

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: _____

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.

This bill provides a coordination clause.

Utah Code Sections Affected:

AMENDS:

59-12-801 (Superseded 07/01/24), as last amended by Laws of Utah 2023, Chapters



26 92, 329

27 **59-12-801 (Effective 07/01/24)**, as last amended by Laws of Utah 2023, Chapters 92,
28 310 and 329

29 **59-12-802**, as last amended by Laws of Utah 2023, Chapters 92, 471

30 **Utah Code Sections Affected By Coordination Clause:**

31 **59-12-802**, as last amended by Laws of Utah 2023, Chapters 92, 471



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

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 Section **59-12-801 (Superseded 07/01/24)** is amended to read:

35 **59-12-801 (Superseded 07/01/24). Definitions.**

36 As used in this part:

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

39 (2) "Emergency medical services" means the same as that term is defined in Section
40 **26B-4-101**.

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

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

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

46 (b) to the public;

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

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

51 (i) a medical history physical examination;

52 (ii) an assessment of health status; or

53 (iii) treatment:

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

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

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

57 (6) "Nursing care facility" means the same as that term is defined in Section
58 26B-2-201.

59 (7) "Political subdivision" means a county, municipality, special district, or special
60 service district.

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

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

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

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

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

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

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

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

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

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

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

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

86 [(13)] (12) "Rural health clinic" means the same as that term is defined in 42 U.S.C.
87 Sec. 1395x.

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

89 **59-12-801 (Effective 07/01/24). Definitions.**

90 As used in this part:

91 (1) "Affected area" means the portion of a county in which a tax is imposed under

92 Subsection 59-12-802(4).

93 (2) "Emergency medical services" means the same as that term is defined in Section

94 53-2d-101.

95 (3) "Federally qualified health center" means the same as that term is defined in 42

96 U.S.C. Sec. 1395x.

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

98 care service:

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

100 (b) to the public;

101 (c) for the diagnosis and treatment of a medical condition if that medical condition

102 does not require hospitalization or emergency intervention for a life threatening or potentially

103 permanently disabling condition; and

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

105 (i) a medical history physical examination;

106 (ii) an assessment of health status; or

107 (iii) treatment:

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

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

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

111 (6) "Nursing care facility" means the same as that term is defined in Section

112 26B-2-201.

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

114 service district.

115 (8) "Rural city hospital" means a hospital owned by a city that is located within a third,

116 fourth, fifth, or sixth class county.

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

118 (a) rural county hospital; or

119 (b) rural county nursing care facility.

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

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

122 (b) located outside of a standard metropolitan statistical area, as designated by the

123 United States Bureau of the Census.

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

125 (a) a county that is:

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

127 (ii) located outside of a standard metropolitan statistical area, as designated by the

128 United States Census Bureau; or

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

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

131 (ii) within a county that is:

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

133 (B) located outside of a standard metropolitan statistical area, as designated by the

134 United States Census Bureau.

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

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

138 [~~(b) located outside of a standard metropolitan statistical area, as designated by the~~

139 ~~United States Census Bureau.]~~

140 [(13)] (12) "Rural health clinic" means the same as that term is defined in 42 U.S.C.

141 Sec. 1395x.

142 *The following section is affected by a coordination clause at the end of this bill.*

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

144 **59-12-802. Imposition of rural county health care tax -- Expenditure of tax**

145 **revenue -- Base -- Rate -- Administration, collection, and enforcement of tax --**

146 **Administrative charge.**

147 (1) (a) A county legislative body of the following counties may impose a sales and use

148 tax of up to 1% on the transactions described in Subsection 59-12-103(1) located within the

149 county:

150 (i) a county of the third, fourth, fifth, or sixth class; or
 151 (ii) a county of the second class that has:
 152 (A) a national park within or partially within the county's boundaries; and
 153 (B) two or more state parks within or partially within the county's boundaries.
 154 ~~[(b) Subject to Subsection (3), the money collected from a tax under this section may~~
 155 ~~be used to fund:]~~

156 ~~[(i) for a county described in Subsection (1)(a)(i):]~~
 157 ~~[(A) rural emergency medical services in that county;]~~
 158 ~~[(B) federally qualified health centers in that county;]~~
 159 ~~[(C) freestanding urgent care centers in that county;]~~
 160 ~~[(D) rural county health care facilities in that county;]~~
 161 ~~[(E) rural health clinics in that county; or]~~
 162 ~~[(F) a combination of Subsections (1)(b)(i)(A) through (E); and]~~
 163 ~~[(ii) for a county described in Subsection (1)(a)(ii), emergency medical services that~~
 164 ~~are provided by a political subdivision within that county, subject to Subsection (4)(c):]~~

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

- 167 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
- 168 are exempt from taxation under Section 59-12-104;
- 169 (ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in
- 170 a city that imposes a tax under Section 59-12-804; and
- 171 (iii) except as provided in Subsection ~~[(1)(e)]~~ (1)(d), amounts paid or charged for food
- 172 and food ingredients.

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

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

180 (2) (a) Except as provided in Subsection (4)(b), before imposing a tax under

181 Subsection (1), a county legislative body shall obtain approval to impose the tax from a
182 majority of the:

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

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

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

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

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

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

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

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

199 ~~[(iv) rural]~~

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

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

202 (A) solid waste disposal;

203 (B) search and rescue activities;

204 (C) law enforcement activities; or

205 (D) fire protection services;

206 (iv) avalanche forecasting within the county; or

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

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

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

- 212 (i) the entire unincorporated area of the county; and
213 (ii) the entire boundaries of any municipality located within the affected area.
- 214 (b) Before a county described in Subsection (1)(a)(ii) may impose a tax under this
215 section within a portion of the county, the county legislative body shall obtain approval to
216 impose the tax from a majority of:
- 217 (i) the members of the county's legislative body;
218 (ii) the county's registered voters within the affected area voting on the imposition of
219 the tax, in an election conducted according to the procedures and requirements of Title 11,
220 Chapter 14, Local Government Bonding Act; and
- 221 (iii) (A) the members of the legislative body of each municipality located within the
222 affected area; or
223 (B) the members of the governing body of a special service district established under
224 Title 17D, Chapter 1, Special Service District Act, to provide emergency medical services
225 within the affected area.
- 226 (c) A county described in Subsection (1)(a)(ii) that imposes a tax under this section
227 within a portion of the county in accordance with this Subsection (4) may use the money
228 collected from the tax to fund emergency medical services that are provided by a political
229 subdivision within the affected area.
- 230 (5) (a) A tax under this section shall be:
- 231 (i) except as provided in Subsection (5)(b), administered, collected, and enforced in
232 accordance with:
- 233 (A) the same procedures used to administer, collect, and enforce the tax under:
234 (I) Part 1, Tax Collection; or
235 (II) Part 2, Local Sales and Use Tax Act; and
236 (B) Chapter 1, General Taxation Policies; and
- 237 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
238 period by the county legislative body as provided in Subsection (1).
- 239 (b) A tax under this section is not subject to Subsections 59-12-205(2) through (5).
- 240 (c) A county legislative body shall distribute money collected from a tax under this
241 section quarterly.
- 242 (6) The commission shall retain and deposit an administrative charge in accordance

243 with Section [59-1-306](#) from the revenue the commission collects from a tax under this section.

244 Section 4. **Effective date.**

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

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

247 2024.

248 Section 5. **Coordinating H.B. 236 with H.B. 442.**

249 If H.B. 236, Sales and Use Tax Modifications, and H.B. 442, Local Option Sales Tax

250 Amendments, both pass and become law, the Legislature intends that, on May 1, 2024, Section

251 [59-12-802](#) be amended to read:

252 "(1)(a) A county legislative body of [~~the following counties~~] a county of the third,

253 fourth, fifth, or sixth class may impose a sales and use tax of up to 1% on the transactions

254 described in Subsection [59-12-103](#)(1) located within the county[?].

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

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

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

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

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

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

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

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

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

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

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

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

268 [~~(ii) for a county described in Subsection (1)(a)(ii), emergency medical services that are~~

269 provided by a political subdivision within that county, subject to Subsection (4)(c):]

270 [~~(c)~~] (b) Notwithstanding Subsection (1)(a), a county legislative body may not impose

271 a tax under this section on:

272 (i) the sales and uses described in Section [59-12-104](#) to the extent the sales and uses

273 are exempt from taxation under Section [59-12-104](#);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

304 ~~[(iv) rural]~~

- 305 (b) emergency medical services within [that] the county; [and]
 306 (c) the following activities to mitigate the impacts of visitors within the county:
 307 (i) solid waste disposal;
 308 (ii) search and rescue activities;
 309 (iii) law enforcement activities; or
 310 (iv) fire protection activities;
 311 (d) avalanche forecasting within the county; or
 312 (e) a combination of the activities described in this Subsection (3).

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

315 ~~[(4)(a) A county described in Subsection (1)(a)(ii) may impose a tax under this section~~
 316 ~~within a portion of the county if the affected area includes: (i) the entire unincorporated area of~~
 317 ~~the county; and (ii) the entire boundaries of any municipality located within the affected area.]~~

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

321 ~~[(i) the members of the county's legislative body;]~~

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

325 ~~[(iii)(A) the members of the legislative body of each municipality located within the~~
 326 ~~affected area; or]~~

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

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

334 ~~[(5)] (4)(a) A tax under this section shall be:~~

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

336 enforced in accordance with:

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

338 (I) Part 1, Tax Collection; or

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

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

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

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

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

346 [~~6~~] (5) The commission shall retain and deposit an administrative charge in
347 accordance with Section [59-1-306](#) from the revenue the commission collects from a tax under
348 this section.".