240 Section 4. **Effective date.**

241 (1) Except as provided in Subsection (2), this bill takes effect on May 1, 2024.

242 (2) The actions affecting Section 59-12-801 (Effective 07/01/24) take effect on July 1,



243 2024.