

# HB0236S01 compared with HB0236

~~{deleted text}~~ shows text that was in HB0236 but was deleted in HB0236S01.

inserted text shows text that was not in HB0236 but was inserted into HB0236S01.

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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: {} \_\_\_\_\_

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### LONG TITLE

#### General Description:

This bill ~~{authorizes a tax on prepared foods sold by a convenience store}~~ modifies the uses of the county option Funding for Health Care sales and use tax.

#### Highlighted Provisions:

This bill:

- ▶ ~~{defines a "rural county" and "convenience store"}~~ amends definitions;
- ▶ authorizes a rural county to ~~{impose a tax equivalent to the restaurant tax on sales of prepared food by a convenience store;~~ provides for the uses of the} use revenue {generated from a tax on prepared food by a convenience store} collected from the

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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:

~~{17-31-5.5}~~59-12-801 (Superseded 07/01/24), as last amended by Laws of Utah 2023,

~~{Chapter 479 — 59-12-602}~~Chapters 92, 329

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

310 and 329

59-12-802, as last amended by Laws of Utah 2023, ~~{Chapter 361 — 59-12-603}~~, as last

amended by  
Laws of  
Utah 2023;  
Chapters  
361, 471 and  
~~439-2-502~~

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*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 written 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; and (D) conventions; (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)(e) 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 as defined in Section 59-12-602: (A) an airport facility; (B)~~

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~~a convention facility; (C) a cultural facility; (D) a recreation facility; and (E) a tourist facility; (iii) mitigation costs as identified in [Subsection] Subsections 59-12-603(2)(b) and (d); and (iv) a pledge as security for evidences of indebtedness under Subsection 59-12-603(3).~~

~~(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) On or before October 1, the county legislative body shall provide a copy of the annual written report described in Subsection (1) for the previous fiscal year 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 59-12-602}~~ **59-12-801 (Superseded 07/01/24)** is amended to read:

~~{59-12-602}~~ **59-12-801 (Superseded 07/01/24). Definitions.**

As used in this part:

(1) ~~{(a) [Subject to Subsection (1)(b), "airport] "Airport facility" means an airport of regional significance, as defined by the Transportation Commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.~~

~~(b) "Airport facility" includes: (i) an appurtenance to an airport, including a fixed guideway that provides transportation service to or from the airport; (ii) a control tower, including a radar system; (iii) a public area of an airport; or (iv) a terminal facility.~~

~~(2) "All-terrain type I vehicle}~~ **"Affected area" means the portion of a county in which a tax is imposed under Subsection 59-12-802(4).**

~~(3) "All-terrain type II vehicle}~~ **"Emergency medical services" means the same as that term is defined in Section {41-22-2}26B-4-101.**

~~(4) "All-terrain type III vehicle}~~ **"Federally qualified health center" means the same as that term is defined in {Section 41-22-2}.**

~~(5) "All-terrain type IV vehicle}~~ **42 U.S.C. Sec. 1395x.**

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(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.

(6) "Nursing care facility" means the same as that term is defined in Section ~~{41-22-2}~~ 26B-2-201.

~~{(5) "Convenience store" means a retail establishment described in NAICS Code 445120, Gasoline Stations without Convenience Stores, or NAICS Code 447110, Gasoline Stations with Convenience Stores, of the 2022 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget. [(5)]~~

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

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

(9) "Rural county health care facility" means ~~{any publicly owned or operated convention center, sports arena, or other facility at which conventions, conferences, and other gatherings are held and whose primary business or function is to host such conventions, conferences, and other gatherings.~~

~~[(6)] (7) "Cultural";~~ a:

(a) rural county hospital; or

(b) rural county nursing care facility.

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(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.

(11) "Rural county nursing care facility" means ~~any publicly owned or operated museum, theater, art center, music hall, or other cultural or arts facility.~~

~~———— [(7)] (8) (a) [Except as provided in Subsection (7)(b), "off-highway] "Off-highway vehicle" means any snowmobile, all-terrain type I vehicle, all-terrain type II vehicle, all-terrain type III vehicle, or motorcycle.~~

~~———— (b) "Off-highway vehicle" does not include a vehicle that is a motor vehicle under Section 41-1a-102.~~

~~———— [(8)] (9) "Motorcycle";~~ 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.

~~———— [(12) "Rural emergency medical services" means emergency medical services that are provided 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 Census Bureau.]~~

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

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

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

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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).

(2) "Emergency medical services" means the same as that term is defined in Section ~~{41-22-2}~~ 53-2d-101.

~~{{(9)} (10) "Recreation facility" or "tourist facility" means any publicly owned or operated park, campground, marina, dock, golf course, water park, historic park, monument, planetarium, zoo, bicycle trails, and other recreation or tourism-related facility.~~

~~—— [(10)] (11) (a) [Except as provided in Subsection (10)(c), "recreational] "Recreational vehicle" means a vehicular unit other than a mobile home, primarily designed as a temporary dwelling for travel, recreational, or vacation use, that is pulled by another vehicle.~~

~~—— (b) "Recreational vehicle" includes: (i) a travel trailer; —— (ii) a camping trailer; and —— (iii) a fifth wheel trailer.~~

~~—— (c) "Recreational vehicle" does not include a vehicle that is a motor vehicle under Section 41-1a-102.~~

~~—— [(11)] (12) (a) "Restaurant" includes any coffee shop, cafeteria, luncheonette, soda fountain, or fast-food service where food is prepared for immediate consumption.~~

~~—— (b) "Restaurant" does not include: —— (i) [any] a retail establishment [whose] for which the primary business or function is the sale of fuel or food items for off-premise, but not immediate, consumption; and —— (ii) a theater that sells food items, but not a dinner theater.~~

~~—— (13) "Rural county" means: (a) a county of the sixth class; —— (b) a county of the fifth class; —— (c) a county of the fourth class; or —— (d) a county with a population density of fewer than 15 people per square mile. —— [(12)] (14) (a) "Short-term rental" means a lease or rental that is 30 days or less.~~

~~—— (b) "Short-term rental" does not include car sharing;} (3) "Federally qualified health center" means the same as that term is defined in {Section 13-48a-101.~~

~~—— [(13)] (15) "Snowmobile"; 42 U.S.C. Sec. 1395x.~~

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

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

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(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.

(6) "Nursing care facility" means the same as that term is defined in Section ~~{41-22-2}~~26B-2-201.

~~{(14)} (16) "Travel trailer," "camping trailer," or "fifth wheel trailer" means a portable vehicle without motive power, designed as a temporary dwelling for travel, recreational, or vacation use that does not require a special highway movement permit when drawn by a self-propelled motor vehicle;}~~(7) "Political subdivision" means a county, municipality, local district, or special service district.

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

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

(a) rural county hospital; or

(b) rural county nursing care facility.

(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.

(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

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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.

[(12) "Rural emergency medical services" means emergency medical services that are provided 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 Census Bureau.]

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

Section 3. Section ~~{59-12-603}~~59-12-802 is amended to read:

~~{59-12-603. County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance required -- Advisory board}~~59-12-802. Imposition of rural county health care tax -- Expenditure of tax revenue -- Base -- Rate -- Administration{-- Collection}; collection, and enforcement of tax -- Administrative charge{-- Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice requirements. (1) (a) In addition to any other taxes, a county legislative body may, as provided in this part, impose a tax as follows: (i) (A) a};

(1) (a) 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 short-term rentals of motor vehicles 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 county legislative body of any county imposing a tax under Subsection (1)(a)(i)(A) may, in addition to imposing the tax under Subsection (1)(a)(i)(A), impose a tax of not to exceed 4% on all short-term rentals of motor vehicles, except for short-term rentals of motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement; (ii) a county legislative body of any county may impose a tax of not to exceed~~

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~~7% on all short-term rentals of off-highway vehicles and recreational vehicles; (iii) a county legislative body of any county may impose a tax of not to exceed 1% of all sales of the following that are sold by a restaurant: (A) alcoholic beverages; (B) food and food ingredients; or (C) prepared food; (iv) 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; (v) beginning on July 1, 2023, if a county legislative body of any county imposes a tax under Subsection (1)(a)(i), a tax at the same rate applies to car sharing, except for: (A) car sharing 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) car sharing for more than 30 days;~~

~~(b) A county legislative body of a rural county may impose a tax of not to exceed 1% on all sales of prepared food that are sold by a convenience store. (c) A tax imposed under this Subsection [(1)(a)] (1) is subject to the audit provisions of Section 17-31-5.5.~~

~~(2) (a) Subject to Subsection (2)(c), a county may use revenue from the imposition of a tax under Subsection (1)(a) 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) (i) In addition to the uses described in Subsection (2)(a) and subject to Subsection (2)(b)(ii), a [county of the] located within the county:~~

~~(i) a county of the third, fourth, fifth, or sixth class {or a county with a population density of fewer than 15 people per square mile} rural county may expend the revenue from the imposition of; 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;]~~

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~~[(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).]~~

~~[(e)] (b) Notwithstanding Subsection (1)(a), a county legislative body may not impose a tax 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 ~~[(+)(e)]~~ (1)(d), amounts paid or charged for food and food ingredients.~~

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

~~[(e)] (d) 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) Except as provided in Subsection (4)(b), before imposing a tax under ~~{Subsections (1)(a)(i) and (ii) on}~~ Subsection (1), a county legislative body shall obtain approval to impose the tax from a majority of the:~~

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

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

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

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

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

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

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

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

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

[(iv) rural]

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

(iii) the following activities to mitigate the impacts of {tourism} visitors within the county:

(A) solid waste disposal;

(B) search and rescue activities;

(C) law enforcement activities; or

~~(D) emergency medical services; or~~ ~~(E) fire protection services;~~

~~(ii) A county may only expend the revenue as outlined in Subsection (2)(b)(i) if the county's tourism tax advisory board created under Subsection 17-31-8(1)(a) has prioritized the use of revenue to mitigate the impacts of tourism.~~

~~(c) 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);~~

(iv) avalanche forecasting 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}; or

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

(b) for a county described in Subsection {59-12-103(1)(i).

~~(d) A rural county may use revenue from the imposition of a tax under Subsection (1)(b) on the following activities to mitigate the impact of tourism: (i) solid waste~~

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~~disposal; (ii) search and rescue activities; (iii) law enforcement activities; (iv) (1)(a)(ii), emergency medical services; or (v) fire protection services. (3) A tax imposed under [this part may] } that are provided by a political subdivision within that county, subject to Subsection (4)(c).~~

~~(4) (a) A county described in Subsection (1)(a) { be pledged as security for bonds, notes, or other evidences of indebtedness incurred by a county, city, or town under} (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, 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) (a) To impose a tax under Subsection (1), the county} ; and~~

~~(iii) (A) the members of the legislative body {shall adopt an ordinance imposing the tax.~~

~~(b) The ordinance under Subsection (4)(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} 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){.~~

~~(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~~

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Section 59-12-106:

~~—— (5) 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) (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;~~ (a)(ii) that imposes a tax under this section within a portion of the county in accordance with this Subsection ~~(6)~~.

~~—— (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)(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) 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).~~

~~—— (7) (a) (i) Except;~~ 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.

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

(i) except as provided in Subsection ~~(7)~~ 5) ~~(a)(ii)~~ b), ~~a tax authorized under this part shall be~~ administered, collected, and enforced in accordance with:

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(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) };~~ 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 ~~{part}~~section is not subject to~~{ Section 59-12-107.1 or 59-12-123 or}~~ Subsections 59-12-205(2) through (5).

~~(b)c~~ (c) ~~{Except as provided in Subsection (7)(c): (i) for}~~ A county legislative body shall distribute money collected from a tax under this ~~{part other than the tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenue to the county imposing the tax; and~~  
~~(ii) for a tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenue according to the distribution formula provided in Subsection (8).~~

~~(c)}~~ section quarterly.

(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 ~~{part.~~

~~(8) The commission shall distribute the revenue generated by the tax under Subsection (1)(a)(i)(B) to each county collecting a tax under Subsection (1)(a)(i)(B) 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) by the total revenue collected by all counties under Subsection (1)(a)(i)(B); 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) by the total population of all counties collecting a tax under Subsection (1)(a)(i)(B).~~

~~(9) (a) For purposes of this Subsection (9): (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)(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~~

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~~beginning on the day on which the commission receives notice meeting the requirements of Subsection (9)(b)(ii) from the county:~~

~~—— (ii) The notice described in Subsection (9)(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)(b)(ii)(A); —— (C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and —— (D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(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), 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), 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)(c), 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)(d)(ii) from the county that annexes the annexing area.~~

~~—— (ii) The notice described in Subsection (9)(d)(i)(B) shall state: —— (A) that the annexation described in Subsection (9)(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)(d)(ii)(A); —— (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and —— (D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(d)(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), 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.~~

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~~—— (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), 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 **63N-2-502 (Contingently Superseded 01/01/25)** is amended to read: **63N-2-502 (Contingently Superseded 01/01/25). 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" means the same as that term is defined in Section 17C-1-102.~~

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

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~~of initial occupancy of that hotel; or (b) as provided in 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 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)] 59-12-603(1); or (e) Section 59-12-1102.~~

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

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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)(e)(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 described in Subsection (29)(b)(i); and (c) that is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act.~~

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~~Section 5. Section 63N-2-502 (Contingently Effective 01/01/25) is amended to read:~~  
~~63N-2-502 (Contingently Effective 01/01/25). 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" means the same as that term is defined in Section 17C-1-102.~~

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

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~~———— (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 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)] 59-12-603(1); 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~~

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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), or (2)(c)(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 described in Subsection (29)(b)(i); and (c) that is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act.~~

~~\_\_\_\_\_ Section 6} section.~~

### Section 4. **Effective date.**

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

(2) The actions affecting Section ~~63N-2-502~~ 59-12-801 (~~Contingently~~) Effective

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~~{01/01/25}~~07/01/24~~{ contingently}~~ take effect on ~~{January}~~July 1, ~~{2025}~~2024.