

Representative Ryan D. Wilcox proposes the following substitute bill:

UTAH FAIRPARK AREA INVESTMENT AND RESTORATION

DISTRICT

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ryan D. Wilcox

Senate Sponsor: Lincoln Fillmore

LONG TITLE

General Description:

This bill enacts and modifies provisions relating to the Utah Fairpark Area Investment and Restoration District.

Highlighted Provisions:

This bill:

- ▶ creates the Utah Fairpark Area Investment and Restoration District;
- ▶ provides for the district's powers and duties;
- ▶ defines the district boundary;
- ▶ creates a board to govern the district and provides for board membership;
- ▶ authorizes the district to levy:
 - an energy sales and use tax;
 - a telecommunications license tax;
 - a transient room tax;
 - a resort communities sales and use tax;
 - an additional resort communities sales and use tax; and
 - an accommodations and services tax;
- ▶ provides for an increase in a car rental tax and provides for how the additional



- 26 revenue is to be spent;
- 27 ▶ provides for state-owned land within the district boundary to be subject to a
- 28 privilege tax;
- 29 ▶ expands a prohibition on the imposition of certain impact fees;
- 30 ▶ provides for enhanced property tax revenue to be paid to the district and to the host
- 31 municipality;
- 32 ▶ specifies the use of district funds;
- 33 ▶ authorizes the district to adopt one or more project area plans, including a project
- 34 area, with the consent of the property owner, for the development and construction
- 35 of a qualified stadium;
- 36 ▶ provides for the district to own the land on which a qualified stadium is build and to
- 37 own the qualified stadium;
- 38 ▶ provides a maximum for district contributions for the development and construction
- 39 of a qualified stadium;
- 40 ▶ provides for the district to receive certain state sales tax revenues generated from
- 41 transactions within the district sales tax area;
- 42 ▶ provides a sales tax exemption for construction materials used for the construction
- 43 of a qualified stadium;
- 44 ▶ modifies provisions relating to the State Fair Park Authority;
- 45 ▶ authorizes the district board to approve loans from an infrastructure loan fund;
- 46 ▶ makes technical and conforming changes; and
- 47 ▶ encourages the use of a jail facility.

48 **Utah Fairpark Area Investment and Restoration District Boundary Information:**

49 The boundary information for the Utah Fairpark Area Investment and Restoration

50 District boundary:

- 51 ▶ is delineated in a shapefile that:
- 52 • is enacted as part of this bill in electronic form;
- 53 • may be found at: https://le.utah.gov/~2024/documents/HB0562_shapefile.zip;
- 54 and
- 55 • has the following electronic file security code:
- 56 cf4d4953297c3ea4c936028b7c89e3c0; and

57 ▶ is also depicted in a format that:

58 • is intended to be more accessible to the general public and is provided for
59 informational purposes only;

60 • shows the boundary as delineated in the shapefile, but is not enacted as part of
61 this bill; and

62 • may be found at:

63 https://www.google.com/maps/d/edit?mid=140hCtPp_tbgfo4lm2PFBCipH5bJmFTs.

64

65 **Money Appropriated in this Bill:**

66 None

67 **Other Special Clauses:**

68 This bill provides a special effective date.

69 **Utah Code Sections Affected:**

70 AMENDS:

71 **10-1-203**, as last amended by Laws of Utah 2022, Chapter 306

72 **10-1-303**, as last amended by Laws of Utah 2021, Chapter 210

73 **10-1-304**, as last amended by Laws of Utah 2022, Chapter 237

74 **10-1-310**, as enacted by Laws of Utah 1996, Chapter 280

75 **10-1-403**, as last amended by Laws of Utah 2021, Chapter 414

76 **11-36a-202**, as last amended by Laws of Utah 2023, Chapter 502

77 **11-68-201**, as renumbered and amended by Laws of Utah 2023, Chapter 502

78 **11-68-202**, as renumbered and amended by Laws of Utah 2023, Chapter 502

79 **11-68-403**, as renumbered and amended by Laws of Utah 2023, Chapter 502

80 **11-68-502**, as enacted by Laws of Utah 2023, Chapter 502

81 **17-22-5.5**, as last amended by Laws of Utah 2022, Chapter 115

82 **17D-4-102**, as last amended by Laws of Utah 2023, Chapter 15

83 **59-2-924**, as last amended by Laws of Utah 2023, Chapter 502

84 **59-4-101**, as last amended by Laws of Utah 2023, Chapter 502

85 **59-12-103 (Contingently Superseded 01/01/25)**, as last amended by Laws of Utah

86 2023, Chapters 22, 213, 329, 361, and 471

87 **59-12-103 (Contingently Effective 01/01/25)**, as last amended by Laws of Utah 2023,

88 Chapters 22, 213, 329, 361, 459, and 471

89 **59-12-104**, as last amended by Laws of Utah 2023, Chapters 213, 518

90 **59-12-352**, as last amended by Laws of Utah 2023, Chapter 263

91 **59-12-354**, as last amended by Laws of Utah 2023, Chapters 263, 471

92 **59-12-401**, as last amended by Laws of Utah 2021, Chapter 414

93 **59-12-402**, as last amended by Laws of Utah 2023, Chapter 435

94 **59-12-1201**, as last amended by Laws of Utah 2023, Chapters 361, 471

95 **63A-3-401.5**, as last amended by Laws of Utah 2023, Chapter 259

96 **63A-3-402**, as last amended by Laws of Utah 2023, Chapter 259

97 **63A-5b-902**, as last amended by Laws of Utah 2023, Chapter 263

98 **63C-25-101**, as last amended by Laws of Utah 2023, Chapters 91, 139 and 502

99 **63C-25-202**, as last amended by Laws of Utah 2023, Chapter 91

100 ENACTS:

101 **11-70-101**, Utah Code Annotated 1953

102 **11-70-102**, Utah Code Annotated 1953

103 **11-70-103**, Utah Code Annotated 1953

104 **11-70-104**, Utah Code Annotated 1953

105 **11-70-201**, Utah Code Annotated 1953

106 **11-70-202**, Utah Code Annotated 1953

107 **11-70-203**, Utah Code Annotated 1953

108 **11-70-204**, Utah Code Annotated 1953

109 **11-70-205**, Utah Code Annotated 1953

110 **11-70-206**, Utah Code Annotated 1953

111 **11-70-207**, Utah Code Annotated 1953

112 **11-70-301**, Utah Code Annotated 1953

113 **11-70-302**, Utah Code Annotated 1953

114 **11-70-303**, Utah Code Annotated 1953

115 **11-70-304**, Utah Code Annotated 1953

116 **11-70-305**, Utah Code Annotated 1953

117 **11-70-401**, Utah Code Annotated 1953

118 **11-70-402**, Utah Code Annotated 1953

- 119 **11-70-403**, Utah Code Annotated 1953
- 120 **11-70-501**, Utah Code Annotated 1953
- 121 **11-70-502**, Utah Code Annotated 1953
- 122 **11-70-503**, Utah Code Annotated 1953
- 123 **11-70-504**, Utah Code Annotated 1953
- 124 **11-70-505**, Utah Code Annotated 1953
- 125 **11-70-506**, Utah Code Annotated 1953
- 126 **11-70-601**, Utah Code Annotated 1953
- 127 **11-70-602**, Utah Code Annotated 1953
- 128 **11-70-603**, Utah Code Annotated 1953
- 129 **11-70-604**, Utah Code Annotated 1953
- 130 **11-70-605**, Utah Code Annotated 1953
- 131 **11-70-701**, Utah Code Annotated 1953
- 132 **11-70-702**, Utah Code Annotated 1953
- 133 **11-70-703**, Utah Code Annotated 1953
- 134 **11-70-704**, Utah Code Annotated 1953
- 135 **11-70-801**, Utah Code Annotated 1953

136 REPEALS:

- 137 **11-68-401**, as enacted by Laws of Utah 2023, Chapter 502
- 138 **11-68-402**, as renumbered and amended by Laws of Utah 2023, Chapter 502
- 139 **59-12-2301**, as enacted by Laws of Utah 2023, Chapter 502
- 140 **59-12-2302**, as enacted by Laws of Utah 2023, Chapter 502
- 141 **59-12-2303**, as enacted by Laws of Utah 2023, Chapter 502
- 142 **59-12-2304**, as enacted by Laws of Utah 2023, Chapter 502
- 143 **59-12-2305**, as enacted by Laws of Utah 2023, Chapter 502

144

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

146 Section 1. Section **10-1-203** is amended to read:

147 **10-1-203. License fees and taxes -- Application information to be transmitted to**
148 **the county assessor.**

149 (1) As used in this section:

150 (a) "Business" means any enterprise carried on for the purpose of gain or economic
151 profit, except that the acts of employees rendering services to employers are not included in
152 this definition.

153 (b) "Telecommunications provider" means the same as that term is defined in Section
154 [10-1-402](#).

155 (c) "Telecommunications tax or fee" means the same as that term is defined in Section
156 [10-1-402](#).

157 (2) Except as provided in Subsections (3) through (5) and Subsection (7), the
158 legislative body of a municipality may license for the purpose of regulation any business within
159 the limits of the municipality, may regulate that business by ordinance, and may impose fees on
160 businesses to recover the municipality's costs of regulation.

161 (3) (a) The legislative body of a municipality may raise revenue by levying and
162 collecting a municipal energy sales or use tax as provided in Part 3, Municipal Energy Sales
163 and Use Tax Act, except a municipality may not levy or collect a franchise tax or fee on an
164 energy supplier other than the municipal energy sales and use tax provided in Part 3, Municipal
165 Energy Sales and Use Tax Act.

166 (b) (i) Subsection (3)(a) does not affect the validity of a franchise agreement as defined
167 in Subsection [~~10-1-303(6)~~] [10-1-303\(7\)](#), that is in effect on July 1, 1997, or a future franchise.

168 (ii) A franchise agreement as defined in Subsection [~~10-1-303(6)~~] [10-1-303\(7\)](#) in effect
169 on January 1, 1997, or a future franchise shall remain in full force and effect.

170 (c) A municipality that collects a contractual franchise fee pursuant to a franchise
171 agreement as defined in Subsection [~~10-1-303(6)~~] [10-1-303\(7\)](#) with an energy supplier that is
172 in effect on July 1, 1997, may continue to collect that fee as provided in Subsection
173 [10-1-310\(2\)](#).

174 (d) (i) Subject to the requirements of Subsection (3)(d)(ii), a franchise agreement as
175 defined in Subsection [~~10-1-303(6)~~] [10-1-303\(7\)](#) between a municipality and an energy
176 supplier may contain a provision that:

177 (A) requires the energy supplier by agreement to pay a contractual franchise fee that is
178 otherwise prohibited under Part 3, Municipal Energy Sales and Use Tax Act; and

179 (B) imposes the contractual franchise fee on or after the day on which Part 3,
180 Municipal Energy Sales and Use Tax Act is:

181 (I) repealed, invalidated, or the maximum allowable rate provided in Section 10-1-305
182 is reduced; and

183 (II) not superseded by a law imposing a substantially equivalent tax.

184 (ii) A municipality may not charge a contractual franchise fee under the provisions
185 permitted by Subsection (3)(b)(i) unless the municipality charges an equal contractual franchise
186 fee or a tax on all energy suppliers.

187 (4) (a) Subject to Subsection (4)(b), beginning July 1, 2004, the legislative body of a
188 municipality may raise revenue by levying and providing for the collection of a municipal
189 telecommunications license tax as provided in Part 4, Municipal Telecommunications License
190 Tax Act.

191 (b) A municipality may not levy or collect a telecommunications tax or fee on a
192 telecommunications provider except as provided in Part 4, Municipal Telecommunications
193 License Tax Act.

194 (5) (a) (i) The legislative body of a municipality may by ordinance raise revenue by
195 levying and collecting a license fee or tax on:

196 (A) a parking service business in an amount that is less than or equal to:

197 (I) \$1 per vehicle that parks at the parking service business; or

198 (II) 2% of the gross receipts of the parking service business;

199 (B) a public assembly or other related facility in an amount that is less than or equal to
200 \$5 per ticket purchased from the public assembly or other related facility; and

201 (C) subject to the limitations of Subsections (5)(c) and (d):

202 (I) a business that causes disproportionate costs of municipal services; or

203 (II) a purchaser from a business for which the municipality provides an enhanced level
204 of municipal services.

205 (ii) Nothing in this Subsection (5)(a) may be construed to authorize a municipality to
206 levy or collect a license fee or tax on a public assembly or other related facility owned and
207 operated by another political subdivision other than a community reinvestment agency without
208 the written consent of the other political subdivision.

209 (b) As used in this Subsection (5):

210 (i) "Municipal services" includes:

211 (A) public utilities; and

- 212 (B) services for:
- 213 (I) police;
- 214 (II) fire;
- 215 (III) storm water runoff;
- 216 (IV) traffic control;
- 217 (V) parking;
- 218 (VI) transportation;
- 219 (VII) beautification; or
- 220 (VIII) snow removal.
- 221 (ii) "Parking service business" means a business:
- 222 (A) that primarily provides off-street parking services for a public facility that is
- 223 wholly or partially funded by public money;
- 224 (B) that provides parking for one or more vehicles; and
- 225 (C) that charges a fee for parking.
- 226 (iii) "Public assembly or other related facility" means an assembly facility that:
- 227 (A) is wholly or partially funded by public money;
- 228 (B) is operated by a business; and
- 229 (C) requires a person attending an event at the assembly facility to purchase a ticket.
- 230 (c) (i) Before the legislative body of a municipality imposes a license fee on a business
- 231 that causes disproportionate costs of municipal services under Subsection (5)(a)(i)(C)(I), the
- 232 legislative body of the municipality shall adopt an ordinance defining for purposes of the tax
- 233 under Subsection (5)(a)(i)(C)(I):
- 234 (A) the costs that constitute disproportionate costs; and
- 235 (B) the amounts that are reasonably related to the costs of the municipal services
- 236 provided by the municipality.
- 237 (ii) The amount of a fee under Subsection (5)(a)(i)(C)(I) shall be reasonably related to
- 238 the costs of the municipal services provided by the municipality.
- 239 (d) (i) Before the legislative body of a municipality imposes a license fee on a
- 240 purchaser from a business for which it provides an enhanced level of municipal services under
- 241 Subsection (5)(a)(i)(C)(II), the legislative body of the municipality shall adopt an ordinance
- 242 defining for purposes of the fee under Subsection (5)(a)(i)(C)(II):

243 (A) the level of municipal services that constitutes the basic level of municipal services
244 in the municipality; and

245 (B) the amounts that are reasonably related to the costs of providing an enhanced level
246 of municipal services in the municipality.

247 (ii) The amount of a fee under Subsection (5)(a)(i)(C)(II) shall be reasonably related to
248 the costs of providing an enhanced level of the municipal services.

249 (6) All license fees and taxes shall be uniform in respect to the class upon which they
250 are imposed.

251 (7) A municipality may not:

252 (a) require a license or permit for a business that is operated:

253 (i) only occasionally; and

254 (ii) by an individual who is under 18 years old;

255 (b) charge any fee for a resident of the municipality to operate a home-based business,
256 unless the combined offsite impact of the home-based business and the primary residential use
257 materially exceeds the offsite impact of the primary residential use alone;

258 (c) require, as a condition of obtaining or maintaining a license or permit for a
259 business:

260 (i) that an employee or agent of a business complete education, continuing education,
261 or training that is in addition to requirements under state law or state licensing requirements; or

262 (ii) that a business disclose financial information, inventory amounts, or proprietary
263 business information, except as specifically authorized under state or federal law.

264 (8) (a) Notwithstanding Subsection (7)(b), a municipality may charge an administrative
265 fee for a license to a home-based business owner who is otherwise exempt under Subsection
266 (7)(b) but who requests a license from the municipality.

267 (b) A municipality shall notify the owner of each home-based business of the
268 exemption described in Subsection (7)(b) in any communication with the owner.

269 (9) The municipality shall transmit the information from each approved business
270 license application to the county assessor within 60 days following the approval of the
271 application.

272 (10) If challenged in court, an ordinance enacted by a municipality before January 1,
273 1994, imposing a business license fee on rental dwellings under this section shall be upheld

274 unless the business license fee is found to impose an unreasonable burden on the fee payer.

275 Section 2. Section **10-1-303** is amended to read:

276 **10-1-303. Definitions.**

277 As used in this part:

278 (1) "Commission" means the State Tax Commission.

279 (2) "Contractual franchise fee" means:

280 (a) a fee:

281 (i) provided for in a franchise agreement; and

282 (ii) that is consideration for the franchise agreement; or

283 (b) (i) a fee similar to Subsection (2)(a); or

284 (ii) any combination of Subsections (2)(a) and (b).

285 (3) (a) "Delivered value" means the fair market value of the taxable energy delivered

286 for sale or use in the municipality and includes:

287 (i) the value of the energy itself; and

288 (ii) any transportation, freight, customer demand charges, services charges, or other

289 costs typically incurred in providing taxable energy in usable form to each class of customer in

290 the municipality.

291 (b) "Delivered value" does not include the amount of a tax paid under:

292 (i) Title 59, Chapter 12, Sales and Use Tax Act; or

293 (ii) this part.

294 (4) "De minimis amount" means an amount of taxable energy that does not exceed the

295 greater of:

296 (a) 5% of the energy supplier's estimated total Utah gross receipts from sales of

297 property or services; or

298 (b) \$10,000.

299 (5) "Energy supplier" means a person supplying taxable energy, except that the

300 commission may by rule exclude from this definition a person supplying a de minimis amount

301 of taxable energy.

302 (6) "Fairpark district" means the Utah Fairpark Area Investment and Restoration

303 District, created in Section [11-70-201](#).

304 [~~(6)~~] (7) "Franchise agreement" means a franchise or an ordinance, contract, or

305 agreement granting a franchise.

306 ~~[(7)]~~ (8) "Franchise tax" means:

307 (a) a franchise tax;

308 (b) a tax similar to a franchise tax; or

309 (c) any combination of Subsections ~~[(7)(a)]~~ (8)(a) and (b).

310 (9) "Military authority" means the Military Installation Development Authority, created
311 in Section 63H-1-201.

312 ~~[(8)]~~ (10) "Municipality" means a city, town, or metro township.

313 ~~[(9)]~~ (11) "Person" is as defined in Section 59-12-102.

314 (12) "Point of the mountain authority" means the Point of the Mountain State Land
315 Authority, created in Section 11-59-201.

316 ~~[(10)]~~ (13) "Taxable energy" means gas and electricity.

317 Section 3. Section 10-1-304 is amended to read:

318 **10-1-304. Energy sales and use tax -- Rate -- Imposition or repeal of tax -- Tax**
319 **rate change -- Effective date -- Notice requirements -- Exemptions.**

320 (1) (a) Except as provided in Subsections (4) and (5), a municipality may levy a
321 municipal energy sales and use tax on the sale or use of taxable energy within the municipality:

322 (i) by ordinance as provided in Section 10-1-305; and

323 (ii) of up to 6% of the delivered value of the taxable energy.

324 (b) Subject to Section 63H-1-203, the military [~~installation development~~] authority
325 [~~created in Section 63H-1-201~~] may levy a municipal energy sales and use tax under this part
326 within a project area described in a project area plan adopted by the military authority under
327 Title 63H, Chapter 1, Military Installation Development Authority Act, as though the military
328 authority were a municipality.

329 (c) (i) Beginning July 1, 2022, the [~~Point of the Mountain State Land Authority, created~~
330 ~~in Section 11-59-201;~~] point of the mountain authority may by resolution levy a municipal

331 energy sales and use tax under this part within the area that constitutes the point of the

332 mountain state land, as defined in Section 11-59-102, as though the [~~Point of the Mountain~~

333 ~~State Land Authority~~] point of the mountain authority were a municipality.

334 (ii) The [~~Point of the Mountain State Land Authority's~~] point of the mountain

335 authority's adoption of a resolution under Subsection (1)(c)(i) that otherwise complies with the

336 requirements under this part applicable to an ordinance is considered the equivalent of adopting
337 an ordinance under this part.

338 (d) (i) Beginning October 1, 2024, the fairpark district may by resolution levy a
339 municipal energy sales and use tax under this part within the district sales tax area, as defined
340 in Section 11-70-101, as though the fairpark district were a municipality.

341 (ii) The fairpark district's adoption of a resolution under Subsection (1)(d)(i) that
342 otherwise complies with the requirements under this part applicable to an ordinance is
343 considered the equivalent of adopting an ordinance under this part.

344 (2) A municipal energy sales and use tax imposed under this part may be in addition to
345 any sales and use tax imposed by the municipality under Title 59, Chapter 12, Sales and Use
346 Tax Act.

347 (3) (a) For purposes of this Subsection (3):

348 (i) "Annexation" means an annexation to a municipality under Chapter 2, Part 4,
349 Annexation.

350 (ii) "Annexing area" means an area that is annexed into a municipality.

351 (b) (i) If, on or after May 1, 2000, a city or town enacts or repeals a tax or changes the
352 rate of a tax under this part, the enactment, repeal, or change shall take effect:

353 (A) on the first day of a calendar quarter; and

354 (B) after a 90-day period beginning on the date the commission receives notice meeting
355 the requirements of Subsection (3)(b)(ii) from the municipality.

356 (ii) The notice described in Subsection (3)(b)(i)(B) shall state:

357 (A) that the city or town will enact or repeal a tax or change the rate of a tax under this
358 part;

359 (B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);

360 (C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and

361 (D) if the city or town enacts the tax or changes the rate of the tax described in
362 Subsection (3)(b)(ii)(A), the new rate of the tax.

363 (c) (i) If, for an annexation that occurs on or after May 1, 2000, the annexation will
364 result in a change in the rate of a tax under this part for an annexing area, the change shall take
365 effect:

366 (A) on the first day of a calendar quarter; and

367 (B) after a 90-day period beginning on the date the commission receives notice meeting
368 the requirements of Subsection (3)(c)(ii) from the municipality that annexes the annexing area.

369 (ii) The notice described in Subsection (3)(c)(i)(B) shall state:

370 (A) that the annexation described in Subsection (3)(c)(i) will result in a change in the
371 rate of a tax under this part for the annexing area;

372 (B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);

373 (C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and

374 (D) the new rate of the tax described in Subsection (3)(c)(ii)(A).

375 (4) (a) Subject to Subsection (4)(b), a sale or use of electricity within a municipality is
376 exempt from the tax authorized by this section if the sale or use is made under a tariff adopted
377 by the Public Service Commission of Utah only for purchase of electricity produced from a
378 new source of alternative energy, as defined in Section [59-12-102](#), as designated in the tariff by
379 the Public Service Commission of Utah.

380 (b) The exemption under Subsection (4)(a) applies to the portion of the tariff rate a
381 customer pays under the tariff described in Subsection (4)(a) that exceeds the tariff rate under
382 the tariff described in Subsection (4)(a) that the customer would have paid absent the tariff.

383 (5) (a) A municipality may not levy a municipal energy sales and use tax:

384 (i) within any portion of the municipality that is within a project area described in a
385 project area plan adopted by the military [~~installation development~~] authority under Title 63H,
386 Chapter 1, Military Installation Development Authority Act; [~~or~~]

387 (ii) on or after July 1, 2022, within the point of the mountain state land, as defined in
388 Section [11-59-102](#)[~~-~~]; or

389 (iii) on or after October 1, 2024, within the district sales tax area, as defined in Section
390 [11-70-101](#).

391 (b) Subsection (5)(a) does not apply to:

392 (i) the military [~~installation development~~] authority's levy of a municipal energy sales
393 and use tax; [~~or~~]

394 (ii) the [~~Point of the Mountain State Land Authority's~~] point of the mountain authority's
395 levy of a municipal energy sales and use tax[~~-~~]; or

396 (iii) the fairpark district's levy of a municipal energy sales and use tax.

397 (6) A tax levied under this part by the military authority, point of the mountain

398 authority, or fairpark district shall be administered and collected on behalf of and paid to the
399 military authority, point of the mountain authority, or fairpark district, respectively, in the same
400 way that a tax levied under this part by a municipality is administered and collected on behalf
401 of and paid to the municipality.

402 Section 4. Section **10-1-310** is amended to read:

403 **10-1-310. Existing energy franchise taxes or contractual franchise fees.**

404 (1) Except as authorized in Subsection (2), Section [59-12-203](#), or Section [10-1-304](#), a
405 municipality may not:

406 (a) impose on, charge, or collect a franchise tax or contractual a franchise fee from an
407 energy supplier; or

408 (b) collect a franchise tax or contractual franchise fee pursuant to a franchise agreement
409 in effect on July 1, 1997.

410 (2) A municipality that collects a contractual franchise fee from an energy supplier
411 pursuant to a franchise agreement in effect on July 1, 1997, may continue to collect that fee at
412 the same rate for the remaining term of the franchise agreement, except the municipality shall
413 provide a credit against the municipal energy sales and use tax in the amount of the contractual
414 franchise fee paid by the energy supplier pursuant to Subsection [10-1-305](#)(5).

415 (3) (a) Subject to the requirements of Subsection (3)(b), a franchise agreement as
416 defined in Subsection [~~[10-1-303](#)~~(6)] [10-1-303](#)(7) between a municipality and an energy
417 supplier may contain a provision that:

418 (i) requires the energy supplier by agreement to pay a contractual franchise fee that is
419 otherwise prohibited under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax
420 Act; and

421 (ii) imposes the contractual franchise fee on or after the day on which Title 10, Chapter
422 1, Part 3, Municipal Energy Sales and Use Tax Act is:

423 (A) repealed, invalidated, or the maximum allowable rate provided in Section [10-1-304](#)
424 is reduced; and

425 (B) is not superseded by a law imposing a substantially equivalent tax.

426 (b) A municipality may not charge a contractual franchise fee under the provisions
427 permitted by Subsection (3)(a) unless the municipality charges an equal contractual franchise
428 fee or a tax on all energy suppliers.

429 (4) This section may not affect the validity of any existing or future franchise
430 agreement and any franchise agreement effective on July 1, 1997, shall remain in full force and
431 effect, unless otherwise terminated or altered by agreement or applicable law.

432 Section 5. Section **10-1-403** is amended to read:

433 **10-1-403. Levy of telecommunications license tax -- Recovery from customers --**
434 **Enactment, repeal, or change in rate of tax -- Annexation.**

435 (1) (a) (i) Subject to the provisions of this section, beginning July 1, 2004, a
436 municipality may levy on and provide that there is collected from a telecommunications
437 provider a municipal telecommunications license tax on the telecommunications provider's
438 gross receipts from telecommunications service that are attributed to the municipality in
439 accordance with Section [10-1-407](#).

440 (ii) Subject to Section [63H-1-203](#), the military installation development authority
441 created in Section [63H-1-201](#) may levy and collect a municipal telecommunications license tax
442 under this part for telecommunications service provided within a project area described in a
443 project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation
444 Development Authority Act, as though the authority were a municipality.

445 (iii) Beginning October 1, 2024, the Utah Fairpark Area Investment and Restoration
446 District, created in Section [11-70-201](#), may levy and collect a municipal telecommunications
447 license tax under this part for telecommunications service provided within the district sales tax
448 area, as defined in Section [11-70-101](#), to the same extent and in the same manner that a
449 municipality is authorized to levy and collect a municipal telecommunications license tax
450 under this part.

451 (b) To levy and provide for the collection of a municipal telecommunications license
452 tax under this part, the municipality shall adopt an ordinance that complies with the
453 requirements of Section [10-1-404](#).

454 (c) Beginning on July 1, 2007, a municipal telecommunications license tax imposed
455 under this part shall be at a rate of up to 3.5% of the telecommunications provider's gross
456 receipts from telecommunications service that are attributed to the municipality in accordance
457 with Section [10-1-407](#).

458 (2) A telecommunications provider may recover the amounts paid in municipal
459 telecommunications license taxes from the customers of the telecommunications provider

460 within the municipality imposing the municipal telecommunications license tax through a
461 charge that is separately identified in the statement of the transaction with the customer as the
462 recovery of a tax.

463 (3) (a) For purposes of this Subsection (3):

464 (i) "Annexation" means an annexation to a municipality under Title 10, Chapter 2, Part
465 4, Annexation.

466 (ii) "Annexing area" means an area that is annexed into a municipality.

467 (b) (i) If, on or after July 1, 2004, a municipality enacts or repeals a tax or changes the
468 rate of the tax under this part, the enactment, repeal, or change shall take effect:

469 (A) on the first day of a calendar quarter; and

470 (B) after a 90-day period beginning on the date the commission receives notice meeting
471 the requirements of Subsection (3)(b)(ii) from the municipality.

472 (ii) The notice described in Subsection (3)(b)(i)(B) shall state:

473 (A) that the municipality will enact or repeal a tax under this part or change the rate of
474 the tax;

475 (B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);

476 (C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and

477 (D) if the municipality enacts the municipal telecommunications license tax or changes
478 the rate of the tax, the new rate of the tax.

479 (c) (i) If, for an annexation that occurs on or after July 1, 2004, the annexation will
480 result in a change in the rate of the tax under this part for an annexing area, the change shall
481 take effect:

482 (A) on the first day of a calendar quarter; and

483 (B) after a 90-day period beginning on the date the commission receives notice meeting
484 the requirements of Subsection (3)(c)(ii) from the municipality that annexes the annexing area.

485 (ii) The notice described in Subsection (3)(c)(i)(B) shall state:

486 (A) that the annexation described in Subsection (3)(c)(i) will result in a change in the
487 rate of a tax under this part for the annexing area;

488 (B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);

489 (C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and

490 (D) the new rate of the tax described in Subsection (3)(c)(ii)(A).

491 (4) Notwithstanding Subsection (3)(b), for purposes of a change in a municipal
492 telecommunications license tax rate that takes effect on July 1, 2007, a municipality is not
493 subject to the notice requirements of Subsection (3)(b) if:

494 (a) on June 30, 2007, the municipality has in effect an ordinance that levies a municipal
495 telecommunications license tax at a rate that exceeds 3.5%; and

496 (b) on July 1, 2007, the municipality has in effect an ordinance that levies a municipal
497 telecommunications license tax at a rate of 3.5%.

498 (5) Notwithstanding Subsection (3)(b), for purposes of a change in a municipal
499 telecommunications license tax rate that takes effect on July 1, 2007, the 90-day period
500 described in Subsection (3)(b)(i)(B) is considered to be a 30-day period if:

501 (a) on June 30, 2007, the municipality has in effect an ordinance that levies a municipal
502 telecommunications license tax at a rate that exceeds 3.5%; and

503 (b) on July 1, 2007, the municipality has in effect an ordinance that levies a municipal
504 telecommunications license tax at a rate that is less than 3.5%.

505 (6) (a) (i) A municipality may not levy or collect a municipal telecommunications
506 license tax for telecommunications service provided within any portion of the municipality that
507 is within a project area described in a project area plan adopted by the military installation
508 development authority under Title 63H, Chapter 1, Military Installation Development
509 Authority Act.

510 (ii) Beginning October 1, 2024, a municipality may not levy or collect a municipal
511 telecommunications license fee for telecommunications service provided within any portion of
512 the municipality that is within the district sales tax area, as defined in Section [11-70-101](#).

513 (b) Subsection (6)(a) does not apply to:

514 (i) the military installation development authority's levy of a municipal
515 telecommunications license tax[-]; or

516 (ii) the levy of a municipal telecommunications license tax by the Utah Fairpark Area
517 Investment and Restoration District, created in Section [11-70-201](#).

518 (7) (a) The State Tax Commission shall provide to the military installation
519 development authority the collection data necessary to verify that revenue collected by the State
520 Tax Commission is distributed to the military installation development authority in accordance
521 with this part.

522 (b) The data described in Subsection (7)(a) shall include the State Tax Commission's
523 breakdown of military installation development authority revenue, including reports of
524 collections and distributions.

525 Section 6. Section **11-36a-202** is amended to read:

526 **11-36a-202. Prohibitions on impact fees.**

527 (1) A local political subdivision or private entity may not:

528 (a) impose an impact fee to:

529 (i) cure deficiencies in a public facility serving existing development;

530 (ii) raise the established level of service of a public facility serving existing
531 development; or

532 (iii) recoup more than the local political subdivision's or private entity's costs actually
533 incurred for excess capacity in an existing system improvement;

534 (b) delay the construction of a school or charter school because of a dispute with the
535 school or charter school over impact fees; or

536 (c) impose or charge any other fees as a condition of development approval unless
537 those fees are a reasonable charge for the service provided.

538 (2) (a) Notwithstanding any other provision of this chapter, a political subdivision or
539 private entity may not impose an impact fee:

540 (i) on residential components of development to pay for a public safety facility that is a
541 fire suppression vehicle;

542 (ii) on a school district or charter school for a park, recreation facility, open space, or
543 trail;

544 (iii) on a school district or charter school unless:

545 (A) the development resulting from the school district's or charter school's
546 development activity directly results in a need for additional system improvements for which
547 the impact fee is imposed; and

548 (B) the impact fee is calculated to cover only the school district's or charter school's
549 proportionate share of the cost of those additional system improvements;

550 (iv) to the extent that the impact fee includes a component for a law enforcement
551 facility, on development activity for:

552 (A) the Utah National Guard;

553 (B) the Utah Highway Patrol; or
554 (C) a state institution of higher education that has its own police force;
555 (v) on development activity on [~~fair park~~] state-owned land, as defined in Section
556 [~~11-68-101~~] 11-70-101; or
557 (vi) on development activity that consists of the construction of an internal accessory
558 dwelling unit, as defined in Section 10-9a-530, within an existing primary dwelling.
559 (b) (i) Notwithstanding any other provision of this chapter, a political subdivision or
560 private entity may not impose an impact fee on development activity that consists of the
561 construction of a school, whether by a school district or a charter school, if:
562 (A) the school is intended to replace another school, whether on the same or a different
563 parcel;
564 (B) the new school creates no greater demand or need for public facilities than the
565 school or school facilities, including any portable or modular classrooms that are on the site of
566 the replaced school at the time that the new school is proposed; and
567 (C) the new school and the school being replaced are both within the boundary of the
568 local political subdivision or the jurisdiction of the private entity.
569 (ii) If the imposition of an impact fee on a new school is not prohibited under
570 Subsection (2)(b)(i) because the new school creates a greater demand or need for public
571 facilities than the school being replaced, the impact fee shall be based only on the demand or
572 need that the new school creates for public facilities that exceeds the demand or need that the
573 school being replaced creates for those public facilities.
574 (c) Notwithstanding any other provision of this chapter, a political subdivision or
575 private entity may impose an impact fee for a road facility on the state only if and to the extent
576 that:
577 (i) the state's development causes an impact on the road facility; and
578 (ii) the portion of the road facility related to an impact fee is not funded by the state or
579 by the federal government.
580 (3) Notwithstanding any other provision of this chapter, a local political subdivision
581 may impose and collect impact fees on behalf of a school district if authorized by Section
582 11-36a-206.
583 Section 7. Section **11-68-201** is amended to read:

584 **11-68-201. State Fair Park Authority -- Legal status -- Powers.**

585 (1) There is created the State Fair Park Authority.

586 (2) The authority is:

587 (a) an independent, nonprofit, separate body corporate and politic, with perpetual

588 succession;

589 (b) a political subdivision of the state; and

590 (c) a public corporation, as defined in Section 63E-1-102.

591 (3) (a) The fair corporation is dissolved and ceases to exist, subject to any winding

592 down and other actions necessary for a transition to the authority.

593 (b) The authority:

594 (i) replaces and is the successor to the fair corporation;

595 (ii) succeeds to all rights, obligations, privileges, immunities, and assets of the fair

596 corporation; and

597 (iii) shall fulfill and perform all contractual and other obligations of the fair

598 corporation.

599 (c) The board shall take all actions necessary and appropriate to wind down the affairs

600 of the fair corporation as quickly as practicable and to make a transition from the fair

601 corporation to the authority.

602 (4) The authority shall:

603 (a) manage, supervise, and control:

604 (i) all activities relating to the annual exhibition described in Subsection (4)(j); and

605 (ii) except as otherwise provided by statute, all state expositions, including setting the

606 time, place, and purpose of any state exposition;

607 (b) for public entertainment, displays, and exhibits or similar events held [~~at the state~~]608 on fair park land:

609 (i) provide, sponsor, or arrange the events;

610 (ii) publicize and promote the events; and

611 (iii) secure funds to cover the cost of the exhibits from:

612 (A) private contributions;

613 (B) public appropriations;

614 (C) admission charges; and

- 615 (D) other lawful means;
- 616 (c) acquire and designate exposition sites;
- 617 (d) use generally accepted accounting principles in accounting for the authority's assets,
- 618 liabilities, and operations;
- 619 (e) seek corporate sponsorships for the state fair park or for individual buildings or
- 620 facilities on fair park land;
- 621 (f) work with county and municipal governments, the Salt Lake Convention and
- 622 Visitor's Bureau, the Utah Office of Tourism, and other entities to develop and promote
- 623 expositions and the use of fair park land;
- 624 (g) develop and maintain a marketing program to promote expositions and the use of
- 625 fair park land;
- 626 (h) in accordance with provisions of this chapter, operate and maintain state-owned
- 627 buildings and facilities on fair park land, including the physical appearance and structural
- 628 integrity of those buildings and facilities;
- 629 (i) prepare an economic development plan for the fair park land;
- 630 (j) hold an annual exhibition on fair park land that:
- 631 (i) is called the state fair or a similar name;
- 632 (ii) promotes and highlights agriculture throughout the state;
- 633 (iii) includes expositions of livestock, poultry, agricultural, domestic science,
- 634 horticultural, floricultural, mineral and industrial products, manufactured articles, and domestic
- 635 animals that, in the board's opinion, will best stimulate agricultural, industrial, artistic, and
- 636 educational pursuits and the sharing of talents among the people of the state;
- 637 (iv) includes the award of premiums for the best specimens of the exhibited articles
- 638 and animals;
- 639 (v) permits competition by livestock exhibited by citizens of other states and territories
- 640 of the United States; and
- 641 (vi) is arranged according to plans approved by the board;
- 642 (k) fix the conditions of entry to the annual exhibition described in Subsection (4)(j);
- 643 and
- 644 (l) publish a list of premiums that will be awarded at the annual exhibition described in
- 645 Subsection (4)(j) for the best specimens of exhibited articles and animals.

646 (5) In addition to the annual exhibition described in Subsection (4)(j), the authority
647 may hold other exhibitions of livestock, poultry, agricultural, domestic science, horticultural,
648 floricultural, mineral and industrial products, manufactured articles, and domestic animals that,
649 in the ~~[corporation's]~~ authority's opinion, will best stimulate agricultural, industrial, artistic, and
650 educational pursuits and the sharing of talents among the people of the state.

651 (6) The authority may:

652 (a) employ advisers, consultants, and agents, including financial experts and
653 independent legal counsel, and fix their compensation;

654 (b) (i) participate in the state's Risk Management Fund created under Section
655 [63A-4-201](#) or any captive insurance company created by the risk manager; or

656 (ii) procure insurance against any loss in connection with the authority's property and
657 other assets;

658 (c) receive and accept aid or contributions of money, property, labor, or other things of
659 value from any source, including any grants or appropriations from any department, agency, or
660 instrumentality of the United States or the state;

661 (d) hold, use, loan, grant, and apply that aid and those contributions to carry out the
662 purposes of the authority, subject to the conditions, if any, upon which the aid and
663 contributions are made;

664 (e) enter into management agreements with any person or entity for the performance of
665 the authority's functions or powers;

666 (f) establish accounts and procedures that are necessary to budget, receive, disburse,
667 account for, and audit all funds received, appropriated, or generated;

668 (g) subject to Subsection (8) and subject to the powers and responsibilities of the Utah
669 Fairpark Area Investment and Restoration District, created in Section [11-70-201](#), lease any of
670 the state-owned buildings or facilities located on fair park land;

671 (h) sponsor events as approved by the board;

672 (i) subject to Subsection (11), acquire any interest in real property that the board
673 considers necessary or advisable to further a purpose of the authority or facilitate the authority's
674 fulfillment of a duty under this chapter; and

675 (j) in accordance with Title 11, Chapter 42a, Commercial Property Assessed Clean
676 Energy Act, provide for or finance an energy efficiency upgrade, a renewable energy system, or

677 electric vehicle charging infrastructure, as those terms are defined in Section [11-42a-102](#); and

678 (k) enter into one or more agreements [~~to develop the fair park land~~] with the Utah

679 Fairpark Area Investment and Restoration District, created in Section [11-70-201](#).

680 (7) The authority shall comply with:

681 (a) Title 51, Chapter 5, Funds Consolidation Act;

682 (b) Title 51, Chapter 7, State Money Management Act;

683 (c) Title 52, Chapter 4, Open and Public Meetings Act;

684 (d) Title 63G, Chapter 2, Government Records Access and Management Act;

685 (e) the provisions of Section [67-3-12](#);

686 (f) Title 63G, Chapter 6a, Utah Procurement Code, except for a procurement for:

687 (i) entertainment provided at the state fair park;

688 (ii) judges for competitive exhibits; or

689 (iii) sponsorship of an event on fair park land; and

690 (g) the legislative approval requirements for capital development projects established

691 in Section [63A-5b-404](#).

692 (8) (a) (i) Before the authority executes a lease described in Subsection (6)(g) with a

693 term of 10 or more years and subject to the powers and responsibilities of the Utah Fairpark

694 Area Investment and Restoration District, created in Section [11-70-201](#), the authority shall:

695 ~~[(†)]~~ (A) submit the proposed lease to the division for the division's approval or
696 rejection; and

697 ~~[(†)]~~ (B) if the division approves the proposed lease, submit the proposed lease to the
698 Executive Appropriations Committee for the Executive Appropriation Committee's review and
699 recommendation in accordance with Subsection (8)(b).

700 (ii) The authority may not execute a lease under Subsection (6)(g) for any part of fair
701 park land on or after May 1, 2024 unless the lease relates to the agricultural and related exhibit
702 facilities on fair park land.

703 (b) The Executive Appropriations Committee shall review a proposed lease submitted
704 in accordance with Subsection (8)(a) and recommend to the authority that the authority:

705 (i) execute the proposed lease, either as proposed or with changes recommended by the
706 Executive Appropriations Committee; or

707 (ii) reject the proposed lease.

708 (9) (a) Subject to Subsection (9)(b), a department, division, or other instrumentality of
709 the state and a political subdivision of the state shall cooperate with the authority to the fullest
710 extent possible to provide whatever support, information, or other assistance the authority
711 requests that is reasonably necessary to help the authority fulfill the authority's duties and
712 responsibilities under this chapter.

713 (b) The division shall provide assistance and resources to the authority as the division
714 director determines is appropriate.

715 (10) The authority may share authority revenue with a municipality in which the fair
716 park land is located, as provided in an agreement between the authority and the municipality, to
717 pay for municipal services provided by the municipality.

718 (11) (a) As used in this Subsection (11), "new land" means land that, if acquired by the
719 authority, would result in the authority having acquired over three acres of land more than the
720 land described in Subsection 11-68-101(9)(a).

721 (b) In conjunction with the authority's acquisition of new land, the authority shall enter
722 an agreement with the municipality in which the new land is located.

723 (c) To provide funds for the cost of increased municipal services that the municipality
724 will provide to the new land, an agreement under Subsection (11)(b) shall:

725 (i) provide for:

726 (A) the payment of impact fees to the municipality for development activity on the new
727 land; and

728 (B) the authority's sharing with the municipality tax revenue generated from the new
729 land; and

730 (ii) be structured in a way that recognizes the needs of the authority and furthers mutual
731 goals of the authority and the municipality.

732 Section 8. Section 11-68-202 is amended to read:

733 **11-68-202. Operation of the state-owned buildings and facilities on fair park land**
734 **-- New construction and modification of existing facilities -- Liability insurance --**
735 **Obligations of the authority.**

736 (1) The authority shall:

737 (a) operate and maintain state-owned buildings and facilities on fair park land in
738 accordance with the facility maintenance standards approved by the division;

- 739 (b) pay for all costs associated with operating and maintaining state-owned buildings
740 and facilities on fair park land;
- 741 (c) obtain approval from the division before making any alteration or addition to the
742 water system, heating system, plumbing system, air conditioning system, or electrical system of
743 a state-owned building or facility on fair park land;
- 744 (d) keep the fair park land and all state-owned buildings and facilities on fair park land
745 fully insured to protect against loss or damage by fire, vandalism, or malicious mischief;
- 746 (e) in accordance with Subsection (3), at the authority's expense, and for the mutual
747 benefit of the division, maintain general public liability insurance in an amount equal to at least
748 \$1,000,000 through one or more companies that are:
- 749 (i) licensed to do business in the state;
- 750 (ii) selected by the authority; and
- 751 (iii) approved by the division and the Division of Risk Management;
- 752 (f) ensure that the division is an additional insured with primary coverage on each
753 insurance policy that the authority obtains in accordance with this section;
- 754 (g) give the division notice at least 30 days before the day on which the authority
755 cancels any insurance policy that the authority obtains in accordance with this section; and
- 756 (h) if any lien that is not invalid under Section [38-1a-103](#) is recorded or filed against
757 the state fair park as a result of an act or omission of the authority, cause the lien to be satisfied
758 or released within 10 days after the day on which the authority receives notice of the lien.
- 759 (2) (a) As used in this Subsection (2):
- 760 (i) "Existing facility modification" means an alteration, repair, or improvement to an
761 existing state-owned building or facility on fair park land.
- 762 (ii) "Major project" means new construction or an existing facility modification that
763 costs, regardless of the funding source, over \$100,000.
- 764 (iii) "Minor project" means new construction or an existing facility modification that
765 costs, regardless of the funding source, \$100,000 or less.
- 766 (iv) "New construction" means the design and construction of a new state-owned or
767 privately owned building or facility on fair park land.
- 768 (b) (i) The director of the division shall exercise direct supervision over a major
769 project.

770 (ii) Notwithstanding Subsection (2)(b)(i), the director of the division may delegate
771 control over a major project to the authority on a project-by-project basis.

772 (iii) With respect to a delegation of control under Subsection (2)(b)(ii), the director of
773 the division may:

774 (A) impose terms and conditions on the delegation that the director considers necessary
775 or advisable to protect the interests of the state; and

776 (B) revoke the delegation and assume control of the design, construction, or other
777 aspect of a delegated project if the director considers the revocation and assumption of control
778 to be necessary to protect the interests of the state.

779 (iv) If a major project over which the division exercises direct supervision includes the
780 demolition of a building or other facility on fair park land, the division shall, at least 90 days
781 before demolition work begins, notify the State Historic Preservation Office of the division's
782 demolition plan.

783 (c) Subject to Subsection (2)(d), the authority may exercise direct supervision over a
784 minor project.

785 (d) With respect to a minor project over which the authority exercises direct
786 supervision, the authority shall:

787 (i) obtain the division's approval before commencing the new construction or existing
788 facility modification;

789 (ii) obtain a building permit from the division before commencing the new
790 construction or existing facility modification, if a building permit is required;

791 (iii) comply with the division's forms and contracts and the division's design,
792 construction, alteration, repair, improvement, and code inspection standards;

793 (iv) notify the division before commencing the new construction or existing facility
794 modification;

795 (v) coordinate with the division regarding the review of design plans and management
796 of the new construction or existing facility modification project; and

797 (vi) at least 90 days before the beginning of any demolition of a building or facility on
798 the fair park land, notify the division and the State Historic Preservation Office of the proposed
799 demolition.

800 (3) The general public liability insurance described in Subsection (1)(e) shall:

801 (a) insure against any claim for personal injury, death, or property damage that occurs
802 on fair park land; and

803 (b) be a blanket policy that covers all activities of the authority.

804 (4) Upon 24 hours notice to the board, the division may enter the fair park land to
805 inspect any facility on fair park land and make any repairs that the division determines
806 necessary.

807 (5) (a) A debt or obligation contracted by the authority is a debt or obligation of the
808 authority and not of the state.

809 (b) The state is not liable and assumes no responsibility for any debt or obligation of
810 the authority.

811 (6) The powers and responsibilities of the authority under this section with regard to
812 the issuance of bonds for capital development projects on fair park land are subject to the
813 powers and responsibilities of the Utah Fairpark Area Investment and Restoration District,
814 created in Section [11-70-201](#).

815 Section 9. Section **11-68-403** is amended to read:

816 **11-68-403. Enterprise fund -- Creation -- Revenue -- Uses.**

817 (1) (a) There is created an enterprise fund entitled the Utah State Fair Fund.

818 (b) The executive director shall administer the fund under the direction of the board.

819 (2) The fund consists of money generated from the following revenue sources:

820 (a) ~~[lease payments from person or entities leasing any part of the fair park land or any~~
821 ~~other facilities owned by the authority]~~ money the authority receives under Section [11-70-203](#);

822 (b) money the authority receives under a lease agreement for the lease of any part of
823 fair park land;

824 ~~[(b)]~~ (c) revenue received from any expositions or other events wholly or partially
825 sponsored by the authority;

826 ~~[(c)]~~ (d) aid or contributions of money, property, labor, or other things of value from
827 any source, including any grants or appropriations from any department, agency, or
828 instrumentality of the United States or the state;

829 ~~[(d)]~~ (e) appropriations made to the fund by the Legislature; and

830 ~~[(e) revenue received under a privilege tax or a tax on personal property; and]~~

831 (f) any other income obtained by the authority.

832 (3) (a) The fund shall earn interest.

833 (b) All interest earned on fund money shall be deposited into the fund.

834 (4) The executive director may use fund money to operate, maintain, and support the
835 Utah State Fair, the fair park land, and other expositions sponsored by the authority.

836 Section 10. Section **11-68-502** is amended to read:

837 **11-68-502. Sources from which bonds may be made payable -- Authority powers**
838 **regarding bonds.**

839 (1) The principal and interest on bonds issued by the authority may be made payable
840 from:

841 (a) the income and revenues of the development projects financed with the proceeds of
842 the bonds;

843 (b) the income and revenues of certain designated development projects whether or not
844 they were financed in whole or in part with the proceeds of the bonds;

845 (c) the income, revenues, proceeds, and funds the authority derives from or holds in
846 connection with the authority undertaking and carrying out development;

847 [~~(d) privilege tax and property tax revenue under Section 11-68-402;~~]

848 [~~(e)~~] (d) revenue from a special event tax under Title 59, Chapter 12, Part 23, Fair Park
849 Special Event Tax;

850 [~~(f)~~] (e) authority revenues generally;

851 [~~(g)~~] (f) a contribution, loan, grant, or other financial assistance from the federal
852 government or a public entity in aid of the development; or

853 [~~(h)~~] (g) funds derived from any combination of the sources listed in Subsections (1)(a)
854 through (g).

855 (2) (a) In connection with the issuance of authority bonds, the authority may:

856 (i) pledge all or any part of the authority's gross or net rents, fees, or revenues to which
857 the authority's right then exists or may thereafter come into existence; and

858 (ii) make the covenants and take the action that may be necessary, convenient, or
859 desirable to secure the authority's bonds, or, except as otherwise provided in this chapter, that
860 will tend to make the bonds more marketable, even though such covenants or actions are not
861 specifically enumerated in this chapter.

862 (b) The authority may not use all or any portion of the fair park land as collateral for

863 any bonds or encumber the fair park land by mortgage, deed of trust, or otherwise as collateral
864 for any bonds.

865 Section 11. Section 11-70-101 is enacted to read:

866 **CHAPTER 70. UTAH FAIRPARK AREA INVESTMENT AND**
867 **RESTORATION**
868 **DISTRICT**

869 **Part 1. General Provisions**

870 **11-70-101. Definitions.**

871 As used in this chapter:

872 (1) "Base taxable value" means the taxable value of land within the fairpark district
873 boundary as of January 1, 2024, as determined under Subsection 11-70-206(9).

874 (2) "Board" means the fairpark district's governing body, created in Section 11-70-301.

875 (3) "Designated parcel" means a parcel of land specified in a designation resolution.

876 (4) "Designation resolution" means a resolution adopted by the board that designates a
877 transition date for the parcel specified in the resolution.

878 (5) "Development" means:

879 (a) the demolition, construction, reconstruction, modification, expansion, or
880 improvement of a building, utility, infrastructure, landscape, parking lot, park, trail,
881 recreational amenity, or other facility, including public infrastructure and improvements; and

882 (b) the planning of, arranging for, or participation in any of the activities listed in
883 Subsection (5)(a).

884 (6) "Development project" means a project for the development of land within a
885 project area.

886 (7) "District sales tax area" means an area described in and established as provided in
887 Subsection 11-70-206(10).

888 (8) "Enhanced property tax revenue":

889 (a) means the amount of money that is equal to the difference between:

890 (i) the amount of property tax revenues generated in a tax year by all taxing entities
891 from privately owned land, using the current assessed value of the property; and

892 (ii) the amount of property tax revenues that would be generated in the same tax year
893 by all taxing entities from that same area using the base taxable value of the property; and

894 (b) does not include property tax revenue from:

- 895 (i) a county additional property tax or multicounty assessing and collecting levy
896 imposed in accordance with Section [59-2-1602](#);
897 (ii) a judgment levy imposed by a taxing entity under Section [59-2-1328](#) or [59-2-1330](#);
898 or
899 (iii) a levy imposed by a taxing entity under Section [11-14-310](#) to pay for a general
900 obligation bond.
- 901 (9) "Facilities division" means the Division of Facilities Construction and
902 Management, created in Section [63A-5b-301](#).
- 903 (10) "Fair park authority" means the State Fair Park Authority created in Section
904 [11-68-201](#).
- 905 (11) "Fairpark district" means the Utah Fairpark Area Investment and Restoration
906 District, created in Section [11-70-201](#).
- 907 (12) "Fairpark district boundary" means a line or set of lines that:
908 (a) defines the geographic boundary of the fairpark district, consisting of the interior
909 space within each polygon described by the line or set of lines; and
910 (b) is delineated in the electronic shapefile that is the electronic component of H.B.
911 562, Utah Fairpark Area Investment and Restoration District, 2024 General Session.
- 912 (13) "Fairpark district funds" means money the fairpark district receives from any
913 source, including money the fairpark district receives under:
- 914 (a) Sections [10-1-304](#) and [11-70-205](#);
915 (b) Section [10-1-403](#);
916 (c) Section [11-70-203](#);
917 (d) Section [11-70-204](#);
918 (e) Sections [59-12-352](#) and [59-12-354](#);
919 (f) Section [59-12-401](#);
920 (g) Section [59-12-402](#);
921 (h) Section [59-12-1201](#); and
922 (i) Section [59-28-103](#).
- 923 (14) "Fair park land" means the same as that term is defined in Section [11-68-101](#).
924 (15) "Franchise agreement" means a legally binding and valid agreement under which:
925 (a) a franchise is confirmed for a major league sports team that before January 1, 2024

926 had not been located in the state; and

927 (b) the major league sports team agrees to play home games in a stadium to be
928 constructed within the fairpark district boundary.

929 (16) "Franchise agreement date" means the date that a franchise agreement is fully
930 executed and in effect.

931 (17) "Host municipality" means the municipality whose boundary includes the land
932 within the fairpark district boundary.

933 (18) "Major league sports team" means a team:

934 (a) consisting of professional athletes;

935 (b) that is part of a professional sports league; and

936 (c) that is engaged in the business of presenting live sporting events before primarily a
937 paying audience.

938 (19) "Other state land" means:

939 (a) land within the fairpark district boundary, other than fair park land, that is owned by
940 the state on January 1, 2024; and

941 (b) land acquired by the fairpark district or the state on or after May 1, 2024. within the
942 fairpark district boundary.

943 (20) "Payment period" means a period of up to 35 years, as specified in a designation
944 resolution, beginning on the transition date, during which enhanced property tax revenue under
945 Section [11-70-401](#) is to be paid.

946 (21) "Post-designation parcel" means a parcel within a project area after the transition
947 date for that parcel.

948 (22) "Pre-designation parcel" means a parcel within a project area before the transition
949 date for that parcel.

950 (23) "Professional sports league" means a group of major league sports teams that have
951 formed a league:

952 (a) for the major league sports teams to compete against one another; and

953 (b) in which the combined average annual payroll for the major league sports teams in
954 the league on the franchise agreement date is not less than \$100,000,000.

955 (24) "Project area" means land described in a project area plan or draft project area
956 plan, where the development project set forth in the project area plan or draft project area plan

957 takes place or is proposed to take place.

958 (25) "Project area budget" means a multiyear projection of annual or cumulative
959 revenues and expenses and other fiscal matters pertaining to the project area.

960 (26) "Project area plan" means a written plan that, after its effective date, guides and
961 controls the development within a project area.

962 (27) "Property tax" includes each levy on an ad valorem basis on tangible or intangible
963 personal or real property.

964 (28) "Public entity" means:

965 (a) the state, including each department, division, or other agency of the state; or

966 (b) a county, city, town, school district, special district, special service district,
967 interlocal cooperation entity, community reinvestment agency, or other political subdivision of
968 the state, including the fairpark district.

969 (29) (a) "Public infrastructure and improvements" means infrastructure, improvements,
970 facilities, or buildings that:

971 (i) (A) benefit the public and are owned by a public entity or a utility; or

972 (B) benefit the public and are publicly maintained or operated by a public entity; or

973 (ii) (A) are privately owned;

974 (B) benefit the public;

975 (C) as determined by the board, provide a substantial benefit to the development and
976 operation of a project area; and

977 (D) are built according to applicable design and safety standards.

978 (b) "Public infrastructure and improvements" includes:

979 (i) facilities, lines, or systems that provide:

980 (A) water, chilled water, or steam; or

981 (B) sewer, storm drainage, natural gas, electricity, energy storage, renewable energy,
982 microgrids, or telecommunications service;

983 (ii) streets, roads, curbs, gutters, sidewalks, walkways, solid waste facilities, parking
984 facilities, rail lines, intermodal facilities, multimodal facilities, and public transportation
985 facilities;

986 (iii) a qualified stadium;

987 (iv) public trails and pathways associated with and rehabilitation of and improvements

988 to the Jordan River; and

989 (v) agricultural and related exhibit facilities on fair park land.

990 (30) "Qualified owner" means an owner of at least 65 contiguous acres of privately
991 owned land within the fairpark district boundary, or the owner's affiliate.

992 (31) (a) "Qualified stadium" means a stadium:

993 (i) within the fairpark district boundary;

994 (ii) with a minimum capacity of 30,000 spectators; and

995 (iii) that will primarily be used as the home of a major league sports team.

996 (b) "Qualified stadium" includes parking structures or facilities, lighting facilities,
997 plazas, and open space associated with a stadium described in Subsection (31)(a).

998 (32) "Shapefile" means the digital vector storage format for storing geometric location
999 and associated attribute information.

1000 (33) "Stadium contribution" means the principal amount of bonds that the district
1001 issues to pay for the development and construction of a qualified stadium, plus any other
1002 amount the district pays toward the development and construction of a qualified stadium.

1003 (34) "State fair purposes" means the purposes for the use of fair park land related to the
1004 fair park authority's management, supervision, and control over a state fair and related events
1005 and activities.

1006 (35) "State-owned land" means:

1007 (a) fair park land; and

1008 (b) other state land.

1009 (36) "Taxable value" means the value of property as shown on the last equalized
1010 assessment roll.

1011 (37) "Taxing entity" means the same as that term is defined in Section [59-2-102](#),
1012 excluding a public infrastructure district that the fairpark district creates under Title 17D,
1013 Chapter 4, Public Infrastructure District Act.

1014 (38) "Transition date" means the date indicated in a designation resolution after which
1015 the parcel that is the subject of the designation resolution becomes a post-designation parcel.

1016 Section 12. Section **11-70-102** is enacted to read:

1017 **11-70-102. Severability.**

1018 If a court determines that any provision of this chapter, or the application of any

1019 provision of this chapter, is invalid, the remainder of this chapter shall be given effect without
1020 the invalid provision or application.

1021 Section 13. Section **11-70-103** is enacted to read:

1022 **11-70-103. Nonlapsing funds.**

1023 Money the fairpark district receives from legislative appropriations is nonlapsing.

1024 Section 14. Section **11-70-104** is enacted to read:

1025 **11-70-104. Loan approval committee -- Approval of infrastructure loans**

1026 (1) As used in this section:

1027 (a) "Borrower" means the same as that term is defined in Section [63A-3-401.5](#).

1028 (b) "Fairpark district development fund" means the same as that term is defined in
1029 Section [63A-3-401.5](#).

1030 (c) "Infrastructure loan" means the same as that term is defined in Section
1031 [63A-3-401.5](#).

1032 (d) "Infrastructure project" means the same as that term is defined in Section
1033 [63A-3-401.5](#).

1034 (e) "Loan approval committee" means a committee established under Subsection (2).

1035 (2) (a) The fairpark district shall establish a loan committee consisting of:

1036 (i) two individuals with expertise in public finance or infrastructure development,
1037 appointed by the governor;

1038 (ii) one individual with expertise in public finance or infrastructure development,
1039 appointed by the president of the Senate;

1040 (iii) one individual with expertise in public finance or infrastructure development,
1041 appointed by the speaker of the House of Representatives; and

1042 (iv) one individual with expertise in public finance or infrastructure development,
1043 appointed jointly by the president of the Senate and the speaker of the House of
1044 Representatives.

1045 (b) A board member may not be appointed to or serve as a member of the loan
1046 committee.

1047 (3) (a) The loan committee may recommend for board approval an infrastructure loan
1048 from the fairpark district development fund to a borrower for an infrastructure project
1049 undertaken by the borrower.

1050 (b) An infrastructure loan from the fairpark district development fund may not be made
1051 unless:

1052 (i) the infrastructure loan is recommended by the loan committee; and

1053 (ii) the board approves the infrastructure loan.

1054 (4) (a) If the loan committee recommends an infrastructure loan, the loan committee
1055 shall recommend the terms of an infrastructure loan in accordance with Section [63A-3-404](#).

1056 (b) The board shall require the terms of an infrastructure loan secured by enhanced
1057 property tax revenue to include a requirement that money from the infrastructure loan be used
1058 only for an infrastructure project within the project area that generates the enhanced property
1059 tax revenue.

1060 (5) The board may establish policies and guidelines with respect to prioritizing requests
1061 for infrastructure loans and approving infrastructure loans.

1062 (6) Within 60 days after the execution of an infrastructure loan, the board shall report
1063 the infrastructure loan, including the loan amount, terms, interest rate, and security, to:

1064 (a) Executive Appropriations Committee; and

1065 (b) the State Finance Review Commission created in Section [63C-25-201](#).

1066 (7) (a) Salaries and expenses of committee members who are legislators shall be paid
1067 in accordance with Section [36-2-2](#) and Legislative Joint Rules, Title 5, Chapter 3, Legislator
1068 Compensation.

1069 (b) A committee member who is not a legislator may not receive compensation or
1070 benefits for the member's service on the committee, but may receive per diem and
1071 reimbursement for travel expenses incurred as a committee member at the rates established by
1072 the Division of Finance under:

1073 (i) Sections [63A-3-106](#) and [63A-3-107](#); and

1074 (ii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and 63A.

1075 Section 15. Section **11-70-201** is enacted to read:

1076 **Part 2. Creation and Powers of Utah Fairpark Area Investment and Restoration District**

1077 **11-70-201. Creation of Utah Fairpark Area Investment and Restoration District --**

1078 **Status and purposes.**

1079 (1) Under the authority of Utah Constitution, Article XI, Section 8, there is created the
1080 Utah Fairpark Area Investment and Restoration District.

1081 (2) The fairpark district is:
1082 (a) an independent, nonprofit, separate body corporate and politic, with perpetual
1083 succession;
1084 (b) a political subdivision of the state; and
1085 (c) a public corporation, as defined in Section [63E-1-102](#).
1086 (3) (a) The purpose of the fairpark district is to fulfill the statewide public purpose of
1087 encouraging and facilitating development within the fairpark district boundary to provide
1088 economic and other benefits to the area within the fairpark district boundary, surrounding
1089 areas, the region, and the state, including:
1090 (i) the development and construction of a qualified stadium and related facilities for a
1091 major league sports team;
1092 (ii) the development and construction of infrastructure to support a qualified stadium,
1093 associated uses, and recreational uses on land within the fairpark district boundary;
1094 (iii) the improvement and restoration of areas along the Jordan River within the
1095 fairpark district boundary for aesthetic and recreational purposes;
1096 (iv) coordinating with and supporting the fair park authority in the fair park authority's
1097 use of fair park land; and
1098 (v) other development on land within the fairpark district boundary.
1099 (b) The duties and responsibilities of the fairpark district under this chapter are matters
1100 of regional and statewide concern, importance, interest, and impact.
1101 (c) The fairpark district is the mechanism the state chooses to focus resources and
1102 efforts on behalf of the state, to oversee and manage development activities within the fairpark
1103 district boundary, and to ensure that the regional and statewide interests, concerns, and
1104 purposes described in this Subsection (3) are properly addressed from more of a statewide
1105 perspective than any municipality can provide.
1106 Section 16. Section **11-70-202** is enacted to read:
1107 **11-70-202. Fairpark district powers and duties.**
1108 (1) The fairpark district may:
1109 (a) facilitate and bring about the development of land within the fairpark district
1110 boundary, including the development of a qualified stadium to house a major league sports
1111 team;

- 1112 (b) enter into a lease agreement with a major league sports team to lease a qualified
1113 stadium to a major league sports team and receive lease payments on behalf of the state;
- 1114 (c) facilitate and provide funding for the development of land in a project area,
1115 including the development of public infrastructure and improvements and other infrastructure
1116 and improvements on or related to land in a project area;
- 1117 (d) engage in marketing and business recruitment activities and efforts to encourage
1118 and facilitate development of land within the fairpark district boundary;
- 1119 (e) as the fairpark district considers necessary or advisable to carry out any of the
1120 fairpark district's duties or responsibilities under this chapter:
- 1121 (i) buy, obtain an option upon, or otherwise acquire any interest in real or personal
1122 property;
- 1123 (ii) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or
1124 personal property; or
- 1125 (iii) enter into a lease agreement on real or personal property, as lessee or lessor;
- 1126 (f) sue and be sued;
- 1127 (g) enter into contracts generally;
- 1128 (h) exercise powers and perform functions under a contract, as authorized in the
1129 contract;
- 1130 (i) receive and spend enhanced property tax revenue, as provided in this chapter;
- 1131 (j) accept financial or other assistance from any public or private source for the fairpark
1132 district's activities, powers, and duties, and expend any funds so received for any of the
1133 purposes of this chapter;
- 1134 (k) borrow money, contract with, or accept financial or other assistance from the
1135 federal government, a public entity, or any other source for any of the purposes of this chapter
1136 and comply with any conditions of the loan, contract, or assistance;
- 1137 (l) issue bonds to finance the undertaking of any development objectives of the fairpark
1138 district, including bonds under Chapter 17, Utah Industrial Facilities and Development Act,
1139 bonds under Chapter 42, Assessment Area Act, and bonds under Chapter 42a, Commercial
1140 Property Assessed Clean Energy Act;
- 1141 (m) hire employees, including independent contractors;
- 1142 (n) transact other business and exercise all other powers provided for in this chapter;

1143 (o) engage one or more consultants to advise or assist the fairpark district in the
1144 performance of the fairpark district's duties and responsibilities;

1145 (p) enter into an agreement with a private contractor to provide a municipal service
1146 within a project area that is not being provided by a municipality or other governmental service
1147 provider;

1148 (q) provide public safety services in the area within the fairpark district boundary,
1149 including under a contract, approved by the board, with an existing governmental provider of
1150 public safety services;

1151 (r) finance, develop, own, lease, operate, or otherwise control public infrastructure and
1152 improvements in a project area; and

1153 (s) exercise powers and perform functions that the fairpark district is authorized by
1154 statute to exercise or perform.

1155 (2) (a) The fairpark district is responsible for and has jurisdiction over any
1156 development that occurs on fair park land, including the funding of that development.

1157 (b) The fairpark district shall consult and coordinate with the fair park authority with
1158 respect to any development activities anticipated for or that occur on fair park land.

1159 (c) Any development of fair park land shall be:

1160 (i) subject to and compatible with the use of fair park land for state fair purposes and
1161 related and other activities under the jurisdiction of the fair park authority; and

1162 (ii) as far as practicable, consistent with the master plan for fair park land approved by
1163 the fair park authority.

1164 (3) With respect to state land other than fair park land, the fairpark district and the
1165 facilities division shall consult with each other and with agencies occupying the land with
1166 respect to any potential change of use or development of the land.

1167 (4) The total amount of the fairpark district's stadium contribution may not exceed
1168 \$900,000,000.

1169 (5) Beginning April 1, 2025, the fairpark district shall:

1170 (a) be the repository of the official delineation of the fairpark district boundary,
1171 identical to the fairpark district boundary as delineated in the shapefile that is the electronic
1172 component of H.B. 562, Utah Fairpark Area Investment and Restoration District, 2024 General
1173 Session, subject to:

- 1174 (i) any later changes to the boundary enacted by the Legislature; and
- 1175 (ii) any additions of land to the fairpark district boundary under Subsection (6); and
- 1176 (b) maintain an accurate digital file of the boundary that is easily accessible by the
- 1177 public.

1178 (6) The fairpark district boundary may be expanded to include land outside the fairpark
1179 district boundary if:

- 1180 (a) the land is owned by a qualified owner;
- 1181 (b) the qualified owner consents to including the land within the fairpark district
- 1182 boundary; and
- 1183 (c) the land is:
 - 1184 (i) contiguous to the fairpark district boundary; or
 - 1185 (ii) within 200 feet of the fairpark district boundary.

1186 Section 17. Section **11-70-203** is enacted to read:

1187 **11-70-203. Privilege tax on state-owned land.**

1188 (1) (a) Subject to Subsection (1)(b), the possession or beneficial use of property on
1189 state-owned land is subject to Title 59, Chapter 4, Privilege Tax.

1190 (b) Subsection (1)(a) does not apply to a qualified stadium during the construction of
1191 the qualified stadium and before title to the stadium is conveyed to the fairpark district as
1192 required in an agreement under Subsection [11-70-502\(3\)](#).

1193 (2) (a) As provided in Subsection (2)(b):

1194 (i) for revenue from a privilege tax under Subsection (1) on a designated parcel that is
1195 part of the fair park land:

1196 (A) 75% of the revenue shall be paid to the fairpark district; and

1197 (B) 25% of the revenue shall be paid to the fair park authority; and

1198 (ii) for revenue from a privilege tax under Subsection (1) on a designated parcel that is
1199 part of other state land, 100% of the revenue shall be paid to the fairpark district.

1200 (b) The treasurer of the county in which the fair park land is located shall, in the
1201 manner and at the time provided in Section [59-2-1365](#), pay and distribute to the fairpark district
1202 and the fair park authority, as applicable, the revenue described in Subsection (2)(a).

1203 (3) (a) The fairpark district shall use 20% of the money the fairpark district is paid
1204 under Subsection (2)(a)(ii) for moderate income housing, as defined in Section [10-9a-103](#),

1205 within the host municipality.

1206 (b) The fairpark district and host municipality shall coordinate and work together to
1207 identify how, when, and where the money described in Subsection (3)(a) is spent.

1208 Section 18. Section **11-70-204** is enacted to read:

1209 **11-70-204. Fairpark district accommodations tax.**

1210 (1) As used in this section:

1211 (a) (i) "Accommodations and services" means an accommodation or service described
1212 in Subsection 59-12-103(1)(i).

1213 (ii) "Accommodations and services" does not include an accommodation or service for
1214 which amounts paid or charged are not part of a rental room rate.

1215 (b) "Accommodations tax" means a tax imposed as provided in this section.

1216 (2) By resolution, the fairpark district board may impose an accommodations tax on a
1217 provider for amounts paid or charged for accommodations and services, if the place of
1218 accommodation is located within the district sales tax area.

1219 (3) The maximum rate of an accommodations tax is 15% of the amounts paid to or
1220 charged by the provider for accommodations and services.

1221 (4) A provider may recover an amount equal to the accommodations tax from
1222 customers, if the provider includes the amount as a separate billing line item.

1223 (5) If the fairpark district imposes an accommodations tax, a public entity, including
1224 the fairpark district, may not impose, on the amounts paid or charged for accommodations and
1225 services within the district sales tax area, any other tax described in:

1226 (a) Title 59, Chapter 12, Sales and Use Tax Act; or

1227 (b) Title 59, Chapter 28, State Transient Room Tax Act.

1228 (6) Except as provided in Subsection (7) or (8), an accommodations tax shall be
1229 administered, collected, and enforced in accordance with:

1230 (a) the same procedures used to administer, collect, and enforce the tax under:

1231 (i) Title 59, Chapter 12, Part 1, Tax Collection; or

1232 (ii) Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and

1233 (b) Title 59, Chapter 1, General Taxation Policies.

1234 (7) The location of a transaction shall be determined in accordance with Sections
1235 59-12-211 through 59-12-215.

1236 (8) (a) An accommodations tax is not subject to Section 59-12-107.1 or 59-12-123 or
1237 Subsections 59-12-205(2) through (5).

1238 (b) The exemptions described in Sections 59-12-104, 59-12-104.1, and 59-12-104.6 do
1239 not apply to an accommodations tax.

1240 (9) The State Tax Commission shall:

1241 (a) except as provided in Subsection (9)(b), distribute the revenue collected from an
1242 accommodations tax to the fairpark district; and

1243 (b) retain and deposit an administrative charge in accordance with Section 59-1-306
1244 from revenue the commission collects from an accommodations tax.

1245 (10) (a) If the fairpark district imposes, repeals, or changes the rate of an
1246 accommodations tax, the implementation, repeal, or change takes effect:

1247 (i) on the first day of a calendar quarter; and

1248 (ii) after a 90-day period beginning on the date the State Tax Commission receives the
1249 notice described in Subsection (10)(b) from the fairpark district.

1250 (b) The notice required in Subsection (10)(a)(ii) shall state:

1251 (i) that the fairpark district will impose, repeal, or change the rate of an
1252 accommodations tax;

1253 (ii) the effective date of the implementation, repeal, or change of the accommodations
1254 tax; and

1255 (iii) the rate of the accommodations tax.

1256 (11) In addition to the uses permitted under Section 11-70-207, the fairpark district
1257 may allocate revenue from an accommodations tax to a county in which a place of
1258 accommodation that is subject to the accommodations tax is located, if:

1259 (a) the county had a transient room tax described in Section 59-12-301 in effect at the
1260 time the fairpark district board imposed an accommodations tax; and

1261 (b) the revenue replaces revenue that the county received from a county transient room
1262 tax described in Section 59-12-301 for the county's general operations and administrative
1263 expenses.

1264 Section 19. Section 11-70-205 is enacted to read:

1265 **11-70-205. Energy sales and use tax.**

1266 (1) As provided in Subsection 10-1-304(1)(d), the fairpark district may by resolution

1267 levy an energy sales and use tax, under Title 10, Chapter 1, Part 3, Municipal Energy Sales and
1268 Use Tax Act, on an energy supplier, as defined in Section 10-1-303, that supplies energy to a
1269 facility on land within the district sales tax area.

1270 (2) An energy sales and use tax under this section is subject to the maximum rate under
1271 Subsection 10-1-304(1)(a)(ii), except that delivered value does not include the amount of a tax
1272 paid under this section.

1273 (3) (a) An energy supplier may recover from the energy supplier's customers an amount
1274 equal to the energy sales and use tax, if the energy supplier includes the amount as a separate
1275 billing line item.

1276 (b) An energy sales and use tax levied under this section is in addition to the rate
1277 approved by the Public Service Commission and charged to the customer.

1278 (4) (a) An energy sales and use tax under this section is payable by the energy supplier
1279 to the fairpark district on a monthly basis as described by the resolution levying the tax.

1280 (b) A resolution levying an energy sales and use tax shall allow the energy supplier to
1281 retain 1% of the tax remittance each month to offset the energy supplier's costs of collecting
1282 and remitting the tax.

1283 (5) Beginning October 1, 2024, a municipality may not levy an energy sales and use tax
1284 on an energy supplier for energy that the energy supplier supplies to a facility located on land
1285 within the district sales tax area.

1286 Section 20. Section 11-70-206 is enacted to read:

1287 **11-70-206. Applicability of other law -- Cooperation of state and local**
1288 **governments -- Municipal services -- Services from state agencies -- Procurement policy.**

1289 (1) With respect to the use or development of state-owned land, the fairpark district is
1290 not subject to:

1291 (a) Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act; or

1292 (b) the jurisdiction of a special district under Title 17B, Limited Purpose Local

1293 Government Entities - Special Districts, or a special service district under Title 17D, Chapter 1,
1294 Special Service District Act, except to the extent that:

1295 (i) some or all of the state land is, on January 1, 2024, included within the boundary of
1296 a special district or special service district; and

1297 (ii) the fairpark district elects to receive service from the special district or special

1298 service district for the state land that is included within the boundary of the special district or
1299 special service district, respectively.

1300 (2) The fairpark district has and may exercise all powers relating to the regulation of
1301 land uses on state-owned land.

1302 (3) (a) Subject to Subsection (3)(b), the fairpark district has and may exercise all
1303 powers relating to the regulation of land uses on privately owned land within the fairpark
1304 district boundary.

1305 (b) (i) Land owned by a qualified owner is subject to a host municipality's land use
1306 authority under Title 10, Chapter 9a, Municipal Land Use, Development, and Management
1307 Act, if the qualified owner and the host municipality enter into an agreement, as provided in
1308 Subsection (3)(b)(ii), no later than December 31, 2024.

1309 (ii) (A) An agreement under Subsection (3)(b)(i), shall require the host municipality to
1310 provide an expedited process for the review and approval of a qualified owner's completed land
1311 use application that complies with adopted land use regulations.

1312 (B) In an agreement under Subsection (3)(b)(i), the host municipality shall agree to vest
1313 the qualified owner in any approved land use for a qualified stadium and related uses.

1314 (c) A host municipality may not prohibit or condition the use of a qualified owner's
1315 land for a qualified stadium.

1316 (d) In making land use decisions affecting land within the fairpark district boundary
1317 that is subject to a host municipality's land use authority under this Subsection (3), the
1318 legislative body of the host municipality shall consider input from the board.

1319 (4) No later than December 31, 2024, the host municipality and the host municipality's
1320 community reinvestment agency shall take all necessary actions to withdraw from the fairpark
1321 district boundary any area that is within a project area of the community reinvestment agency.

1322 (5) A department, division, or other agency of the state and a political subdivision of
1323 the state shall cooperate with the fairpark district to the fullest extent possible to provide
1324 whatever support, information, or other assistance the board requests that is reasonably
1325 necessary to help the fairpark district fulfill its duties and responsibilities under this chapter.

1326 (6) (a) A host municipality shall provide the same municipal services to the area of the
1327 municipality that is within the fairpark district boundary as the municipality provides to other
1328 areas of the municipality with similar zoning and a similar development level.

1329 (b) The level and quality of municipal services that a host municipality provides within
1330 the fairpark district boundary shall be fairly and reasonably consistent with the level and quality
1331 of municipal services that the municipality provides to other areas of the municipality with
1332 similar zoning and a similar development level.

1333 (c) No later than December 31, 2024, the fairpark district and host municipality shall
1334 enter into an agreement providing for the fairpark district to reimburse the host municipality for
1335 services the host municipality provides to a project area.

1336 (7) (a) The fairpark district may request and, upon request, shall receive:

1337 (i) fuel dispensing and motor pool services provided by the Division of Fleet
1338 Operations;

1339 (ii) surplus property services provided by the Division of Purchasing and General
1340 Services;

1341 (iii) information technology services provided by the Division of Technology Services;

1342 (iv) archive services provided by the Division of Archives and Records Service;

1343 (v) financial services provided by the Division of Finance;

1344 (vi) human resources services provided by the Division of Human Resource

1345 Management;

1346 (vii) legal services provided by the Office of the Attorney General; and

1347 (viii) banking services provided by the Office of the State Treasurer.

1348 (b) Nothing in Subsection (6)(a) may be construed to relieve the fairpark district of the
1349 obligation to pay the applicable fee for the service provided.

1350 (8) (a) To govern fairpark district procurements, the board shall adopt a procurement
1351 policy that the board reasonably determines to substantially fulfill the purposes described in
1352 Section [63G-6a-102](#).

1353 (b) The board may delegate to the executive director the responsibility to adopt a
1354 procurement policy.

1355 (c) The board's determination under Subsection (7)(a) is final and conclusive.

1356 (9) No later than December 31, 2024, the board and the assessor of the county in which
1357 the fairpark district is located shall together determine the base taxable value of privately
1358 owned property within the fairpark district boundary.

1359 (10) (a) As used in this Subsection (10):

1360 (i) "District ZIP area" means a ZIP area a majority of which includes land within the
1361 fairpark district boundary.

1362 (ii) "ZIP area" means an area defined by the ZIP Code, as defined in Section
1363 59-12-102, plus the four-digit deliver route extension.

1364 (b) No later than June 1, 2024, the State Tax Commission shall:

1365 (i) define the area that consists of all district zip areas; and

1366 (ii) provide a description of the area under Subsection (9)(b)(i) to the host municipality
1367 and the board.

1368 (c) The State Tax Commission shall annually:

1369 (i) update the definition of the area under Subsection (10)(b)(i); and

1370 (ii) provide the updated description to the host municipality and the board.

1371 Section 21. Section **11-70-207** is enacted to read:

1372 **11-70-207. Use of fairpark district funds.**

1373 (1) (a) Subject to Subsection (2), the fairpark district may use fairpark district funds for
1374 any purpose authorized under this chapter, including to pay for:

1375 (i) the development and construction of a qualified stadium;

1376 (ii) administrative, overhead, legal, consulting, and other operating expenses of the
1377 fairpark district;

1378 (iii) all or part of the development of land within a project area, including:

1379 (A) financing or refinancing; and

1380 (B) assisting the ongoing operation of a development or facility within the project area;

1381 (iv) the cost of the installation of public infrastructure and improvements outside a
1382 project area if the board determines by resolution that the infrastructure and improvements are
1383 of benefit to the project area;

1384 (v) the principal and interest on bonds issued by the fairpark district;

1385 (vi) the payment of an infrastructure loan, as defined in Section 11-70-104, according
1386 to the terms of the infrastructure loan; and

1387 (vii) the costs of promoting, facilitating, and implementing other development of land
1388 within the fairpark district boundary.

1389 (b) The determination of the board under Subsection (1)(a)(iv) regarding benefit to the
1390 project area is final.

1391 (2) (a) The fairpark district may use money it receives under Subsection
1392 59-12-1201(2)(a)(ii) and Subsection 59-12-103(16) only for the development and construction
1393 of a qualified stadium, including paying for bonds issued to pay for the development and
1394 construction of a qualified stadium.

1395 (b) If the amount of money the fairpark district receives under Subsection (2)(a)
1396 exceeds the amount required to pay the annual debt service on bonds issued to pay for the
1397 development and construction of a qualified stadium, the fairpark district shall use the excess
1398 amount received to pay down the principal on those bonds.

1399 (3) The fairpark district may share enhanced property tax revenue with a taxing entity
1400 that levies a property tax on land within the project area from which the enhanced property tax
1401 revenue is generated.

1402 Section 22. Section **11-70-301** is enacted to read:

1403 **Part 3. Fairpark District Board and Executive Director**

1404 **11-70-301. Fairpark district board**

1405 (1) The fairpark district shall be governed by a board.

1406 (2) (a) The board shall manage and conduct the business and affairs of the fairpark
1407 district and shall determine all questions of fairpark district policy.

1408 (3) All powers of the fairpark district are exercised through the board or, as provided in
1409 Section 11-70-305, the executive director.

1410 (4) The board may by resolution delegate powers to the executive director or other
1411 fairpark district staff.

1412 Section 23. Section **11-70-302** is enacted to read:

1413 **11-70-302. Number of board members -- Appointment -- Terms -- Vacancies --**
1414 **Nonvoting members.**

1415 (1) The fairpark district's board consists of five voting members, as provided in
1416 Subsection (2).

1417 (2) (a) The governor shall appoint two individuals as board members:

1418 (i) one of whom shall be a member of the fair park authority board; and

1419 (ii) one of whom shall be a representative from the West Side Coalition in Salt Lake
1420 City.

1421 (b) The president of the Senate shall appoint as a board member one individual with

1422 relevant business expertise.

1423 (c) The speaker of the House of Representatives shall appoint as a board member one
1424 individual with relevant business expertise.

1425 (d) The host municipality shall appoint one individual as a board member.

1426 (3) An individual required under Subsection (2) to appoint a board member shall
1427 appoint each initial board member the individual is required to appoint no later than June 1,
1428 2024.

1429 (4) The term of a board member appointed under Subsection (2) is six years, except
1430 that the initial term of the members appointed under Subsection (2)(a) is three years.

1431 (5) Each board member serves until a successor is duly appointed and qualified.

1432 (6) An appointed board member may serve multiple terms if duly appointed under
1433 Subsection (2) to serve each term.

1434 (7) (a) A vacancy in the board shall be filled in the same manner under this section as
1435 the appointment of the member whose vacancy is being filled.

1436 (b) An individual appointed to fill a vacancy shall serve the remaining unexpired term
1437 of the member whose vacancy the individual is filling.

1438 (8) A member of the board appointed under Subsection (2)(a), (b), or (c) serves at the
1439 pleasure of and may be removed and replaced at any time, with or without cause, by the
1440 individual who appointed the member.

1441 (9) A majority of the voting members of the board may appoint as many as two
1442 individuals to serve as nonvoting advisory board members, to serve as the board determines.

1443 Section 24. Section **11-70-303** is enacted to read:

1444 **11-70-303. Board quorum -- Chair and officers -- Compensation.**

1445 (1) A majority of voting members constitutes a quorum, and the action of a majority of
1446 voting members constitutes action of the board.

1447 (2) Upon a vote of a majority of all voting board members, the board may appoint a
1448 board chair and any other officer of the board.

1449 (3) (a) A board member who is not a legislator may not receive compensation or
1450 benefits for the member's service on the board, but may receive per diem and reimbursement
1451 for travel expenses incurred as a board member as allowed in:

1452 (i) Sections [63A-3-106](#) and [63A-3-107](#); and

1453 (ii) rules made by the Division of Finance according to Sections 63A-3-106 and
1454 63A-3-107.

1455 (b) Compensation and expenses of a board member who is a legislator are governed by
1456 Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.

1457 Section 25. Section **11-70-304** is enacted to read:

1458 **11-70-304. Limitations on board members and executive director.**

1459 (1) As used in this section:

1460 (a) "Direct financial benefit":

1461 (i) means any form of financial benefit that accrues to an individual directly, including:

1462 (A) compensation, commission, or any other form of a payment or increase of money;

1463 and

1464 (B) an increase in the value of a business or property; and

1465 (ii) does not include a financial benefit that accrues to the public generally.

1466 (b) "Family member" means a parent, spouse, sibling, child, or grandchild.

1467 (2) An individual may not serve as a member of the board or as executive director if:

1468 (a) the individual owns real property, other than a personal residence in which the
1469 individual resides, within the fairpark district boundary, whether or not the ownership interest
1470 is a recorded interest;

1471 (b) a family member of the individual owns an interest in real property, other than a
1472 personal residence in which the family member resides, located within the fairpark district
1473 boundary; or

1474 (c) the individual or a family member of the individual owns an interest in, is directly
1475 affiliated with, or is an employee or officer of a private firm, private company, or other private
1476 entity that the individual reasonably believes is likely to:

1477 (i) participate in or receive a direct financial benefit from the development of land
1478 within the fairpark district boundary; or

1479 (ii) acquire an interest in or locate a facility within the fairpark district boundary.

1480 (3) Before taking office as a board member or accepting employment as executive
1481 director, an individual shall submit to the fairpark district a statement verifying that the
1482 individual's service as a board member or employment as executive director does not violate
1483 Subsection (2).

1484 (4) (a) An individual may not, at any time during the individual's service as a board
1485 member or employment with the fairpark district, acquire, or take any action to initiate,
1486 negotiate, or otherwise arrange for the acquisition of, an interest in real property located within
1487 the fairpark district boundary, if:

1488 (i) the acquisition is in the individual's personal capacity or in the individual's capacity
1489 as an employee or officer of a private firm, private company, or other private entity; and

1490 (ii) the acquisition will enable the individual to receive a direct financial benefit as a
1491 result of the development of land within the fairpark district boundary.

1492 (b) Subsection (4)(a) does not apply to an individual's acquisition of, or action to
1493 initiate, negotiate, or otherwise arrange for the acquisition of, an interest in real property that is
1494 a personal residence in which the individual will reside upon acquisition of the real property.

1495 (5) (a) A board member or an employee of the fairpark district may not receive a direct
1496 financial benefit from development within the fairpark district boundary.

1497 (b) For purposes of Subsection (5)(a), a direct financial benefit does not include:

1498 (i) expense reimbursements;

1499 (ii) per diem pay for board member service, if applicable; or

1500 (iii) an employee's compensation or benefits from employment with the fairpark
1501 district.

1502 (6) Nothing in this section may be construed to affect the application or effect of any
1503 other code provision applicable to a board member or employee relating to ethics or conflicts
1504 of interest.

1505 Section 26. Section **11-70-305** is enacted to read:

1506 **11-70-305. Executive director.**

1507 (1) (a) (i) The board may hire an executive director to be the chief executive officer of
1508 the fairpark district.

1509 (ii) The board shall oversee an executive director hired by the board.

1510 (2) The role of an executive director hired by the board is to:

1511 (a) manage and oversee the day-to-day operations of the fairpark district;

1512 (b) fulfill the executive and administrative duties and responsibilities of the fairpark
1513 district; and

1514 (c) perform other functions or duties, as directed by the board.

1515 (3) An executive director shall have the education, experience, and training necessary
1516 to perform the executive director's duties in a way that maximizes the potential for the fairpark
1517 district to successfully fulfill the fairpark district's duties and responsibilities under this chapter.

1518 (4) An executive director is an at-will employee who serves at the pleasure of the board
1519 and may be removed by the board at any time.

1520 (5) The board shall establish the compensation and benefits of an executive director
1521 Section 27. Section 11-70-401 is enacted to read:

1522 **Part 4. Enhanced Property Tax Revenue**

1523 **11-70-401. Enhanced property tax revenue to be paid to fairpark district.**

1524 (1) Subject to Subsection (5), the fairpark district shall be paid 90% of enhanced
1525 property tax revenue generated from each parcel of privately owned land within the fairpark
1526 district boundary:

1527 (a) beginning the tax year that begins on January 1, 2025; and

1528 (b) until the transition date for that parcel.

1529 (2) Subject to Subsection (5), during the payment period the fairpark district shall be
1530 paid up to 100% of enhanced property tax revenue:

1531 (a) generated from designated parcels of privately owned land within a project area;
1532 and

1533 (b) as the board specifies in a designation resolution adopted in consultation with a
1534 qualified owner.

1535 (3) For purposes of the payment of enhanced property tax revenue under this section, a
1536 payment period shall begin, as specified in the designation resolution, on January 1 of a year
1537 that begins after the designation resolution is adopted.

1538 (4) (a) For purposes of this section, the fairpark district may designate an improved
1539 portion of a parcel in a project area as a separate parcel.

1540 (b) A fairpark district designation of an improved portion of a parcel as a separate
1541 parcel under Subsection (4)(a) does not constitute a subdivision, as defined in Section
1542 [10-9a-103](#) or Section [17-27a-103](#).

1543 (c) A county recorder shall assign a separate tax identification number to the improved
1544 portion of a parcel designated by the authority as a separate parcel under Subsection (4)(a).

1545 (5) A host municipality shall be paid 25% of the enhanced property tax revenue

1546 generated by a property tax imposed by the host municipality.

1547 Section 28. Section **11-70-402** is enacted to read:

1548 **11-70-402. Distribution of enhanced property tax revenue.**

1549 A county that collects property tax on property within the county in which the fairpark
1550 district is located shall, in the manner and at the time provided in Section [59-2-1365](#), pay and
1551 distribute to the fairpark district and the host municipality the amount of enhanced property tax
1552 revenue that the fairpark district and the host municipality, respectively, is entitled to collect
1553 under this chapter.

1554 Section 29. Section **11-70-403** is enacted to read:

1555 **11-70-403. Use of enhanced property tax revenue.**

1556 The fairpark district may use enhanced property tax revenue collected from a project
1557 area for a development project outside the fairpark district boundary if approved by the board.

1558 Section 30. Section **11-70-501** is enacted to read:

1559 **Part 5. Project Area Plan and Budget**

1560 **11-70-501. Preparation of project area plan -- Required contents of project area**
1561 **plan.**

1562 (1) As provided in this section, the fairpark district may adopt a project area plan for
1563 the development of some or all of the land within the fairpark district boundary.

1564 (2) In consultation with the fair park authority board, the fairpark district may adopt a
1565 project area plan for the development of some or all of the fair park land.

1566 (3) With the consent of a qualified owner, the fairpark district may adopt a project area
1567 plan for the development of the qualified owner's land, including the development and
1568 construction of a qualified stadium.

1569 (4) (a) To adopt a project area plan, the board shall:

1570 (i) prepare a draft project area plan;

1571 (ii) give notice as required under Subsection [11-70-503](#)(2);

1572 (iii) hold at least one public meeting, as required under Subsection [11-70-503](#)(1); and

1573 (iv) after holding at least one public meeting and subject to Subsection (4)(b), adopt the
1574 draft project area plan as the project area plan.

1575 (b) Before adopting a draft project area plan as the project area plan, the board may
1576 make modifications to the draft project area plan that the board considers necessary or

1577 appropriate.

1578 (5) A project area plan and draft project area plan shall contain:

1579 (a) a legal description of the boundary of the project area;

1580 (b) the fairpark district's purposes and intent with respect to the project area; and

1581 (c) the board's findings and determination that:

1582 (i) there is a need for the proposed development project to effectuate a public purpose;

1583 (ii) there is a public benefit that will result from the proposed development project; and

1584 (iii) it is economically sound and feasible to adopt and carry out the project area plan.

1585 Section 31. Section **11-70-502** is enacted to read:

1586 **11-70-502. Qualified stadium under project area plan.**

1587 (1) A project area plan may provide for the development and construction of a
1588 qualified stadium on land that, until conveyed to the fairpark district as provided in Subsection

1589 (3)(b), is owned by a qualified owner.

1590 (2) A project area plan under Subsection (1) shall include a requirement that the

1591 qualified owner and fairpark district enter an agreement relating to:

1592 (a) the development, construction, operation, and ownership of a qualified stadium;

1593 and

1594 (b) the development of other land owned by the qualified owner within the fairpark

1595 district boundary.

1596 (3) (a) An agreement under Subsection (2) shall:

1597 (i) limit the stadium contribution to the lesser of:

1598 (A) half the actual cost of developing and constructing the qualified stadium; or

1599 (B) \$900,000,000;

1600 (ii) require the qualified owner to convey to the fairpark district, as soon as practicable

1601 after the franchise agreement date, title to the property on which the qualified stadium will be

1602 constructed;

1603 (iii) require the qualified owner, if the major league sports team leaves the qualified

1604 stadium before 30 years after the franchise agreement date, to;

1605 (A) pay the remaining outstanding balance of bonds issued by the fairpark district for

1606 the development and construction of the qualified stadium; and

1607 (B) pay to the fairpark district the difference between the stadium contribution and the

1608 amount paid under Subsection (3)(a)(iii)(A);

1609 (iv) provide for the fairpark district to possess full ownership rights to the qualified
1610 stadium;

1611 (v) provide for the qualified owner to sell and control sponsorship rights relating to the
1612 qualified stadium;

1613 (vi) provide for the fairpark district to lease the qualified stadium to the major league
1614 sports team for lease payments of \$150,000 per month for 360 months;

1615 (vii) require the qualified owner to operate and maintain the qualified stadium and to
1616 pay for all operation and maintenance costs;

1617 (viii) require the qualified owner to cooperate and coordinate with the fairpark district
1618 to allow events other than events of the major league sports team to occur at the qualified
1619 stadium if those other events do not interfere with the use of the qualified stadium for events of
1620 the major league sports team;

1621 (ix) include negotiated terms that are fair and reasonable;

1622 (x) establish the timing and process for the development of the qualified owner's
1623 property within the fairpark district boundary, based on the qualified owner's development
1624 plan;

1625 (xi) establish the timing and process for assisting the fair park authority to complete the
1626 fair park authority's master plan; and

1627 (xii) require the major league sports team to be given a name that includes "Utah."

1628 (b) Before approving an agreement under Subsection (3)(a), the board shall:

1629 (i) hold at least one public meeting to consider and discuss the draft agreement; and

1630 (ii) provide notice of the public meeting as provided in Subsection [11-70-503\(2\)](#).

1631 (c) A legal action or other challenge to an agreement under Subsection (3)(a) by a
1632 person other than a party to the agreement is barred unless brought within 30 days after the
1633 execution of the agreement.

1634 (4) The fairpark district shall pay to the Division of Finance, for deposit into the
1635 General Fund, all lease payments the fairpark district receives under a lease agreement for the
1636 qualified stadium.

1637 Section 32. Section **11-70-503** is enacted to read:

1638 **11-70-503. Public meeting to consider and discuss draft project area plan -- Notice**

1639 -- **Adoption of plan.**

1640 (1) The board shall hold at least one public meeting to consider and discuss a draft
1641 project area plan.

1642 (2) Before holding a public meeting under Subsection (1), the board shall give notice
1643 of the public meeting:

1644 (a) to each taxing entity, at least 10 days before the public meeting; and

1645 (b) for the project area, as a class A notice under Section [63G-30-102](#), for at least 10
1646 days before the public meeting.

1647 (3) Following consideration and discussion at a public meeting under Subsection (1),
1648 and any modification of the project area plan under Subsection [11-70-501\(4\)\(b\)](#), the board may
1649 adopt the draft project area plan or modified draft project area plan as the project area plan.

1650 Section 33. Section **11-70-504** is enacted to read:

1651 **11-70-504. Notice of project area plan adoption -- Effective date of plan -- Time**
1652 **for challenging a project area plan or project area.**

1653 (1) Upon the board's adoption of a project area plan, the board shall provide notice as
1654 provided in Subsection (2) by publishing or causing to be published legal notice:

1655 (a) for the project area, as a class A notice under Section [63G-30-102](#), for at least 30
1656 days; and

1657 (b) as required by Section [45-1-101](#).

1658 (2) (a) A notice under Subsection (1) shall include:

1659 (i) the board resolution adopting the project area plan or a summary of the resolution;
1660 and

1661 (ii) a statement that the project area plan is available for general public inspection and
1662 the hours for inspection.

1663 (b) The statement required under Subsection (2)(a)(ii) may be included within the
1664 board resolution adopting the project area plan or within the summary of the resolution.

1665 (3) The project area plan shall become effective on the date designated in the board
1666 resolution.

1667 (4) The fairpark district shall make the adopted project area plan available to the
1668 general public at the fairpark district's offices during normal business hours.

1669 (5) Within 10 days after the day on which a project area plan is adopted that establishes

1670 a project area, or after an amendment to a project area plan is adopted under which the
1671 boundary of a project area is modified, the fairpark district shall send notice of the
1672 establishment or modification of the project area and an accurate map or plat of the project area
1673 to:

- 1674 (a) the State Tax Commission;
- 1675 (b) the Utah Geospatial Resource Center created in Section [63A-16-505](#); and
- 1676 (c) the assessor, auditor, and recorder of each county where the project area is located.
- 1677 (6) A legal action or other challenge to a project area plan or a project area described in
1678 a project area plan is barred unless brought within 30 days after the effective date of the project
1679 area plan.

1680 Section 34. Section **11-70-505** is enacted to read:

1681 **11-70-505. Amendment to a project area plan.**

- 1682 (1) The fairpark district may amend a project area plan by following the same
1683 procedure under this part as applies to the adoption of a project area plan.
- 1684 (2) The provisions of this part apply to the fairpark district's adoption of an amendment
1685 to a project area plan to the same extent as they apply to the adoption of a project area plan.

1686 Section 35. Section **11-70-506** is enacted to read:

1687 **11-70-506. Project area budget.**

- 1688 (1) Before the fairpark district may use the enhanced property tax revenue from a
1689 project area, the board shall prepare and adopt a project area budget.
- 1690 (2) A project area budget shall include:
 - 1691 (a) the base taxable value of property in the project area;
 - 1692 (b) the projected enhanced property tax revenue expected to be generated within the
1693 project area;
 - 1694 (c) the amount of the enhanced property tax revenue expected to be used to implement
1695 the project area plan, including the estimated amount of the enhanced property tax revenue to
1696 be used for:
 - 1697 (i) land acquisition;
 - 1698 (ii) public infrastructure and improvements; and
 - 1699 (iii) loans, grants, or other incentives to private and public entities;
 - 1700 (d) the enhanced property tax revenue expected to be used to cover the cost of

1701 administering the project area plan;

1702 (e) the amount of enhanced property tax revenue expected to be shared with other
1703 taxing entities; and

1704 (f) for property that the fairpark district owns or leases and expects to sell or sublease,
1705 the expected total cost of the property to the fairpark district and the expected selling price or
1706 lease payments.

1707 (3) The board may amend an adopted project area budget as and when the board
1708 considers it appropriate.

1709 Section 36. Section 11-70-601 is enacted to read:

1710 **Part 6. Fairpark District Bonds**

1711 **11-70-601. Resolution authorizing issuance of fairpark district bonds --**

1712 **Characteristics of bonds -- Notice.**

1713 (1) In issuing bonds under this part, the fairpark district shall comply with applicable
1714 requirements and provisions of Title 63C, Chapter 25, State Finance Review Commission.

1715 (2) (a) As provided in the fairpark district resolution authorizing the issuance of bonds
1716 under this part or the trust indenture under which the bonds are issued, bonds issued under this
1717 part may be issued in one or more series and may be sold at public or private sale and in the
1718 manner provided in the resolution or indenture.

1719 (b) Bonds issued under this part shall bear the date, be payable at the time, bear interest
1720 at the rate, be in the denomination and in the form, carry the conversion or registration
1721 privileges, have the rank or priority, be executed in the manner, be subject to the terms of
1722 redemption or tender, with or without premium, be payable in the medium of payment and at
1723 the place, and have other characteristics as provided in the fairpark district resolution
1724 authorizing their issuance or the trust indenture under which they are issued.

1725 (3) Upon the board's adoption of a resolution providing for the issuance of bonds, the
1726 board may provide for the publication of the resolution:

1727 (a) for the area within the fairpark district's boundaries, as a class A notice under
1728 Section [63G-30-102](#), for at least 30 days; and

1729 (b) as required in Section [45-1-101](#).

1730 (4) In lieu of publishing the entire resolution, the board may publish notice of bonds
1731 that contains the information described in Subsection [11-14-316\(2\)](#).

- 1732 (5) For a period of 30 days after the publication, any person in interest may contest:
1733 (a) the legality of the resolution or proceeding;
1734 (b) any bonds that may be authorized by the resolution or proceeding; or
1735 (c) any provisions made for the security and payment of the bonds.
1736 (6) (a) A person may contest the matters set forth in Subsection (5) by filing a verified
1737 written complaint, within 30 days of the publication under Subsection (5), in the district court
1738 of the county in which the person resides.
1739 (b) A person may not contest the matters set forth in Subsection (5), or the regularity,
1740 formality, or legality of the resolution or proceeding, for any reason, after the 30-day period for
1741 contesting provided in Subsection (6)(a).
1742 (7) No later than 60 days after the closing day of any bonds, the fairpark district shall
1743 report the bonds issuance, including the amount of the bonds, terms, interest rate, and security,
1744 to:
1745 (a) the Executive Appropriations Committee; and
1746 (b) the State Finance Review Commission created in Section [63C-25-201](#).
1747 Section 37. Section **11-70-602** is enacted to read:
1748 **11-70-602. Sources from which bonds may be made payable -- Fairpark district**
1749 **powers regarding bonds.**
1750 (1) Subject to Subsection [11-70-207](#)(2), the principal and interest on bonds issued by
1751 the fairpark district may be made payable from:
1752 (a) the income and revenues of the projects financed with the proceeds of the bonds;
1753 (b) the income and revenues of certain designated projects whether or not they were
1754 financed in whole or in part with the proceeds of the bonds;
1755 (c) the income, proceeds, revenues, property, and funds the fairpark district derives
1756 from or holds in connection with its undertaking and carrying out development of land within
1757 the fairpark district boundary;
1758 (d) enhanced property tax revenue;
1759 (e) fairpark district revenues generally;
1760 (f) a contribution, loan, grant, or other financial assistance from the federal government
1761 or a public entity in aid of the fairpark district; or
1762 (g) funds derived from any combination of the methods listed in Subsections (1)(a)

1763 through (f).

1764 (2) In connection with the issuance of fairpark district bonds, the fairpark district may:

1765 (a) as the board determines in the board's reasonable discretion, pledge all or any part
1766 of the fairpark district's gross or net rents, fees, or revenues to which the fairpark district's right
1767 then exists or may thereafter come into existence;

1768 (b) encumber by mortgage, deed of trust, or otherwise all or any part of the fairpark
1769 district's real or personal property, then owned or thereafter acquired; and

1770 (c) make the covenants and take the action that may be necessary, convenient, or
1771 desirable to secure its bonds, or, except as otherwise provided in this chapter, that will tend to
1772 make the bonds more marketable, even though such covenants or actions are not specifically
1773 enumerated in this chapter.

1774 Section 38. Section **11-70-603** is enacted to read:

1775 **11-70-603. Purchase of fairpark district bonds.**

1776 (1) Any person, firm, corporation, association, political subdivision of the state, or
1777 other entity or public or private officer may purchase bonds issued by the fairpark district under
1778 this part with funds owned or controlled by the purchaser.

1779 (2) Nothing in this section relieves a purchaser of fairpark district bonds of any duty to
1780 exercise reasonable care in selecting securities.

1781 Section 39. Section **11-70-604** is enacted to read:

1782 **11-70-604. Those executing bonds not personally liable -- Limitation of**
1783 **obligations under bonds -- Negotiability'**

1784 (1) A member of the board or other person executing a fairpark district bond is not
1785 liable personally on the bond.

1786 (2) (a) A bond issued by the fairpark district is not a general obligation or liability of
1787 the state or any of its political subdivisions and does not constitute a charge against their
1788 general credit or taxing powers.

1789 (b) A bond issued by the fairpark district is not payable out of any funds or properties
1790 other than those of the fairpark district.

1791 (c) The state and its political subdivisions are not and may not be held liable on a bond
1792 issued by the fairpark district.

1793 (d) A bond issued by the fairpark district does not constitute indebtedness within the

1794 meaning of any constitutional or statutory debt limitation.

1795 (3) A bond issued by the fairpark district under this part is fully negotiable.

1796 Section 40. Section **11-70-605** is enacted to read:

1797 **11-70-605. Bonds exempt from taxes -- Fairpark district may purchase its own**

1798 **bonds.**

1799 (1) A bond issued by the fairpark district under this part is issued for an essential
1800 public and governmental purpose and is, together with interest on the bond and income from it,
1801 exempt from all state taxes except the corporate franchise tax.

1802 (2) The fairpark district may purchase its own bonds at a price that its board
1803 determines.

1804 (3) Nothing in this section limits the right of an obligee to pursue a remedy for the
1805 enforcement of a pledge or lien given under this part by the fairpark district on its rents, fees,
1806 grants, properties, or revenues.

1807 Section 41. Section **11-70-701** is enacted to read:

1808 **Part 7. Fairpark District Budget and Other Financial Matters**

1809 **11-70-701. Annual fairpark district budget -- Fiscal year -- Public hearing and**
1810 **notice required -- Auditor forms.**

1811 (1) The fairpark district shall prepare and the board adopt an annual budget of revenues
1812 and expenditures for the fairpark district for each fiscal year.

1813 (2) Each annual fairpark district budget shall be adopted before June 22.

1814 (3) The fairpark district's fiscal year shall be the period from July 1 to the following
1815 June 30.

1816 (4) (a) Before adopting an annual budget, the fairpark district board shall hold a public
1817 hearing on the annual budget.

1818 (b) The fairpark district shall provide notice of the public hearing on the annual budget
1819 by publishing notice as a class A notice under Section [63G-30-102](#) for at least one week before
1820 the public hearing.

1821 (c) The fairpark district shall make the annual budget available for public inspection at
1822 least three days before the date of the public hearing.

1823 (5) The state auditor shall prescribe the budget forms and the categories to be contained
1824 in each fairpark district budget, including:

1825 (a) revenues and expenditures for the budget year; and
1826 (b) administrative costs, including legal fees, rent, supplies, and other materials, and
1827 salaries of fairpark district personnel.

1828 Section 42. Section **11-70-702** is enacted to read:

1829 **11-70-702. Amending the fairpark district annual budget.**

1830 (1) The board may by resolution amend an annual fairpark district budget.

1831 (2) An amendment of the annual fairpark district budget that would increase the total
1832 expenditures may be made only after public hearing by notice published as required for initial
1833 adoption of the annual budget.

1834 (3) The fairpark district may not make expenditures in excess of the total expenditures
1835 established in the annual budget as it is adopted or amended.

1836 Section 43. Section **11-70-703** is enacted to read:

1837 **11-70-703. Audit requirements.**

1838 The fairpark district shall comply with the audit requirements of Title 51, Chapter 2a,
1839 Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local
1840 Entities Act.

1841 Section 44. Section **11-70-704** is enacted to read:

1842 **11-70-704. Fairpark district chief financial officer is a public treasurer -- Certain**
1843 **fairpark district funds are public funds.**

1844 (1) The fairpark district's chief financial officer:

1845 (a) is a public treasurer, as defined in Section [51-7-3](#); and

1846 (b) shall invest the fairpark district funds specified in Subsection (2) as provided in that
1847 subsection.

1848 (2) Notwithstanding Subsection [63E-2-110\(2\)\(a\)](#), appropriations that the fairpark
1849 district receives from the state:

1850 (a) are public funds; and

1851 (b) shall be invested as provided in Title 51, Chapter 7, State Money Management Act.

1852 Section 45. Section **11-70-801** is enacted to read:

1853 **Part 8. Fairpark District Dissolution**

1854 **11-70-801. Dissolution of fairpark district -- Restrictions -- Notice of dissolution --**
1855 **Disposition of fairpark district property -- Fairpark district records -- Dissolution**

1856 **expenses.**

1857 (1) The fairpark district may not be dissolved unless the fairpark district has no
1858 outstanding bonded indebtedness, other unpaid loans, indebtedness, or advances, and no legally
1859 binding contractual obligations with persons or entities other than the state.

1860 (2) Upon the dissolution of the fairpark district:

1861 (a) the Governor's Office of Economic Opportunity shall publish a notice of
1862 dissolution:

1863 (i) for the county in which the dissolved fairpark district is located, as a class A notice
1864 under Section [63G-30-102](#), for at least seven days; and

1865 (ii) as required in Section [45-1-101](#); and

1866 (b) all title to property owned by the fairpark district vests in the state.

1867 (3) The books, documents, records, papers, and seal of each dissolved fairpark district
1868 shall be deposited for safekeeping and reference with the state auditor.

1869 (4) The fairpark district shall pay all expenses of the deactivation and dissolution.

1870 Section 46. Section **17-22-5.5** is amended to read:

1871 **17-22-5.5. Sheriff's classification of jail facilities -- Maximum operating capacity**
1872 **of jail facilities -- Transfer or release of prisoners -- Limitation -- Records regarding**
1873 **release.**

1874 (1) (a) Except as provided in Subsection (4), a county sheriff shall determine:

1875 (i) subject to Subsection (1)(b), the classification of each jail facility or section of a jail
1876 facility under the sheriff's control;

1877 (ii) the nature of each program conducted at a jail facility under the sheriff's control;

1878 and

1879 (iii) the internal operation of a jail facility under the sheriff's control.

1880 (b) A classification under Subsection (1)(a)(i) of a jail facility may not violate any
1881 applicable zoning ordinance or conditional use permit of the county or municipality.

1882 (2) Except as provided in Subsection (4), each county sheriff shall:

1883 (a) with the approval of the county legislative body, establish a maximum operating
1884 capacity for each jail facility under the sheriff's control, based on facility design and staffing;

1885 and

1886 (b) upon a jail facility reaching the jail facility's maximum operating capacity:

- 1887 (i) transfer prisoners to another appropriate facility:
1888 (A) under the sheriff's control; or
1889 (B) available to the sheriff by contract;
1890 (ii) release prisoners:
1891 (A) to a supervised release program, according to release criteria established by the
1892 sheriff; or
1893 (B) to another alternative incarceration program developed by the sheriff; or
1894 (iii) admit prisoners in accordance with law and a uniform admissions policy imposed
1895 equally upon all entities using the county jail.
1896 (3) (a) The sheriff shall keep records of the release status and the type of release
1897 program or alternative incarceration program for any prisoner released under Subsection
1898 (2)(b)(ii).
1899 (b) The sheriff shall make these records available upon request to the Department of
1900 Corrections, the Judiciary, and the Commission on Criminal and Juvenile Justice.
1901 (4) This section may not be construed to authorize a sheriff to modify provisions of a
1902 contract with the Department of Corrections to house in a county jail an individual sentenced to
1903 the Department of Corrections.
1904 (5) Regardless of whether a jail facility has reached the jail facility's maximum
1905 operating capacity under Subsection (2), a sheriff may release an individual from a jail facility
1906 in accordance with Section [77-20-203](#) or [77-20-204](#).
1907 (6) (a) Subject to Subsection (6)(c), a jail facility shall detain an individual for up to 24
1908 hours from booking if:
1909 (i) the individual is on supervised probation or parole and that information is
1910 reasonably available; and
1911 (ii) the individual was arrested for:
1912 (A) a violent felony as defined in Section [76-3-203.5](#); or
1913 (B) a qualifying domestic violence offense as defined in Subsection [77-36-1.1\(4\)](#) that
1914 is not a criminal mischief offense.
1915 (b) The jail facility shall notify the entity supervising the individual's probation or
1916 parole that the individual is being detained.
1917 (c) (i) The jail facility shall release the individual:

1918 (A) to the Department of Corrections if the Department of Corrections supervises the
 1919 individual and requests the individual's release; or

1920 (B) if a court or magistrate orders release.

1921 (ii) Nothing in this Subsection (6) prohibits a jail facility from holding the individual in
 1922 accordance with Title 77, Chapter 20, Bail, for new criminal conduct.

1923 (7) The sheriff of a county of the first class is encouraged to open and operate all
 1924 sections of a jail facility within the county that is not being used to full capacity.

1925 Section 47. Section **17D-4-102** is amended to read:

1926 **17D-4-102. Definitions.**

1927 As used in this chapter:

1928 (1) "Board" means the board of trustees of a public infrastructure district.

1929 (2) "Creating entity" means the county, municipality, or development authority that
 1930 approves the creation of a public infrastructure district.

1931 (3) "Development authority" means:

1932 (a) the Utah Inland Port Authority created in Section [11-58-201](#);

1933 (b) the Point of the Mountain State Land Authority created in Section [11-59-201](#); ~~or~~

1934 (c) the Utah Fairpark Area Investment and Restoration District created in Section
 1935 [11-70-201](#); or

1936 ~~(c)~~ (d) the military installation development authority created in Section [63H-1-201](#).

1937 (4) "District applicant" means the person proposing the creation of a public
 1938 infrastructure district.

1939 (5) "Division" means a division of a public infrastructure district:

1940 (a) that is relatively equal in number of eligible voters or potential eligible voters to all
 1941 other divisions within the public infrastructure district, taking into account existing or potential
 1942 developments which, when completed, would increase or decrease the population within the
 1943 public infrastructure district; and

1944 (b) which a member of the board represents.

1945 (6) "Governing document" means the document governing a public infrastructure
 1946 district to which the creating entity agrees before the creation of the public infrastructure
 1947 district, as amended from time to time, and subject to the limitations of Title 17B, Chapter 1,
 1948 Provisions Applicable to All Special Districts, and this chapter.

1949 (7) (a) "Limited tax bond" means a bond:
1950 (i) that is directly payable from and secured by ad valorem property taxes that are
1951 levied:
1952 (A) by a public infrastructure district that issues the bond; and
1953 (B) on taxable property within the district;
1954 (ii) that is a general obligation of the public infrastructure district; and
1955 (iii) for which the ad valorem property tax levy for repayment of the bond does not
1956 exceed the property tax levy rate limit established under Section 17D-4-303 for any fiscal year,
1957 except as provided in Subsection 17D-4-301(8).
1958 (b) "Limited tax bond" does not include:
1959 (i) a short-term bond;
1960 (ii) a tax and revenue anticipation bond; or
1961 (iii) a special assessment bond.
1962 (8) "Public infrastructure and improvements" means:
1963 (a) the same as that term is defined in Section 11-58-102, for a public infrastructure
1964 district created by the Utah Inland Port Authority created in Section 11-58-201; ~~and~~
1965 (b) the same as that term is defined in Section 11-70-101, for a public infrastructure
1966 district created by the Utah Fairpark Area Investment and Restoration District created in
1967 Section 11-70-201; and
1968 ~~(b)~~ (c) the same as that term is defined in Section 63H-1-102, for a public
1969 infrastructure district created by the military installation development authority created in
1970 Section 63H-1-201.
1971 Section 48. Section 59-2-924 is amended to read:
1972 **59-2-924. Definitions -- Report of valuation of property to county auditor and**
1973 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
1974 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**
1975 **commission.**
1976 (1) As used in this section:
1977 (a) (i) "Ad valorem property tax revenue" means revenue collected in accordance with
1978 this chapter.
1979 (ii) "Ad valorem property tax revenue" does not include:

- 1980 (A) interest;
- 1981 (B) penalties;
- 1982 (C) collections from redemptions; or
- 1983 (D) revenue received by a taxing entity from personal property that is semiconductor
- 1984 manufacturing equipment assessed by a county assessor in accordance with Part 3, County
- 1985 Assessment.
- 1986 (b) "Adjusted tax increment" means the same as that term is defined in Section
- 1987 [17C-1-102](#).
- 1988 (c) (i) "Aggregate taxable value of all property taxed" means:
- 1989 (A) the aggregate taxable value of all real property a county assessor assesses in
- 1990 accordance with Part 3, County Assessment, for the current year;
- 1991 (B) the aggregate taxable value of all real and personal property the commission
- 1992 assesses in accordance with Part 2, Assessment of Property, for the current year; and
- 1993 (C) the aggregate year end taxable value of all personal property a county assessor
- 1994 assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls
- 1995 of the taxing entity.
- 1996 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year
- 1997 end taxable value of personal property that is:
- 1998 (A) semiconductor manufacturing equipment assessed by a county assessor in
- 1999 accordance with Part 3, County Assessment; and
- 2000 (B) contained on the prior year's tax rolls of the taxing entity.
- 2001 (d) "Base taxable value" means:
- 2002 (i) for an authority created under Section [11-58-201](#), the same as that term is defined in
- 2003 Section [11-58-102](#);
- 2004 (ii) for the Point of the Mountain State Land Authority created in Section [11-59-201](#),
- 2005 the same as that term is defined in Section [11-59-207](#);
- 2006 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 2007 [11-70-201](#), the same as that term is defined in Section [11-70-101](#);
- 2008 [(iii)] (iv) for an agency created under Section [17C-1-201.5](#), the same as that term is
- 2009 defined in Section [17C-1-102](#);
- 2010 [(iv)] (v) for an authority created under Section [63H-1-201](#), the same as that term is

2011 defined in Section [63H-1-102](#);

2012 ~~[(v)]~~ (vi) for a host local government, the same as that term is defined in Section
2013 [63N-2-502](#); or

2014 ~~[(vi)]~~ (vii) for a housing and transit reinvestment zone created under Title 63N,
2015 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, a property's taxable value as
2016 shown upon the assessment roll last equalized during the base year, as that term is defined in
2017 Section [63N-3-602](#).

2018 (e) "Centrally assessed benchmark value" means an amount equal to the highest year
2019 end taxable value of real and personal property the commission assesses in accordance with
2020 Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1,
2021 2015, adjusted for taxable value attributable to:

2022 (i) an annexation to a taxing entity;

2023 (ii) an incorrect allocation of taxable value of real or personal property the commission
2024 assesses in accordance with Part 2, Assessment of Property; or

2025 (iii) a change in value as a result of a change in the method of apportioning the value
2026 prescribed by the Legislature, a court, or the commission in an administrative rule or
2027 administrative order.

2028 (f) (i) "Centrally assessed new growth" means the greater of:

2029 (A) zero; or

2030 (B) the amount calculated by subtracting the centrally assessed benchmark value
2031 adjusted for prior year end incremental value from the taxable value of real and personal
2032 property the commission assesses in accordance with Part 2, Assessment of Property, for the
2033 current year, adjusted for current year incremental value.

2034 (ii) "Centrally assessed new growth" does not include a change in value as a result of a
2035 change in the method of apportioning the value prescribed by the Legislature, a court, or the
2036 commission in an administrative rule or administrative order.

2037 (g) "Certified tax rate" means a tax rate that will provide the same ad valorem property
2038 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

2039 (h) "Community reinvestment agency" means the same as that term is defined in
2040 Section [17C-1-102](#).

2041 (i) "Eligible new growth" means the greater of:

- 2042 (i) zero; or
- 2043 (ii) the sum of:
- 2044 (A) locally assessed new growth;
- 2045 (B) centrally assessed new growth; and
- 2046 (C) project area new growth or hotel property new growth.
- 2047 (j) "Host local government" means the same as that term is defined in Section
- 2048 [63N-2-502](#).
- 2049 (k) "Hotel property" means the same as that term is defined in Section [63N-2-502](#).
- 2050 (l) "Hotel property new growth" means an amount equal to the incremental value that
- 2051 is no longer provided to a host local government as incremental property tax revenue.
- 2052 (m) "Incremental property tax revenue" means the same as that term is defined in
- 2053 Section [63N-2-502](#).
- 2054 (n) "Incremental value" means:
- 2055 (i) for an authority created under Section [11-58-201](#), the amount calculated by
- 2056 multiplying:
- 2057 (A) the difference between the taxable value and the base taxable value of the property
- 2058 that is located within a project area and on which property tax differential is collected; and
- 2059 (B) the number that represents the percentage of the property tax differential that is
- 2060 paid to the authority;
- 2061 (ii) for the Point of the Mountain State Land Authority created in Section [11-59-201](#),
- 2062 an amount calculated by multiplying:
- 2063 (A) the difference between the current assessed value of the property and the base
- 2064 taxable value; and
- 2065 (B) the number that represents the percentage of the property tax augmentation, as
- 2066 defined in Section [11-59-207](#), that is paid to the Point of the Mountain State Land Authority;
- 2067 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 2068 [11-70-201](#), the amount calculated by multiplying:
- 2069 (A) the difference between the taxable value for the current year and the base taxable
- 2070 value of the property that is located within a project area; and
- 2071 (B) the number that represents the percentage of enhanced property tax revenue, as
- 2072 defined in Section [11-70-101](#);

2073 [(iii)] (iv) for an agency created under Section 17C-1-201.5, the amount calculated by
2074 multiplying:

2075 (A) the difference between the taxable value and the base taxable value of the property
2076 located within a project area and on which tax increment is collected; and

2077 (B) the number that represents the adjusted tax increment from that project area that is
2078 paid to the agency;

2079 [(iv)] (v) for an authority created under Section 63H-1-201, the amount calculated by
2080 multiplying:

2081 (A) the difference between the taxable value and the base taxable value of the property
2082 located within a project area and on which property tax allocation is collected; and

2083 (B) the number that represents the percentage of the property tax allocation from that
2084 project area that is paid to the authority;

2085 [(v)] (vi) for a housing and transit reinvestment zone created pursuant to Title 63N,
2086 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount calculated by
2087 multiplying:

2088 (A) the difference between the taxable value and the base taxable value of the property
2089 that is located within a housing and transit reinvestment zone and on which tax increment is
2090 collected; and

2091 (B) the number that represents the percentage of the tax increment that is paid to the
2092 housing and transit reinvestment zone; or

2093 [(vi)] (vii) for a host local government, an amount calculated by multiplying:

2094 (A) the difference between the taxable value and the base taxable value of the hotel
2095 property on which incremental property tax revenue is collected; and

2096 (B) the number that represents the percentage of the incremental property tax revenue
2097 from that hotel property that is paid to the host local government[; ~~or~~].

2098 [~~(vii) for the State Fair Park Authority created in Section 11-68-201, the taxable value~~
2099 ~~of:~~]

2100 [~~(A) fair park land, as defined in Section 11-68-101, that is subject to a privilege tax~~
2101 ~~under Section 11-68-402; or]~~

2102 [~~(B) personal property located on property that is subject to the privilege tax described~~
2103 ~~in Subsection (1)(n)(vii)(A).]~~

- 2104 (o) (i) "Locally assessed new growth" means the greater of:
2105 (A) zero; or
2106 (B) the amount calculated by subtracting the year end taxable value of real property the
2107 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,
2108 adjusted for prior year end incremental value from the taxable value of real property the county
2109 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted
2110 for current year incremental value.
- 2111 (ii) "Locally assessed new growth" does not include a change in:
2112 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or
2113 another adjustment;
2114 (B) assessed value based on whether a property is allowed a residential exemption for a
2115 primary residence under Section 59-2-103;
2116 (C) assessed value based on whether a property is assessed under Part 5, Farmland
2117 Assessment Act; or
2118 (D) assessed value based on whether a property is assessed under Part 17, Urban
2119 Farming Assessment Act.
- 2120 (p) "Project area" means:
2121 (i) for an authority created under Section 11-58-201, the same as that term is defined in
2122 Section 11-58-102;
2123 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section
2124 11-70-201, the same as that term is defined in Section 11-70-101;
2125 ~~[(ii)]~~ (iii) for an agency created under Section 17C-1-201.5, the same as that term is
2126 defined in Section 17C-1-102; or
2127 ~~[(iii)]~~ (iv) for an authority created under Section 63H-1-201, the same as that term is
2128 defined in Section 63H-1-102.
- 2129 (q) "Project area new growth" means:
2130 (i) for an authority created under Section 11-58-201, an amount equal to the
2131 incremental value that is no longer provided to an authority as property tax differential;
2132 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
2133 an amount equal to the incremental value that is no longer provided to the Point of the
2134 Mountain State Land Authority as property tax augmentation, as defined in Section 11-59-207;

2135 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
2136 11-70-201, an amount equal to the incremental value that is no longer provided to the Utah
2137 Fairpark Area Investment and Restoration District;

2138 [~~(iii)~~] (iv) for an agency created under Section 17C-1-201.5, an amount equal to the
2139 incremental value that is no longer provided to an agency as tax increment;

2140 [~~(iv)~~] (v) for an authority created under Section 63H-1-201, an amount equal to the
2141 incremental value that is no longer provided to an authority as property tax allocation; or

2142 [~~(v)~~] (vi) for a housing and transit reinvestment zone created under Title 63N, Chapter
2143 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the incremental
2144 value that is no longer provided to a housing and transit reinvestment zone as tax increment.

2145 (r) "Project area incremental revenue" means the same as that term is defined in
2146 Section 17C-1-1001.

2147 (s) "Property tax allocation" means the same as that term is defined in Section
2148 63H-1-102.

2149 (t) "Property tax differential" means the same as that term is defined in Section
2150 11-58-102.

2151 (u) "Qualifying exempt revenue" means revenue received:

2152 (i) for the previous calendar year;

2153 (ii) by a taxing entity;

2154 (iii) from tangible personal property contained on the prior year's tax rolls that is
2155 exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year beginning on
2156 January 1, 2022; and

2157 (iv) on the aggregate 2021 year end taxable value of the tangible personal property that
2158 exceeds \$15,300.

2159 (v) "Tax increment" means:

2160 [~~(i)~~] (A) for a project created under Section 17C-1-201.5, the same as that term is
2161 defined in Section 17C-1-102; or

2162 [~~(ii)~~] (B) for a housing and transit reinvestment zone created under Title 63N, Chapter
2163 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is defined in
2164 Section 63N-3-602.

2165 (2) Before June 1 of each year, the county assessor of each county shall deliver to the

2166 county auditor and the commission the following statements:

2167 (a) a statement containing the aggregate valuation of all taxable real property a county
2168 assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and

2169 (b) a statement containing the taxable value of all personal property a county assessor
2170 assesses in accordance with Part 3, County Assessment, from the prior year end values.

2171 (3) The county auditor shall, on or before June 8, transmit to the governing body of
2172 each taxing entity:

2173 (a) the statements described in Subsections (2)(a) and (b);

2174 (b) an estimate of the revenue from personal property;

2175 (c) the certified tax rate; and

2176 (d) all forms necessary to submit a tax levy request.

2177 (4) (a) Except as otherwise provided in this section, the certified tax rate shall be
2178 calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the
2179 prior year minus the qualifying exempt revenue by the amount calculated under Subsection
2180 (4)(b).

2181 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
2182 calculate an amount as follows:

2183 (i) calculate for the taxing entity the difference between:

2184 (A) the aggregate taxable value of all property taxed; and

2185 (B) any adjustments for current year incremental value;

2186 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
2187 determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the
2188 average of the percentage net change in the value of taxable property for the equalization
2189 period for the three calendar years immediately preceding the current calendar year;

2190 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product
2191 of:

2192 (A) the amount calculated under Subsection (4)(b)(ii); and

2193 (B) the percentage of property taxes collected for the five calendar years immediately
2194 preceding the current calendar year; and

2195 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount
2196 determined by:

2197 (A) multiplying the percentage of property taxes collected for the five calendar years
2198 immediately preceding the current calendar year by eligible new growth; and

2199 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount
2200 calculated under Subsection (4)(b)(iii).

2201 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be
2202 calculated as follows:

2203 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified
2204 tax rate is zero;

2205 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

2206 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
2207 services under Sections 17-34-1 and 17-36-9; and

2208 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
2209 purposes and such other levies imposed solely for the municipal-type services identified in
2210 Section 17-34-1 and Subsection 17-36-3(23);

2211 (c) for a community reinvestment agency that received all or a portion of a taxing
2212 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10,
2213 Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4)
2214 except that the commission shall treat the total revenue transferred to the community
2215 reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the
2216 prior year; and

2217 (d) for debt service voted on by the public, the certified tax rate is the actual levy
2218 imposed by that section, except that a certified tax rate for the following levies shall be
2219 calculated in accordance with Section 59-2-913 and this section:

2220 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and

2221 (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative
2222 orders under Section 59-2-1602.

2223 (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be
2224 imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more
2225 eligible judgments.

2226 (b) The ad valorem property tax revenue generated by a judgment levy described in
2227 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax

2228 rate.

2229 (7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

2230 (i) the taxable value of real property:

2231 (A) the county assessor assesses in accordance with Part 3, County Assessment; and

2232 (B) contained on the assessment roll;

2233 (ii) the year end taxable value of personal property:

2234 (A) a county assessor assesses in accordance with Part 3, County Assessment; and

2235 (B) contained on the prior year's assessment roll; and

2236 (iii) the taxable value of real and personal property the commission assesses in
2237 accordance with Part 2, Assessment of Property.

2238 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
2239 growth.

2240 (8) (a) On or before June 30, a taxing entity shall annually adopt a tentative budget.

2241 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall
2242 notify the county auditor of:

2243 (i) the taxing entity's intent to exceed the certified tax rate; and

2244 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

2245 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
2246 exceeds the certified tax rate in accordance with Sections [59-2-919](#) and [59-2-919.1](#).

2247 (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through
2248 electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim
2249 Committee if:

2250 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
2251 taxable value of the real and personal property the commission assesses in accordance with
2252 Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental
2253 value; and

2254 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end
2255 taxable value of the real and personal property of a taxpayer the commission assesses in
2256 accordance with Part 2, Assessment of Property, for the previous year.

2257 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
2258 subtracting the taxable value of real and personal property the commission assesses in

2259 accordance with Part 2, Assessment of Property, for the current year, adjusted for current year
2260 incremental value, from the year end taxable value of the real and personal property the
2261 commission assesses in accordance with Part 2, Assessment of Property, for the previous year,
2262 adjusted for prior year end incremental value.

2263 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
2264 subtracting the total taxable value of real and personal property of a taxpayer the commission
2265 assesses in accordance with Part 2, Assessment of Property, for the current year, from the total
2266 year end taxable value of the real and personal property of a taxpayer the commission assesses
2267 in accordance with Part 2, Assessment of Property, for the previous year.

2268 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet
2269 the requirement under Subsection (9)(a)(ii).

2270 Section 49. Section **59-4-101** is amended to read:

2271 **59-4-101. Tax basis -- Exceptions -- Assessment and collection -- Designation of**
2272 **person to receive notice.**

2273 (1) (a) Except as provided in Subsections (1)(b), (1)(c), and (3), a tax is imposed on the
2274 possession or other beneficial use enjoyed by any person of any real or personal property that is
2275 exempt for any reason from taxation, if that property is used in connection with a business
2276 conducted for profit.

2277 (b) Any interest remaining in the state in state lands after subtracting amounts paid or
2278 due in part payment of the purchase price as provided in Subsection [59-2-1103\(2\)\(b\)\(i\)](#) under a
2279 contract of sale is subject to taxation under this chapter regardless of whether the property is
2280 used in connection with a business conducted for profit.

2281 (c) The tax imposed under Subsection (1)(a) does not apply to property exempt from
2282 taxation under Section [59-2-1114](#).

2283 (2) (a) The tax imposed under this chapter is the same amount that the ad valorem
2284 property tax would be if the possessor or user were the owner of the property.

2285 (b) The amount of any payments that are made in lieu of taxes is credited against the
2286 tax imposed on the beneficial use of property owned by the federal government.

2287 (3) A tax is not imposed under this chapter on the following:

2288 (a) the use of property that is a concession in, or relative to, the use of a public airport,
2289 park, fairground, or similar property that is available as a matter of right to the use of the

2290 general public;

2291 (b) the use or possession of property by a religious, educational, or charitable
2292 organization;

2293 (c) the use or possession of property if the revenue generated by the possessor or user
2294 of the property through its possession or use of the property inures only to the benefit of a
2295 religious, educational, or charitable organization and not to the benefit of any other person;

2296 (d) the possession or other beneficial use of public land occupied under the terms of an
2297 agricultural lease or permit issued by the United States or this state;

2298 (e) the use or possession of any lease, permit, or easement unless the lease, permit, or
2299 easement entitles the lessee or permittee to exclusive possession of the premises to which the
2300 lease, permit, or easement relates;

2301 (f) the use or possession of property by a public agency, as defined in Section
2302 [11-13-103](#), to the extent that the ownership interest of the public agency in that property is
2303 subject to a fee in lieu of ad valorem property tax under Section [11-13-302](#); or

2304 (g) the possession or beneficial use of public property as a tollway by a private entity
2305 through a tollway development agreement as defined in Section [72-6-202](#).

2306 (4) For purposes of Subsection (3)(e):

2307 (a) every lessee, permittee, or other holder of a right to remove or extract the mineral
2308 covered by the holder's lease, right permit, or easement, except from brines of the Great Salt
2309 Lake, is considered to be in possession of the premises, regardless of whether another party has
2310 a similar right to remove or extract another mineral from the same property; and

2311 (b) a lessee, permittee, or holder of an easement still has exclusive possession of the
2312 premises if the owner has the right to enter the premises, approve leasehold improvements, or
2313 inspect the premises.

2314 (5) A tax imposed under this chapter is assessed to the possessors or users of the
2315 property on the same forms, and collected and, subject to [~~Subsection [11-68-402](#)(2)~~] Section
2316 [11-70-203](#), distributed at the same time and in the same manner, as taxes assessed owners,
2317 possessors, or other claimants of property that is subject to ad valorem property taxation. The
2318 tax is not a lien against the property, and no tax-exempt property may be attached, encumbered,
2319 sold, or otherwise affected for the collection of the tax.

2320 (6) (a) (i) Except as provided in Subsection (6)(a)(ii), if a governmental entity is

2321 required under this chapter to send information or notice to a person, the governmental entity
2322 shall send the information or notice to:

2323 (A) the person required under the applicable provision of this chapter; and

2324 (B) each person designated in accordance with Subsection (6)(b) by the person

2325 described in Subsection (6)(a)(i)(A).

2326 (ii) If a governmental entity is required under Section 59-2-919.1 or 59-2-1317 to send
2327 information or notice to a person, the governmental entity shall send the information or notice
2328 to:

2329 (A) the person required under the applicable section; or

2330 (B) one person designated in accordance with Subsection (6)(b) by the person

2331 described in Subsection (6)(a)(ii)(A).

2332 (b) (i) A person to whom a governmental entity is required under this chapter to send
2333 information or notice may designate a person to receive the information or notice in accordance
2334 with Subsection (6)(a).

2335 (ii) To make a designation described in Subsection (6)(b)(i), the person shall submit a
2336 written request to the governmental entity on a form prescribed by the commission.

2337 (c) A person who makes a designation described in Subsection (6)(b) may revoke the
2338 designation by submitting a written request to the governmental entity on a form prescribed by
2339 the commission.

2340 (7) Sections 59-2-301.1 through 59-2-301.7 apply for purposes of assessing a tax under
2341 this chapter.

2342 Section 50. Section **59-12-103 (Contingently Superseded 01/01/25)** is amended to
2343 read:

2344 **59-12-103 (Contingently Superseded 01/01/25). Sales and use tax base -- Rates --**
2345 **Effective dates -- Use of sales and use tax revenues.**

2346 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
2347 sales price for amounts paid or charged for the following transactions:

2348 (a) retail sales of tangible personal property made within the state;

2349 (b) amounts paid for:

2350 (i) telecommunications service, other than mobile telecommunications service, that
2351 originates and terminates within the boundaries of this state;

- 2352 (ii) mobile telecommunications service that originates and terminates within the
2353 boundaries of one state only to the extent permitted by the Mobile Telecommunications
2354 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
- 2355 (iii) an ancillary service associated with a:
- 2356 (A) telecommunications service described in Subsection (1)(b)(i); or
- 2357 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 2358 (c) sales of the following for commercial use:
- 2359 (i) gas;
- 2360 (ii) electricity;
- 2361 (iii) heat;
- 2362 (iv) coal;
- 2363 (v) fuel oil; or
- 2364 (vi) other fuels;
- 2365 (d) sales of the following for residential use:
- 2366 (i) gas;
- 2367 (ii) electricity;
- 2368 (iii) heat;
- 2369 (iv) coal;
- 2370 (v) fuel oil; or
- 2371 (vi) other fuels;
- 2372 (e) sales of prepared food;
- 2373 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or
2374 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
2375 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
2376 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
2377 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
2378 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
2379 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
2380 horseback rides, sports activities, or any other amusement, entertainment, recreation,
2381 exhibition, cultural, or athletic activity;
- 2382 (g) amounts paid or charged for services for repairs or renovations of tangible personal

2383 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
2384 (i) the tangible personal property; and
2385 (ii) parts used in the repairs or renovations of the tangible personal property described
2386 in Subsection (1)(g)(i), regardless of whether:
2387 (A) any parts are actually used in the repairs or renovations of that tangible personal
2388 property; or
2389 (B) the particular parts used in the repairs or renovations of that tangible personal
2390 property are exempt from a tax under this chapter;
2391 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
2392 assisted cleaning or washing of tangible personal property;
2393 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
2394 accommodations and services that are regularly rented for less than 30 consecutive days;
2395 (j) amounts paid or charged for laundry or dry cleaning services;
2396 (k) amounts paid or charged for leases or rentals of tangible personal property if within
2397 this state the tangible personal property is:
2398 (i) stored;
2399 (ii) used; or
2400 (iii) otherwise consumed;
2401 (l) amounts paid or charged for tangible personal property if within this state the
2402 tangible personal property is:
2403 (i) stored;
2404 (ii) used; or
2405 (iii) consumed;
2406 (m) amounts paid or charged for a sale:
2407 (i) (A) of a product transferred electronically; or
2408 (B) of a repair or renovation of a product transferred electronically; and
2409 (ii) regardless of whether the sale provides:
2410 (A) a right of permanent use of the product; or
2411 (B) a right to use the product that is less than a permanent use, including a right:
2412 (I) for a definite or specified length of time; and
2413 (II) that terminates upon the occurrence of a condition; and

2414 (n) sales of leased tangible personal property from the lessor to the lessee made in the
2415 state.

2416 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax
2417 are imposed on a transaction described in Subsection (1) equal to the sum of:

2418 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

2419 (A) 4.70% plus the rate specified in Subsection (11)(a); and

2420 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
2421 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
2422 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
2423 State Sales and Use Tax Act; and

2424 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
2425 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
2426 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
2427 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

2428 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2429 transaction under this chapter other than this part.

2430 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a
2431 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to
2432 the sum of:

2433 (i) a state tax imposed on the transaction at a tax rate of 2%; and

2434 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2435 transaction under this chapter other than this part.

2436 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are
2437 imposed on amounts paid or charged for food and food ingredients equal to the sum of:

2438 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
2439 a tax rate of 1.75%; and

2440 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2441 amounts paid or charged for food and food ingredients under this chapter other than this part.

2442 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts
2443 paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at
2444 a rate of 4.85%.

2445 (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed
2446 by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax
2447 imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a
2448 shared vehicle driver, or a shared vehicle owner.

2449 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
2450 required once during the time that the shared vehicle owner owns the shared vehicle.

2451 (C) The commission shall verify that a shared vehicle is an individual-owned shared
2452 vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the
2453 purchase of the shared vehicle.

2454 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
2455 individual-owned shared vehicle shared through a car-sharing program even if non-certified
2456 shared vehicles are also available to be shared through the same car-sharing program.

2457 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

2458 (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's
2459 representation that the shared vehicle is an individual-owned shared vehicle certified with the
2460 commission as described in Subsection (2)(e)(i).

2461 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
2462 representation that the shared vehicle is an individual-owned shared vehicle certified with the
2463 commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any
2464 tax, penalty, fee, or other sanction imposed on the shared vehicle owner.

2465 (iv) If all shared vehicles shared through a car-sharing program are certified as
2466 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation
2467 to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.

2468 (v) (A) A car-sharing program is not required to list or otherwise identify an
2469 individual-owned shared vehicle on a return or an attachment to a return.

2470 (vi) A car-sharing program shall:

2471 (A) retain tax information for each car-sharing program transaction; and

2472 (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at
2473 the commission's request.

2474 (f) (i) For a bundled transaction that is attributable to food and food ingredients and
2475 tangible personal property other than food and food ingredients, a state tax and a local tax is

2476 imposed on the entire bundled transaction equal to the sum of:

2477 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

2478 (I) the tax rate described in Subsection (2)(a)(i)(A); and

2479 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State

2480 Sales and Use Tax Act, if the location of the transaction as determined under Sections

2481 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,

2482 Additional State Sales and Use Tax Act; and

2483 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State

2484 Sales and Use Tax Act, if the location of the transaction as determined under Sections

2485 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which

2486 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

2487 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates

2488 described in Subsection (2)(a)(ii).

2489 (ii) If an optional computer software maintenance contract is a bundled transaction that

2490 consists of taxable and nontaxable products that are not separately itemized on an invoice or

2491 similar billing document, the purchase of the optional computer software maintenance contract

2492 is 40% taxable under this chapter and 60% nontaxable under this chapter.

2493 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled

2494 transaction described in Subsection (2)(f)(i) or (ii):

2495 (A) if the sales price of the bundled transaction is attributable to tangible personal

2496 property, a product, or a service that is subject to taxation under this chapter and tangible

2497 personal property, a product, or service that is not subject to taxation under this chapter, the

2498 entire bundled transaction is subject to taxation under this chapter unless:

2499 (I) the seller is able to identify by reasonable and verifiable standards the tangible

2500 personal property, product, or service that is not subject to taxation under this chapter from the

2501 books and records the seller keeps in the seller's regular course of business; or

2502 (II) state or federal law provides otherwise; or

2503 (B) if the sales price of a bundled transaction is attributable to two or more items of

2504 tangible personal property, products, or services that are subject to taxation under this chapter

2505 at different rates, the entire bundled transaction is subject to taxation under this chapter at the

2506 higher tax rate unless:

2507 (I) the seller is able to identify by reasonable and verifiable standards the tangible
2508 personal property, product, or service that is subject to taxation under this chapter at the lower
2509 tax rate from the books and records the seller keeps in the seller's regular course of business; or

2510 (II) state or federal law provides otherwise.

2511 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
2512 seller's regular course of business includes books and records the seller keeps in the regular
2513 course of business for nontax purposes.

2514 (g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii)
2515 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
2516 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
2517 of tangible personal property, other property, a product, or a service that is not subject to
2518 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
2519 the seller, at the time of the transaction:

2520 (A) separately states the portion of the transaction that is not subject to taxation under
2521 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

2522 (B) is able to identify by reasonable and verifiable standards, from the books and
2523 records the seller keeps in the seller's regular course of business, the portion of the transaction
2524 that is not subject to taxation under this chapter.

2525 (ii) A purchaser and a seller may correct the taxability of a transaction if:

2526 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
2527 the transaction that is not subject to taxation under this chapter was not separately stated on an
2528 invoice, bill of sale, or similar document provided to the purchaser because of an error or
2529 ignorance of the law; and

2530 (B) the seller is able to identify by reasonable and verifiable standards, from the books
2531 and records the seller keeps in the seller's regular course of business, the portion of the
2532 transaction that is not subject to taxation under this chapter.

2533 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps
2534 in the seller's regular course of business includes books and records the seller keeps in the
2535 regular course of business for nontax purposes.

2536 (h) (i) If the sales price of a transaction is attributable to two or more items of tangible
2537 personal property, products, or services that are subject to taxation under this chapter at

2538 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
2539 unless the seller, at the time of the transaction:

2540 (A) separately states the items subject to taxation under this chapter at each of the
2541 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

2542 (B) is able to identify by reasonable and verifiable standards the tangible personal
2543 property, product, or service that is subject to taxation under this chapter at the lower tax rate
2544 from the books and records the seller keeps in the seller's regular course of business.

2545 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
2546 seller's regular course of business includes books and records the seller keeps in the regular
2547 course of business for nontax purposes.

2548 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax
2549 rate imposed under the following shall take effect on the first day of a calendar quarter:

2550 (i) Subsection (2)(a)(i)(A);

2551 (ii) Subsection (2)(b)(i);

2552 (iii) Subsection (2)(c)(i); or

2553 (iv) Subsection (2)(f)(i)(A)(I).

2554 (j) (i) A tax rate increase takes effect on the first day of the first billing period that
2555 begins on or after the effective date of the tax rate increase if the billing period for the
2556 transaction begins before the effective date of a tax rate increase imposed under:

2557 (A) Subsection (2)(a)(i)(A);

2558 (B) Subsection (2)(b)(i);

2559 (C) Subsection (2)(c)(i); or

2560 (D) Subsection (2)(f)(i)(A)(I).

2561 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
2562 statement for the billing period is rendered on or after the effective date of the repeal of the tax
2563 or the tax rate decrease imposed under:

2564 (A) Subsection (2)(a)(i)(A);

2565 (B) Subsection (2)(b)(i);

2566 (C) Subsection (2)(c)(i); or

2567 (D) Subsection (2)(f)(i)(A)(I).

2568 (k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale

2569 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
2570 or change in a tax rate takes effect:

2571 (A) on the first day of a calendar quarter; and

2572 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

2573 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:

2574 (A) Subsection (2)(a)(i)(A);

2575 (B) Subsection (2)(b)(i);

2576 (C) Subsection (2)(c)(i); or

2577 (D) Subsection (2)(f)(i)(A)(I).

2578 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

2579 the commission may by rule define the term "catalogue sale."

2580 (l) (i) For a location described in Subsection (2)(l)(ii), the commission shall determine
2581 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the
2582 predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

2583 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
2584 or other fuel is furnished through a single meter for two or more of the following uses:

2585 (A) a commercial use;

2586 (B) an industrial use; or

2587 (C) a residential use.

2588 (3) (a) The following state taxes shall be deposited into the General Fund:

2589 (i) the tax imposed by Subsection (2)(a)(i)(A);

2590 (ii) the tax imposed by Subsection (2)(b)(i);

2591 (iii) the tax imposed by Subsection (2)(c)(i); and

2592 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

2593 (b) The following local taxes shall be distributed to a county, city, or town as provided
2594 in this chapter:

2595 (i) the tax imposed by Subsection (2)(a)(ii);

2596 (ii) the tax imposed by Subsection (2)(b)(ii);

2597 (iii) the tax imposed by Subsection (2)(c)(ii); and

2598 (iv) the tax imposed by Subsection (2)(f)(i)(B).

2599 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General

2600 Fund.

2601 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2602 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
2603 through (g):

2604 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

2605 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

2606 (B) for the fiscal year; or

2607 (ii) \$17,500,000.

2608 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
2609 described in Subsection (4)(a) shall be transferred each year as designated sales and use tax
2610 revenue to the Department of Natural Resources to:

2611 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
2612 protect sensitive plant and animal species; or

2613 (B) award grants, up to the amount authorized by the Legislature in an appropriations
2614 act, to political subdivisions of the state to implement the measures described in Subsections
2615 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

2616 (ii) Money transferred to the Department of Natural Resources under Subsection
2617 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
2618 person to list or attempt to have listed a species as threatened or endangered under the
2619 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

2620 (iii) At the end of each fiscal year:

2621 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the
2622 Water Resources Conservation and Development Fund created in Section 73-10-24;

2623 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
2624 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

2625 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
2626 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

2627 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
2628 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
2629 created in Section 4-18-106.

2630 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described

2631 in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to
2632 the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for
2633 the adjudication of water rights.

2634 (ii) At the end of each fiscal year:

2635 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the
2636 Water Resources Conservation and Development Fund created in Section 73-10-24;

2637 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
2638 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

2639 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
2640 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

2641 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
2642 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and
2643 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

2644 (ii) In addition to the uses allowed of the Water Resources Conservation and
2645 Development Fund under Section 73-10-24, the Water Resources Conservation and
2646 Development Fund may also be used to:

2647 (A) conduct hydrologic and geotechnical investigations by the Division of Water
2648 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
2649 quantifying surface and ground water resources and describing the hydrologic systems of an
2650 area in sufficient detail so as to enable local and state resource managers to plan for and
2651 accommodate growth in water use without jeopardizing the resource;

2652 (B) fund state required dam safety improvements; and

2653 (C) protect the state's interest in interstate water compact allocations, including the
2654 hiring of technical and legal staff.

2655 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2656 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
2657 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

2658 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2659 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
2660 created in Section 73-10c-5 for use by the Division of Drinking Water to:

2661 (i) provide for the installation and repair of collection, treatment, storage, and

2662 distribution facilities for any public water system, as defined in Section 19-4-102;
2663 (ii) develop underground sources of water, including springs and wells; and
2664 (iii) develop surface water sources.

2665 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2666 2006, the difference between the following amounts shall be expended as provided in this
2667 Subsection (5), if that difference is greater than \$1:

2668 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
2669 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
2670 (ii) \$17,500,000.

2671 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
2672 (A) transferred each fiscal year to the Department of Natural Resources as designated
2673 sales and use tax revenue; and
2674 (B) expended by the Department of Natural Resources for watershed rehabilitation or
2675 restoration.

2676 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
2677 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation
2678 and Development Fund created in Section 73-10-24.

2679 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
2680 remaining difference described in Subsection (5)(a) shall be:
2681 (A) transferred each fiscal year to the Division of Water Resources as designated sales
2682 and use tax revenue; and
2683 (B) expended by the Division of Water Resources for cloud-seeding projects
2684 authorized by Title 73, Chapter 15, Modification of Weather.

2685 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
2686 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation
2687 and Development Fund created in Section 73-10-24.

2688 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
2689 remaining difference described in Subsection (5)(a) shall be deposited into the Water
2690 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
2691 Division of Water Resources for:
2692 (i) preconstruction costs:

2693 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
2694 26, Bear River Development Act; and

2695 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
2696 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

2697 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
2698 Chapter 26, Bear River Development Act;

2699 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
2700 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

2701 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
2702 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

2703 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the
2704 remaining difference described in Subsection (5)(a) shall be deposited each year into the Water
2705 Rights Restricted Account created by Section 73-2-1.6.

2706 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a),
2707 each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account
2708 created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the
2709 transactions described in Subsection (1) for the fiscal year.

2710 (7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal
2711 year beginning on or after July 1, 2023, the commission shall deposit into the Transportation
2712 Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under
2713 Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

2714 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

2715 (ii) the tax imposed by Subsection (2)(b)(i);

2716 (iii) the tax imposed by Subsection (2)(c)(i); and

2717 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

2718 (b) (i) As used in this Subsection (7)(b):

2719 (A) "Additional growth revenue" means the amount of relevant revenue collected in
2720 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the
2721 previous fiscal year.

2722 (B) "Combined amount" means the combined total amount of money deposited into the
2723 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

2724 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
2725 Investment Fund created in Subsection 72-2-124(10).

2726 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that
2727 equals 17% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv).

2728 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
2729 reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by
2730 an amount equal to the amount of the deposit under this Subsection (7)(b) to the Cottonwood
2731 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the
2732 limit in Subsection (7)(b)(iii).

2733 (iii) The commission shall annually deposit the amount described in Subsection
2734 (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount
2735 for any single fiscal year of \$20,000,000.

2736 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous
2737 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood
2738 Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant
2739 revenue.

2740 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,
2741 2023, the commission shall annually reduce the deposit into the Transportation Investment
2742 Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

2743 (A) the amount of revenue generated in the current fiscal year by the portion of taxes
2744 listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described
2745 in Subsections (7)(a)(i) through (iv);

2746 (B) the amount of revenue generated in the current fiscal year by registration fees
2747 designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund
2748 of 2005; and

2749 (C) revenues transferred by the Division of Finance to the Transportation Investment
2750 Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

2751 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a
2752 given fiscal year.

2753 (iii) The commission shall annually deposit the amount described in Subsection
2754 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).

2755 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
2756 Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or
2757 after July 1, 2018, the commission shall annually deposit into the Transportation Investment
2758 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)
2759 in an amount equal to 3.68% of the revenues collected from the following taxes:

2760 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

2761 (ii) the tax imposed by Subsection (2)(b)(i);

2762 (iii) the tax imposed by Subsection (2)(c)(i); and

2763 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

2764 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
2765 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by
2766 an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by
2767 the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale
2768 or use in this state that exceeds 29.4 cents per gallon.

2769 (c) The commission shall annually deposit the amount described in Subsection (8)(b)
2770 into the Transit Transportation Investment Fund created in Section 72-2-124.

2771 (d) (i) As used in this Subsection (8)(d):

2772 (A) "Additional growth revenue" means the amount of relevant revenue collected in
2773 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the
2774 previous fiscal year.

2775 (B) "Combined amount" means the combined total amount of money deposited into the
2776 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

2777 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
2778 Investment Fund created in Subsection 72-2-124(10).

2779 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that
2780 equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through
2781 (iv).

2782 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
2783 reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by
2784 an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood
2785 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the

2786 limit in Subsection (8)(d)(iii).

2787 (iii) The commission shall annually deposit the amount described in Subsection
2788 (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount
2789 for any single fiscal year of \$20,000,000.

2790 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous
2791 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood
2792 Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant
2793 revenue.

2794 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
2795 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
2796 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

2797 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
2798 fiscal year during which the commission receives notice under Section 63N-2-510 that
2799 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission
2800 shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by
2801 the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in
2802 Section 63N-2-512.

2803 (11) (a) The rate specified in this subsection is 0.15%.

2804 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year
2805 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the
2806 rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax
2807 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.

2808 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
2809 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit
2810 solely for use of the Search and Rescue Financial Assistance Program created in, and expended
2811 in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

2812 (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall
2813 annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund
2814 of 2005 under Subsections (7) and (8) to the General Fund.

2815 (b) If the total revenue deposited into the Transportation Investment Fund of 2005
2816 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall

2817 transfer the total revenue deposited into the Transportation Investment Fund of 2005 under
2818 Subsections (7) and (8) during the fiscal year to the General Fund.

2819 (14) Notwithstanding Subsection (3)(a), and as described in Section [63N-3-610](#),
2820 beginning the first day of the calendar quarter one year after the sales and use tax boundary for
2821 a housing and transit reinvestment zone is established, the commission, at least annually, shall
2822 transfer an amount equal to 15% of the sales and use tax increment within an established sales
2823 and use tax boundary, as defined in Section [63N-3-602](#), into the Transit Transportation
2824 Investment Fund created in Section [72-2-124](#).

2825 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year
2826 beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure
2827 Restricted Account, created in Section [51-9-902](#), a portion of the taxes listed under Subsection
2828 (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:

- 2829 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 2830 (b) the tax imposed by Subsection (2)(b)(i);
- 2831 (c) the tax imposed by Subsection (2)(c)(i); and
- 2832 (d) the tax imposed by Subsection (2)(f)(i)(A)(I).

2833 (16) Notwithstanding Subsection (3)(a), beginning October 1, 2024 the commission
2834 shall transfer to the Utah Fairpark Area Investment and Restoration District, created in Section
2835 [11-70-201](#), the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7%
2836 rate, on transactions occurring within the district sales tax area, as defined in Section
2837 [11-70-101](#).

2838 Section 51. Section **59-12-103 (Contingently Effective 01/01/25)** is amended to read:
2839 **59-12-103 (Contingently Effective 01/01/25). Sales and use tax base -- Rates --**
2840 **Effective dates -- Use of sales and use tax revenues.**

2841 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
2842 sales price for amounts paid or charged for the following transactions:

- 2843 (a) retail sales of tangible personal property made within the state;
- 2844 (b) amounts paid for:
 - 2845 (i) telecommunications service, other than mobile telecommunications service, that
 - 2846 originates and terminates within the boundaries of this state;
 - 2847 (ii) mobile telecommunications service that originates and terminates within the

2848 boundaries of one state only to the extent permitted by the Mobile Telecommunications
2849 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
2850 (iii) an ancillary service associated with a:
2851 (A) telecommunications service described in Subsection (1)(b)(i); or
2852 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
2853 (c) sales of the following for commercial use:
2854 (i) gas;
2855 (ii) electricity;
2856 (iii) heat;
2857 (iv) coal;
2858 (v) fuel oil; or
2859 (vi) other fuels;
2860 (d) sales of the following for residential use:
2861 (i) gas;
2862 (ii) electricity;
2863 (iii) heat;
2864 (iv) coal;
2865 (v) fuel oil; or
2866 (vi) other fuels;
2867 (e) sales of prepared food;
2868 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or
2869 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
2870 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
2871 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
2872 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
2873 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
2874 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
2875 horseback rides, sports activities, or any other amusement, entertainment, recreation,
2876 exhibition, cultural, or athletic activity;
2877 (g) amounts paid or charged for services for repairs or renovations of tangible personal
2878 property, unless Section [59-12-104](#) provides for an exemption from sales and use tax for:

- 2879 (i) the tangible personal property; and
2880 (ii) parts used in the repairs or renovations of the tangible personal property described
2881 in Subsection (1)(g)(i), regardless of whether:
2882 (A) any parts are actually used in the repairs or renovations of that tangible personal
2883 property; or
2884 (B) the particular parts used in the repairs or renovations of that tangible personal
2885 property are exempt from a tax under this chapter;
2886 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
2887 assisted cleaning or washing of tangible personal property;
2888 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
2889 accommodations and services that are regularly rented for less than 30 consecutive days;
2890 (j) amounts paid or charged for laundry or dry cleaning services;
2891 (k) amounts paid or charged for leases or rentals of tangible personal property if within
2892 this state the tangible personal property is:
2893 (i) stored;
2894 (ii) used; or
2895 (iii) otherwise consumed;
2896 (l) amounts paid or charged for tangible personal property if within this state the
2897 tangible personal property is:
2898 (i) stored;
2899 (ii) used; or
2900 (iii) consumed;
2901 (m) amounts paid or charged for a sale:
2902 (i) (A) of a product transferred electronically; or
2903 (B) of a repair or renovation of a product transferred electronically; and
2904 (ii) regardless of whether the sale provides:
2905 (A) a right of permanent use of the product; or
2906 (B) a right to use the product that is less than a permanent use, including a right:
2907 (I) for a definite or specified length of time; and
2908 (II) that terminates upon the occurrence of a condition; and
2909 (n) sales of leased tangible personal property from the lessor to the lessee made in the

2910 state.

2911 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax
2912 are imposed on a transaction described in Subsection (1) equal to the sum of:

2913 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

2914 (A) 4.70% plus the rate specified in Subsection (11)(a); and

2915 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
2916 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
2917 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
2918 State Sales and Use Tax Act; and

2919 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
2920 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
2921 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
2922 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

2923 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2924 transaction under this chapter other than this part.

2925 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a
2926 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to
2927 the sum of:

2928 (i) a state tax imposed on the transaction at a tax rate of 2%; and

2929 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2930 transaction under this chapter other than this part.

2931 (c) (i) Except as provided in Subsection (2)(f) or (g), a local tax is imposed on amounts
2932 paid or charged for food and food ingredients equal to the sum of the tax rates a county, city, or
2933 town imposes under this chapter on the amounts paid or charged for food or food ingredients.

2934 (ii) There is no state tax imposed on amounts paid or charged for food and food
2935 ingredients.

2936 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts
2937 paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at
2938 a rate of 4.85%.

2939 (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed
2940 by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax

2941 imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a
2942 shared vehicle driver, or a shared vehicle owner.

2943 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
2944 required once during the time that the shared vehicle owner owns the shared vehicle.

2945 (C) The commission shall verify that a shared vehicle is an individual-owned shared
2946 vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the
2947 purchase of the shared vehicle.

2948 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
2949 individual-owned shared vehicle shared through a car-sharing program even if non-certified
2950 shared vehicles are also available to be shared through the same car-sharing program.

2951 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

2952 (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's
2953 representation that the shared vehicle is an individual-owned shared vehicle certified with the
2954 commission as described in Subsection (2)(e)(i).

2955 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
2956 representation that the shared vehicle is an individual-owned shared vehicle certified with the
2957 commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any
2958 tax, penalty, fee, or other sanction imposed on the shared vehicle owner.

2959 (iv) If all shared vehicles shared through a car-sharing program are certified as
2960 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation
2961 to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.

2962 (v) (A) A car-sharing program is not required to list or otherwise identify an
2963 individual-owned shared vehicle on a return or an attachment to a return.

2964 (vi) A car-sharing program shall:

2965 (A) retain tax information for each car-sharing program transaction; and

2966 (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at
2967 the commission's request.

2968 (f) (i) For a bundled transaction that is attributable to food and food ingredients and
2969 tangible personal property other than food and food ingredients, a state tax and a local tax is
2970 imposed on the entire bundled transaction equal to the sum of:

2971 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

2972 (I) the tax rate described in Subsection (2)(a)(i)(A); and
2973 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
2974 Sales and Use Tax Act, if the location of the transaction as determined under Sections
2975 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
2976 Additional State Sales and Use Tax Act; and
2977 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
2978 Sales and Use Tax Act, if the location of the transaction as determined under Sections
2979 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
2980 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
2981 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
2982 described in Subsection (2)(a)(ii).
2983 (ii) If an optional computer software maintenance contract is a bundled transaction that
2984 consists of taxable and nontaxable products that are not separately itemized on an invoice or
2985 similar billing document, the purchase of the optional computer software maintenance contract
2986 is 40% taxable under this chapter and 60% nontaxable under this chapter.
2987 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled
2988 transaction described in Subsection (2)(f)(i) or (ii):
2989 (A) if the sales price of the bundled transaction is attributable to tangible personal
2990 property, a product, or a service that is subject to taxation under this chapter and tangible
2991 personal property, a product, or service that is not subject to taxation under this chapter, the
2992 entire bundled transaction is subject to taxation under this chapter unless:
2993 (I) the seller is able to identify by reasonable and verifiable standards the tangible
2994 personal property, product, or service that is not subject to taxation under this chapter from the
2995 books and records the seller keeps in the seller's regular course of business; or
2996 (II) state or federal law provides otherwise; or
2997 (B) if the sales price of a bundled transaction is attributable to two or more items of
2998 tangible personal property, products, or services that are subject to taxation under this chapter
2999 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
3000 higher tax rate unless:
3001 (I) the seller is able to identify by reasonable and verifiable standards the tangible
3002 personal property, product, or service that is subject to taxation under this chapter at the lower

3003 tax rate from the books and records the seller keeps in the seller's regular course of business; or
3004 (II) state or federal law provides otherwise.

3005 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
3006 seller's regular course of business includes books and records the seller keeps in the regular
3007 course of business for nontax purposes.

3008 (g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii)
3009 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
3010 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
3011 of tangible personal property, other property, a product, or a service that is not subject to
3012 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
3013 the seller, at the time of the transaction:

3014 (A) separately states the portion of the transaction that is not subject to taxation under
3015 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

3016 (B) is able to identify by reasonable and verifiable standards, from the books and
3017 records the seller keeps in the seller's regular course of business, the portion of the transaction
3018 that is not subject to taxation under this chapter.

3019 (ii) A purchaser and a seller may correct the taxability of a transaction if:

3020 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
3021 the transaction that is not subject to taxation under this chapter was not separately stated on an
3022 invoice, bill of sale, or similar document provided to the purchaser because of an error or
3023 ignorance of the law; and

3024 (B) the seller is able to identify by reasonable and verifiable standards, from the books
3025 and records the seller keeps in the seller's regular course of business, the portion of the
3026 transaction that is not subject to taxation under this chapter.

3027 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps
3028 in the seller's regular course of business includes books and records the seller keeps in the
3029 regular course of business for nontax purposes.

3030 (h) (i) If the sales price of a transaction is attributable to two or more items of tangible
3031 personal property, products, or services that are subject to taxation under this chapter at
3032 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
3033 unless the seller, at the time of the transaction:

3034 (A) separately states the items subject to taxation under this chapter at each of the
3035 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

3036 (B) is able to identify by reasonable and verifiable standards the tangible personal
3037 property, product, or service that is subject to taxation under this chapter at the lower tax rate
3038 from the books and records the seller keeps in the seller's regular course of business.

3039 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
3040 seller's regular course of business includes books and records the seller keeps in the regular
3041 course of business for nontax purposes.

3042 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax
3043 rate imposed under the following shall take effect on the first day of a calendar quarter:

3044 (i) Subsection (2)(a)(i)(A);

3045 (ii) Subsection (2)(b)(i); or

3046 (iii) Subsection (2)(f)(i)(A)(I).

3047 (j) (i) A tax rate increase takes effect on the first day of the first billing period that
3048 begins on or after the effective date of the tax rate increase if the billing period for the
3049 transaction begins before the effective date of a tax rate increase imposed under:

3050 (A) Subsection (2)(a)(i)(A);

3051 (B) Subsection (2)(b)(i); or

3052 (C) Subsection (2)(f)(i)(A)(I).

3053 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
3054 statement for the billing period is rendered on or after the effective date of the repeal of the tax
3055 or the tax rate decrease imposed under:

3056 (A) Subsection (2)(a)(i)(A);

3057 (B) Subsection (2)(b)(i); or

3058 (C) Subsection (2)(f)(i)(A)(I).

3059 (k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
3060 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
3061 or change in a tax rate takes effect:

3062 (A) on the first day of a calendar quarter; and

3063 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

3064 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:

3065 (A) Subsection (2)(a)(i)(A);

3066 (B) Subsection (2)(b)(i); or

3067 (C) Subsection (2)(f)(i)(A)(I).

3068 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

3069 the commission may by rule define the term "catalogue sale."

3070 (l) (i) For a location described in Subsection (2)(l)(ii), the commission shall determine
3071 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the
3072 predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

3073 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
3074 or other fuel is furnished through a single meter for two or more of the following uses:

3075 (A) a commercial use;

3076 (B) an industrial use; or

3077 (C) a residential use.

3078 (3) (a) The following state taxes shall be deposited into the General Fund:

3079 (i) the tax imposed by Subsection (2)(a)(i)(A);

3080 (ii) the tax imposed by Subsection (2)(b)(i); and

3081 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

3082 (b) The following local taxes shall be distributed to a county, city, or town as provided

3083 in this chapter:

3084 (i) the tax imposed by Subsection (2)(a)(ii);

3085 (ii) the tax imposed by Subsection (2)(b)(ii);

3086 (iii) the tax imposed by Subsection (2)(c); and

3087 (iv) the tax imposed by Subsection (2)(f)(i)(B).

3088 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General

3089 Fund.

3090 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
3091 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
3092 through (g):

3093 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

3094 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

3095 (B) for the fiscal year; or

3096 (ii) \$17,500,000.

3097 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
3098 described in Subsection (4)(a) shall be transferred each year as designated sales and use tax
3099 revenue to the Department of Natural Resources to:

3100 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
3101 protect sensitive plant and animal species; or

3102 (B) award grants, up to the amount authorized by the Legislature in an appropriations
3103 act, to political subdivisions of the state to implement the measures described in Subsections
3104 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

3105 (ii) Money transferred to the Department of Natural Resources under Subsection
3106 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
3107 person to list or attempt to have listed a species as threatened or endangered under the
3108 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

3109 (iii) At the end of each fiscal year:

3110 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the
3111 Water Resources Conservation and Development Fund created in Section 73-10-24;

3112 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
3113 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

3114 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
3115 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

3116 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
3117 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
3118 created in Section 4-18-106.

3119 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
3120 in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to
3121 the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for
3122 the adjudication of water rights.

3123 (ii) At the end of each fiscal year:

3124 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the
3125 Water Resources Conservation and Development Fund created in Section 73-10-24;

3126 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the

3127 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

3128 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the

3129 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

3130 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described

3131 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and

3132 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

3133 (ii) In addition to the uses allowed of the Water Resources Conservation and

3134 Development Fund under Section 73-10-24, the Water Resources Conservation and

3135 Development Fund may also be used to:

3136 (A) conduct hydrologic and geotechnical investigations by the Division of Water

3137 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of

3138 quantifying surface and ground water resources and describing the hydrologic systems of an

3139 area in sufficient detail so as to enable local and state resource managers to plan for and

3140 accommodate growth in water use without jeopardizing the resource;

3141 (B) fund state required dam safety improvements; and

3142 (C) protect the state's interest in interstate water compact allocations, including the

3143 hiring of technical and legal staff.

3144 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described

3145 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount

3146 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

3147 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described

3148 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount

3149 created in Section 73-10c-5 for use by the Division of Drinking Water to:

3150 (i) provide for the installation and repair of collection, treatment, storage, and

3151 distribution facilities for any public water system, as defined in Section 19-4-102;

3152 (ii) develop underground sources of water, including springs and wells; and

3153 (iii) develop surface water sources.

3154 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,

3155 2006, the difference between the following amounts shall be expended as provided in this

3156 Subsection (5), if that difference is greater than \$1:

3157 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the

3158 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
3159 (ii) \$17,500,000.

3160 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
3161 (A) transferred each fiscal year to the Department of Natural Resources as designated
3162 sales and use tax revenue; and
3163 (B) expended by the Department of Natural Resources for watershed rehabilitation or
3164 restoration.

3165 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
3166 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation
3167 and Development Fund created in Section 73-10-24.

3168 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
3169 remaining difference described in Subsection (5)(a) shall be:
3170 (A) transferred each fiscal year to the Division of Water Resources as designated sales
3171 and use tax revenue; and
3172 (B) expended by the Division of Water Resources for cloud-seeding projects
3173 authorized by Title 73, Chapter 15, Modification of Weather.

3174 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
3175 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation
3176 and Development Fund created in Section 73-10-24.

3177 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
3178 remaining difference described in Subsection (5)(a) shall be deposited into the Water
3179 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
3180 Division of Water Resources for:
3181 (i) preconstruction costs:
3182 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
3183 26, Bear River Development Act; and
3184 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
3185 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
3186 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
3187 Chapter 26, Bear River Development Act;
3188 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project

3189 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

3190 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
3191 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

3192 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the
3193 remaining difference described in Subsection (5)(a) shall be deposited each year into the Water
3194 Rights Restricted Account created by Section 73-2-1.6.

3195 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a),
3196 each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account
3197 created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the
3198 transactions described in Subsection (1) for the fiscal year.

3199 (7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal
3200 year beginning on or after July 1, 2023, the commission shall deposit into the Transportation
3201 Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under
3202 Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

3203 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

3204 (ii) the tax imposed by Subsection (2)(b)(i); and

3205 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

3206 (b) (i) As used in this Subsection (7)(b):

3207 (A) "Additional growth revenue" means the amount of relevant revenue collected in
3208 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the
3209 previous fiscal year.

3210 (B) "Combined amount" means the combined total amount of money deposited into the
3211 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

3212 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
3213 Investment Fund created in Subsection 72-2-124(10).

3214 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that
3215 equals 17% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iii).

3216 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
3217 reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by
3218 an amount equal to the amount of the deposit under this Subsection (7)(b) to the Cottonwood
3219 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the

3220 limit in Subsection (7)(b)(iii).

3221 (iii) The commission shall annually deposit the amount described in Subsection
3222 (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount
3223 for any single fiscal year of \$20,000,000.

3224 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous
3225 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood
3226 Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant
3227 revenue.

3228 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,
3229 2023, the commission shall annually reduce the deposit into the Transportation Investment
3230 Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

3231 (A) the amount of revenue generated in the current fiscal year by the portion of taxes
3232 listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described
3233 in Subsections (7)(a)(i) through (iv);

3234 (B) the amount of revenue generated in the current fiscal year by registration fees
3235 designated under Section [41-1a-1201](#) to be deposited into the Transportation Investment Fund
3236 of 2005; and

3237 (C) revenues transferred by the Division of Finance to the Transportation Investment
3238 Fund of 2005 in accordance with Section [72-2-106](#) in the current fiscal year.

3239 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a
3240 given fiscal year.

3241 (iii) The commission shall annually deposit the amount described in Subsection
3242 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection [72-2-124](#)(11).

3243 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
3244 Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or
3245 after July 1, 2018, the commission shall annually deposit into the Transportation Investment
3246 Fund of 2005 created by Section [72-2-124](#) a portion of the taxes listed under Subsection (3)(a)
3247 in an amount equal to 3.68% of the revenues collected from the following taxes:

3248 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

3249 (ii) the tax imposed by Subsection (2)(b)(i); and

3250 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

3251 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
3252 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by
3253 an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by
3254 the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale
3255 or use in this state that exceeds 29.4 cents per gallon.

3256 (c) The commission shall annually deposit the amount described in Subsection (8)(b)
3257 into the Transit Transportation Investment Fund created in Section [72-2-124](#).

3258 (d) (i) As used in this Subsection (8)(d):

3259 (A) "Additional growth revenue" means the amount of relevant revenue collected in
3260 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the
3261 previous fiscal year.

3262 (B) "Combined amount" means the combined total amount of money deposited into the
3263 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

3264 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
3265 Investment Fund created in Subsection [72-2-124](#)(10).

3266 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that
3267 equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through
3268 (iii).

3269 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
3270 reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by
3271 an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood
3272 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the
3273 limit in Subsection (8)(d)(iii).

3274 (iii) The commission shall annually deposit the amount described in Subsection
3275 (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount
3276 for any single fiscal year of \$20,000,000.

3277 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous
3278 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood
3279 Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant
3280 revenue.

3281 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year

3282 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
3283 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

3284 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
3285 fiscal year during which the commission receives notice under Section 63N-2-510 that
3286 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission
3287 shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by
3288 the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in
3289 Section 63N-2-512.

3290 (11) (a) The rate specified in this subsection is 0.15%.

3291 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year
3292 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the
3293 rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax
3294 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.

3295 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
3296 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit
3297 solely for use of the Search and Rescue Financial Assistance Program created in, and expended
3298 in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

3299 (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall
3300 annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund
3301 of 2005 under Subsections (7) and (8) to the General Fund.

3302 (b) If the total revenue deposited into the Transportation Investment Fund of 2005
3303 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall
3304 transfer the total revenue deposited into the Transportation Investment Fund of 2005 under
3305 Subsections (7) and (8) during the fiscal year to the General Fund.

3306 (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610,
3307 beginning the first day of the calendar quarter one year after the sales and use tax boundary for
3308 a housing and transit reinvestment zone is established, the commission, at least annually, shall
3309 transfer an amount equal to 15% of the sales and use tax increment within an established sales
3310 and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation
3311 Investment Fund created in Section 72-2-124.

3312 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year

3313 beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure
3314 Restricted Account, created in Section [51-9-902](#), a portion of the taxes listed under Subsection
3315 (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:

- 3316 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 3317 (b) the tax imposed by Subsection (2)(b)(i); and
- 3318 (c) the tax imposed by Subsection (2)(f)(i)(A)(I).

3319 (16) Notwithstanding Subsection (3)(a), beginning October 1, 2024 the commission
3320 shall transfer to the Utah Fairpark Area Investment and Restoration District, created in Section
3321 [11-70-201](#), the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7%
3322 rate, on transactions occurring within the district sales tax area, as defined in Section
3323 [11-70-101](#).

3324 Section 52. Section **59-12-104** is amended to read:

3325 **59-12-104. Exemptions.**

3326 Exemptions from the taxes imposed by this chapter are as follows:

3327 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
3328 under Chapter 13, Motor and Special Fuel Tax Act;

3329 (2) subject to Section [59-12-104.6](#), sales to the state, its institutions, and its political
3330 subdivisions; however, this exemption does not apply to sales of:

3331 (a) construction materials except:

3332 (i) construction materials purchased by or on behalf of institutions of the public
3333 education system as defined in Utah Constitution, Article X, Section 2, provided the
3334 construction materials are clearly identified and segregated and installed or converted to real
3335 property which is owned by institutions of the public education system; and

3336 (ii) construction materials purchased by the state, its institutions, or its political
3337 subdivisions which are installed or converted to real property by employees of the state, its
3338 institutions, or its political subdivisions; or

3339 (b) tangible personal property in connection with the construction, operation,
3340 maintenance, repair, or replacement of a project, as defined in Section [11-13-103](#), or facilities
3341 providing additional project capacity, as defined in Section [11-13-103](#);

3342 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:

3343 (i) the proceeds of each sale do not exceed \$1; and

3344 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
3345 the cost of the item described in Subsection (3)(b) as goods consumed; and

3346 (b) Subsection (3)(a) applies to:

3347 (i) food and food ingredients; or

3348 (ii) prepared food;

3349 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:

3350 (i) alcoholic beverages;

3351 (ii) food and food ingredients; or

3352 (iii) prepared food;

3353 (b) sales of tangible personal property or a product transferred electronically:

3354 (i) to a passenger;

3355 (ii) by a commercial airline carrier; and

3356 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or

3357 (c) services related to Subsection (4)(a) or (b);

3358 (5) sales of parts and equipment for installation in an aircraft operated by a common
3359 carrier in interstate or foreign commerce;

3360 (6) sales of commercials, motion picture films, prerecorded audio program tapes or
3361 records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture
3362 exhibitor, distributor, or commercial television or radio broadcaster;

3363 (7) (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of
3364 cleaning or washing of tangible personal property if the cleaning or washing of the tangible
3365 personal property is not assisted cleaning or washing of tangible personal property;

3366 (b) if a seller that sells at the same business location assisted cleaning or washing of
3367 tangible personal property and cleaning or washing of tangible personal property that is not
3368 assisted cleaning or washing of tangible personal property, the exemption described in
3369 Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning
3370 or washing of the tangible personal property; and

3371 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3,
3372 Utah Administrative Rulemaking Act, the commission may make rules:

3373 (i) governing the circumstances under which sales are at the same business location;

3374 and

- 3375 (ii) establishing the procedures and requirements for a seller to separately account for
3376 sales of assisted cleaning or washing of tangible personal property;
- 3377 (8) sales made to or by religious or charitable institutions in the conduct of their regular
3378 religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are
3379 fulfilled;
- 3380 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of
3381 this state if:
- 3382 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;
- 3383 (b) the vehicle is not registered in this state; and
- 3384 (c) (i) the vehicle is not used in this state; or
- 3385 (ii) the vehicle is used in this state:
- 3386 (A) if the vehicle is not used to conduct business, for a time period that does not
3387 exceed the longer of:
- 3388 (I) 30 days in any calendar year; or
- 3389 (II) the time period necessary to transport the vehicle to the borders of this state; or
- 3390 (B) if the vehicle is used to conduct business, for the time period necessary to transport
3391 the vehicle to the borders of this state;
- 3392 (10) (a) amounts paid for an item described in Subsection (10)(b) if:
- 3393 (i) the item is intended for human use; and
- 3394 (ii) (A) a prescription was issued for the item; or
- 3395 (B) the item was purchased by a hospital or other medical facility; and
- 3396 (b) (i) Subsection (10)(a) applies to:
- 3397 (A) a drug;
- 3398 (B) a syringe; or
- 3399 (C) a stoma supply; and
- 3400 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3401 commission may by rule define the terms:
- 3402 (A) "syringe"; or
- 3403 (B) "stoma supply";
- 3404 (11) purchases or leases exempt under Section 19-12-201;
- 3405 (12) (a) sales of an item described in Subsection (12)(c) served by:

- 3406 (i) the following if the item described in Subsection (12)(c) is not available to the
3407 general public:
- 3408 (A) a church; or
3409 (B) a charitable institution; or
3410 (ii) an institution of higher education if:
3411 (A) the item described in Subsection (12)(c) is not available to the general public; or
3412 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan
3413 offered by the institution of higher education; or
3414 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
3415 (i) a medical facility; or
3416 (ii) a nursing facility; and
3417 (c) Subsections (12)(a) and (b) apply to:
3418 (i) food and food ingredients;
3419 (ii) prepared food; or
3420 (iii) alcoholic beverages;
- 3421 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
3422 or a product transferred electronically by a person:
3423 (i) regardless of the number of transactions involving the sale of that tangible personal
3424 property or product transferred electronically by that person; and
3425 (ii) not regularly engaged in the business of selling that type of tangible personal
3426 property or product transferred electronically;
3427 (b) this Subsection (13) does not apply if:
3428 (i) the sale is one of a series of sales of a character to indicate that the person is
3429 regularly engaged in the business of selling that type of tangible personal property or product
3430 transferred electronically;
3431 (ii) the person holds that person out as regularly engaged in the business of selling that
3432 type of tangible personal property or product transferred electronically;
3433 (iii) the person sells an item of tangible personal property or product transferred
3434 electronically that the person purchased as a sale that is exempt under Subsection (25); or
3435 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of
3436 this state in which case the tax is based upon:

3437 (A) the bill of sale, lease agreement, or other written evidence of value of the vehicle or
3438 vessel being sold; or

3439 (B) in the absence of a bill of sale, lease agreement, or other written evidence of value,
3440 the fair market value of the vehicle or vessel being sold at the time of the sale as determined by
3441 the commission; and

3442 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3443 commission shall make rules establishing the circumstances under which:

3444 (i) a person is regularly engaged in the business of selling a type of tangible personal
3445 property or product transferred electronically;

3446 (ii) a sale of tangible personal property or a product transferred electronically is one of
3447 a series of sales of a character to indicate that a person is regularly engaged in the business of
3448 selling that type of tangible personal property or product transferred electronically; or

3449 (iii) a person holds that person out as regularly engaged in the business of selling a type
3450 of tangible personal property or product transferred electronically;

3451 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal
3452 operating repair or replacement parts, or materials, except for office equipment or office
3453 supplies, by:

3454 (a) a manufacturing facility that:

3455 (i) is located in the state; and

3456 (ii) uses or consumes the machinery, equipment, normal operating repair or
3457 replacement parts, or materials:

3458 (A) in the manufacturing process to manufacture an item sold as tangible personal
3459 property, as the commission may define that phrase in accordance with Title 63G, Chapter 3,
3460 Utah Administrative Rulemaking Act; or

3461 (B) for a scrap recycler, to process an item sold as tangible personal property, as the
3462 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
3463 Administrative Rulemaking Act;

3464 (b) an establishment, as the commission defines that term in accordance with Title
3465 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

3466 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
3467 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal

3468 Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the
3469 2002 North American Industry Classification System of the federal Executive Office of the
3470 President, Office of Management and Budget;

3471 (ii) is located in the state; and

3472 (iii) uses or consumes the machinery, equipment, normal operating repair or
3473 replacement parts, or materials in:

3474 (A) the production process to produce an item sold as tangible personal property, as the
3475 commission may define that phrase in accordance with Title 63G, Chapter 3, Utah
3476 Administrative Rulemaking Act;

3477 (B) research and development, as the commission may define that phrase in accordance
3478 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

3479 (C) transporting, storing, or managing tailings, overburden, or similar waste materials
3480 produced from mining;

3481 (D) developing or maintaining a road, tunnel, excavation, or similar feature used in
3482 mining; or

3483 (E) preventing, controlling, or reducing dust or other pollutants from mining; or

3484 (c) an establishment, as the commission defines that term in accordance with Title
3485 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

3486 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
3487 American Industry Classification System of the federal Executive Office of the President,
3488 Office of Management and Budget;

3489 (ii) is located in the state; and

3490 (iii) uses or consumes the machinery, equipment, normal operating repair or
3491 replacement parts, or materials in the operation of the web search portal;

3492 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:

3493 (i) tooling;

3494 (ii) special tooling;

3495 (iii) support equipment;

3496 (iv) special test equipment; or

3497 (v) parts used in the repairs or renovations of tooling or equipment described in
3498 Subsections (15)(a)(i) through (iv); and

3499 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:

3500 (i) the tooling, equipment, or parts are used or consumed exclusively in the
3501 performance of any aerospace or electronics industry contract with the United States
3502 government or any subcontract under that contract; and

3503 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
3504 title to the tooling, equipment, or parts is vested in the United States government as evidenced
3505 by:

3506 (A) a government identification tag placed on the tooling, equipment, or parts; or

3507 (B) listing on a government-approved property record if placing a government
3508 identification tag on the tooling, equipment, or parts is impractical;

3509 (16) sales of newspapers or newspaper subscriptions;

3510 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a
3511 product transferred electronically traded in as full or part payment of the purchase price, except
3512 that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,
3513 trade-ins are limited to other vehicles only, and the tax is based upon:

3514 (i) the bill of sale or other written evidence of value of the vehicle being sold and the
3515 vehicle being traded in; or

3516 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
3517 fair market value of the vehicle being sold and the vehicle being traded in, as determined by the
3518 commission; and

3519 (b) Subsection (17)(a) does not apply to the following items of tangible personal
3520 property or products transferred electronically traded in as full or part payment of the purchase
3521 price:

3522 (i) money;

3523 (ii) electricity;

3524 (iii) water;

3525 (iv) gas; or

3526 (v) steam;

3527 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property
3528 or a product transferred electronically used or consumed primarily and directly in farming
3529 operations, regardless of whether the tangible personal property or product transferred

3530 electronically:

3531 (A) becomes part of real estate; or

3532 (B) is installed by a farmer, contractor, or subcontractor; or

3533 (ii) sales of parts used in the repairs or renovations of tangible personal property or a

3534 product transferred electronically if the tangible personal property or product transferred

3535 electronically is exempt under Subsection (18)(a)(i); and

3536 (b) amounts paid or charged for the following are subject to the taxes imposed by this

3537 chapter:

3538 (i) (A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or

3539 supplies if used in a manner that is incidental to farming; and

3540 (B) tangible personal property that is considered to be used in a manner that is

3541 incidental to farming includes:

3542 (I) hand tools; or

3543 (II) maintenance and janitorial equipment and supplies;

3544 (ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product

3545 transferred electronically if the tangible personal property or product transferred electronically

3546 is used in an activity other than farming; and

3547 (B) tangible personal property or a product transferred electronically that is considered

3548 to be used in an activity other than farming includes:

3549 (I) office equipment and supplies; or

3550 (II) equipment and supplies used in:

3551 (Aa) the sale or distribution of farm products;

3552 (Bb) research; or

3553 (Cc) transportation; or

3554 (iii) a vehicle required to be registered by the laws of this state during the period

3555 ending two years after the date of the vehicle's purchase;

3556 (19) sales of hay;

3557 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or

3558 garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or

3559 garden, farm, or other agricultural produce is sold by:

3560 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other

3561 agricultural produce;

3562 (b) an employee of the producer described in Subsection (20)(a); or

3563 (c) a member of the immediate family of the producer described in Subsection (20)(a);

3564 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued

3565 under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

3566 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,

3567 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,

3568 wholesaler, or retailer for use in packaging tangible personal property to be sold by that

3569 manufacturer, processor, wholesaler, or retailer;

3570 (23) a product stored in the state for resale;

3571 (24) (a) purchases of a product if:

3572 (i) the product is:

3573 (A) purchased outside of this state;

3574 (B) brought into this state:

3575 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and

3576 (II) by a nonresident person who is not living or working in this state at the time of the

3577 purchase;

3578 (C) used for the personal use or enjoyment of the nonresident person described in

3579 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and

3580 (D) not used in conducting business in this state; and

3581 (ii) for:

3582 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of

3583 the product for a purpose for which the product is designed occurs outside of this state;

3584 (B) a boat, the boat is registered outside of this state; or

3585 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered

3586 outside of this state;

3587 (b) the exemption provided for in Subsection (24)(a) does not apply to:

3588 (i) a lease or rental of a product; or

3589 (ii) a sale of a vehicle exempt under Subsection (33); and

3590 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for

3591 purposes of Subsection (24)(a), the commission may by rule define what constitutes the

3592 following:

3593 (i) conducting business in this state if that phrase has the same meaning in this

3594 Subsection (24) as in Subsection (63);

3595 (ii) the first use of a product if that phrase has the same meaning in this Subsection (24)

3596 as in Subsection (63); or

3597 (iii) a purpose for which a product is designed if that phrase has the same meaning in

3598 this Subsection (24) as in Subsection (63);

3599 (25) a product purchased for resale in the regular course of business, either in its

3600 original form or as an ingredient or component part of a manufactured or compounded product;

3601 (26) a product upon which a sales or use tax was paid to some other state, or one of its

3602 subdivisions, except that the state shall be paid any difference between the tax paid and the tax

3603 imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if

3604 the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax

3605 Act;

3606 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a

3607 person for use in compounding a service taxable under the subsections;

3608 (28) purchases made in accordance with the special supplemental nutrition program for

3609 women, infants, and children established in 42 U.S.C. Sec. 1786;

3610 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other

3611 replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code

3612 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of

3613 the President, Office of Management and Budget;

3614 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State

3615 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:

3616 (a) not registered in this state; and

3617 (b) (i) not used in this state; or

3618 (ii) used in this state:

3619 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a

3620 time period that does not exceed the longer of:

3621 (I) 30 days in any calendar year; or

3622 (II) the time period necessary to transport the boat, boat trailer, or outboard motor to

3623 the borders of this state; or
3624 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time
3625 period necessary to transport the boat, boat trailer, or outboard motor to the borders of this
3626 state;
3627 (31) sales of aircraft manufactured in Utah;
3628 (32) amounts paid for the purchase of telecommunications service for purposes of
3629 providing telecommunications service;
3630 (33) sales, leases, or uses of the following:
3631 (a) a vehicle by an authorized carrier; or
3632 (b) tangible personal property that is installed on a vehicle:
3633 (i) sold or leased to or used by an authorized carrier; and
3634 (ii) before the vehicle is placed in service for the first time;
3635 (34) (a) 45% of the sales price of any new manufactured home; and
3636 (b) 100% of the sales price of any used manufactured home;
3637 (35) sales relating to schools and fundraising sales;
3638 (36) sales or rentals of durable medical equipment if:
3639 (a) a person presents a prescription for the durable medical equipment; and
3640 (b) the durable medical equipment is used for home use only;
3641 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
3642 Section [72-11-102](#); and
3643 (b) the commission shall by rule determine the method for calculating sales exempt
3644 under Subsection (37)(a) that are not separately metered and accounted for in utility billings;
3645 (38) sales to a ski resort of:
3646 (a) snowmaking equipment;
3647 (b) ski slope grooming equipment;
3648 (c) passenger ropeways as defined in Section [72-11-102](#); or
3649 (d) parts used in the repairs or renovations of equipment or passenger ropeways
3650 described in Subsections (38)(a) through (c);
3651 (39) subject to Subsection [59-12-103\(2\)\(j\)](#), sales of natural gas, electricity, heat, coal,
3652 fuel oil, or other fuels for industrial use;
3653 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for

3654 amusement, entertainment, or recreation an unassisted amusement device as defined in Section
3655 [59-12-102](#);

3656 (b) if a seller that sells or rents at the same business location the right to use or operate
3657 for amusement, entertainment, or recreation one or more unassisted amusement devices and
3658 one or more assisted amusement devices, the exemption described in Subsection (40)(a)
3659 applies if the seller separately accounts for the sales or rentals of the right to use or operate for
3660 amusement, entertainment, or recreation for the assisted amusement devices; and

3661 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3,
3662 Utah Administrative Rulemaking Act, the commission may make rules:

3663 (i) governing the circumstances under which sales are at the same business location;
3664 and

3665 (ii) establishing the procedures and requirements for a seller to separately account for
3666 the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for
3667 assisted amusement devices;

3668 (41) (a) sales of photocopies by:

3669 (i) a governmental entity; or

3670 (ii) an entity within the state system of public education, including:

3671 (A) a school; or

3672 (B) the State Board of Education; or

3673 (b) sales of publications by a governmental entity;

3674 (42) amounts paid for admission to an athletic event at an institution of higher
3675 education that is subject to the provisions of Title IX of the Education Amendments of 1972,
3676 20 U.S.C. Sec. 1681 et seq.;

3677 (43) (a) sales made to or by:

3678 (i) an area agency on aging; or

3679 (ii) a senior citizen center owned by a county, city, or town; or

3680 (b) sales made by a senior citizen center that contracts with an area agency on aging;

3681 (44) sales or leases of semiconductor fabricating, processing, research, or development
3682 materials regardless of whether the semiconductor fabricating, processing, research, or
3683 development materials:

3684 (a) actually come into contact with a semiconductor; or

- 3685 (b) ultimately become incorporated into real property;
- 3686 (45) an amount paid by or charged to a purchaser for accommodations and services
- 3687 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section
- 3688 59-12-104.2;
- 3689 (46) the lease or use of a vehicle issued a temporary sports event registration certificate
- 3690 in accordance with Section 41-3-306 for the event period specified on the temporary sports
- 3691 event registration certificate;
- 3692 (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff
- 3693 adopted by the Public Service Commission only for purchase of electricity produced from a
- 3694 new alternative energy source built after January 1, 2016, as designated in the tariff by the
- 3695 Public Service Commission; and
- 3696 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
- 3697 only to the portion of the tariff rate a customer pays under the tariff described in Subsection
- 3698 (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the
- 3699 customer would have paid absent the tariff;
- 3700 (48) sales or rentals of mobility enhancing equipment if a person presents a
- 3701 prescription for the mobility enhancing equipment;
- 3702 (49) sales of water in a:
- 3703 (a) pipe;
- 3704 (b) conduit;
- 3705 (c) ditch; or
- 3706 (d) reservoir;
- 3707 (50) sales of currency or coins that constitute legal tender of a state, the United States,
- 3708 or a foreign nation;
- 3709 (51) (a) sales of an item described in Subsection (51)(b) if the item:
- 3710 (i) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 3711 (ii) has a gold, silver, or platinum content of 50% or more; and
- 3712 (b) Subsection (51)(a) applies to a gold, silver, or platinum:
- 3713 (i) ingot;
- 3714 (ii) bar;
- 3715 (iii) medallion; or

3716 (iv) decorative coin;
3717 (52) amounts paid on a sale-leaseback transaction;
3718 (53) sales of a prosthetic device:
3719 (a) for use on or in a human; and
3720 (b) (i) for which a prescription is required; or
3721 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
3722 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
3723 machinery or equipment by an establishment described in Subsection (54)(c) if the machinery
3724 or equipment is primarily used in the production or postproduction of the following media for
3725 commercial distribution:
3726 (i) a motion picture;
3727 (ii) a television program;
3728 (iii) a movie made for television;
3729 (iv) a music video;
3730 (v) a commercial;
3731 (vi) a documentary; or
3732 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
3733 commission by administrative rule made in accordance with Subsection (54)(d); or
3734 (b) purchases, leases, or rentals of machinery or equipment by an establishment
3735 described in Subsection (54)(c) that is used for the production or postproduction of the
3736 following are subject to the taxes imposed by this chapter:
3737 (i) a live musical performance;
3738 (ii) a live news program; or
3739 (iii) a live sporting event;
3740 (c) the following establishments listed in the 1997 North American Industry
3741 Classification System of the federal Executive Office of the President, Office of Management
3742 and Budget, apply to Subsections (54)(a) and (b):
3743 (i) NAICS Code 512110; or
3744 (ii) NAICS Code 51219; and
3745 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3746 commission may by rule:

3747 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);

3748 or

3749 (ii) define:

3750 (A) "commercial distribution";

3751 (B) "live musical performance";

3752 (C) "live news program"; or

3753 (D) "live sporting event";

3754 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but

3755 on or before June 30, 2027, of tangible personal property that:

3756 (i) is leased or purchased for or by a facility that:

3757 (A) is an alternative energy electricity production facility;

3758 (B) is located in the state; and

3759 (C) (I) becomes operational on or after July 1, 2004; or

3760 (II) has its generation capacity increased by one or more megawatts on or after July 1,

3761 2004, as a result of the use of the tangible personal property;

3762 (ii) has an economic life of five or more years; and

3763 (iii) is used to make the facility or the increase in capacity of the facility described in

3764 Subsection (55)(a)(i) operational up to the point of interconnection with an existing

3765 transmission grid including:

3766 (A) a wind turbine;

3767 (B) generating equipment;

3768 (C) a control and monitoring system;

3769 (D) a power line;

3770 (E) substation equipment;

3771 (F) lighting;

3772 (G) fencing;

3773 (H) pipes; or

3774 (I) other equipment used for locating a power line or pole; and

3775 (b) this Subsection (55) does not apply to:

3776 (i) tangible personal property used in construction of:

3777 (A) a new alternative energy electricity production facility; or

3778 (B) the increase in the capacity of an alternative energy electricity production facility;
3779 (ii) contracted services required for construction and routine maintenance activities;

3780 and

3781 (iii) unless the tangible personal property is used or acquired for an increase in capacity
3782 of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or
3783 acquired after:

3784 (A) the alternative energy electricity production facility described in Subsection
3785 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or

3786 (B) the increased capacity described in Subsection (55)(a)(i) is operational as described
3787 in Subsection (55)(a)(iii);

3788 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but
3789 on or before June 30, 2027, of tangible personal property that:

3790 (i) is leased or purchased for or by a facility that:

3791 (A) is a waste energy production facility;

3792 (B) is located in the state; and

3793 (C) (I) becomes operational on or after July 1, 2004; or

3794 (II) has its generation capacity increased by one or more megawatts on or after July 1,
3795 2004, as a result of the use of the tangible personal property;

3796 (ii) has an economic life of five or more years; and

3797 (iii) is used to make the facility or the increase in capacity of the facility described in
3798 Subsection (56)(a)(i) operational up to the point of interconnection with an existing
3799 transmission grid including:

3800 (A) generating equipment;

3801 (B) a control and monitoring system;

3802 (C) a power line;

3803 (D) substation equipment;

3804 (E) lighting;

3805 (F) fencing;

3806 (G) pipes; or

3807 (H) other equipment used for locating a power line or pole; and

3808 (b) this Subsection (56) does not apply to:

- 3809 (i) tangible personal property used in construction of:
- 3810 (A) a new waste energy facility; or
- 3811 (B) the increase in the capacity of a waste energy facility;
- 3812 (ii) contracted services required for construction and routine maintenance activities;
- 3813 and
- 3814 (iii) unless the tangible personal property is used or acquired for an increase in capacity
- 3815 described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:
- 3816 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as
- 3817 described in Subsection (56)(a)(iii); or
- 3818 (B) the increased capacity described in Subsection (56)(a)(i) is operational as described
- 3819 in Subsection (56)(a)(iii);
- 3820 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on
- 3821 or before June 30, 2027, of tangible personal property that:
- 3822 (i) is leased or purchased for or by a facility that:
- 3823 (A) is located in the state;
- 3824 (B) produces fuel from alternative energy, including:
- 3825 (I) methanol; or
- 3826 (II) ethanol; and
- 3827 (C) (I) becomes operational on or after July 1, 2004; or
- 3828 (II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as
- 3829 a result of the installation of the tangible personal property;
- 3830 (ii) has an economic life of five or more years; and
- 3831 (iii) is installed on the facility described in Subsection (57)(a)(i);
- 3832 (b) this Subsection (57) does not apply to:
- 3833 (i) tangible personal property used in construction of:
- 3834 (A) a new facility described in Subsection (57)(a)(i); or
- 3835 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or
- 3836 (ii) contracted services required for construction and routine maintenance activities;
- 3837 and
- 3838 (iii) unless the tangible personal property is used or acquired for an increase in capacity
- 3839 described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:

- 3840 (A) the facility described in Subsection (57)(a)(i) is operational; or
3841 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
- 3842 (58) (a) subject to Subsection (58)(b), sales of tangible personal property or a product
3843 transferred electronically to a person within this state if that tangible personal property or
3844 product transferred electronically is subsequently shipped outside the state and incorporated
3845 pursuant to contract into and becomes a part of real property located outside of this state; and
- 3846 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
3847 state or political entity to which the tangible personal property is shipped imposes a sales, use,
3848 gross receipts, or other similar transaction excise tax on the transaction against which the other
3849 state or political entity allows a credit for sales and use taxes imposed by this chapter;
- 3850 (59) purchases:
- 3851 (a) of one or more of the following items in printed or electronic format:
- 3852 (i) a list containing information that includes one or more:
- 3853 (A) names; or
3854 (B) addresses; or
- 3855 (ii) a database containing information that includes one or more:
- 3856 (A) names; or
3857 (B) addresses; and
- 3858 (b) used to send direct mail;
- 3859 (60) redemptions or repurchases of a product by a person if that product was:
- 3860 (a) delivered to a pawnbroker as part of a pawn transaction; and
3861 (b) redeemed or repurchased within the time period established in a written agreement
3862 between the person and the pawnbroker for redeeming or repurchasing the product;
- 3863 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:
- 3864 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
3865 and
- 3866 (ii) has a useful economic life of one or more years; and
- 3867 (b) the following apply to Subsection (61)(a):
- 3868 (i) telecommunications enabling or facilitating equipment, machinery, or software;
3869 (ii) telecommunications equipment, machinery, or software required for 911 service;
3870 (iii) telecommunications maintenance or repair equipment, machinery, or software;

3871 (iv) telecommunications switching or routing equipment, machinery, or software; or
3872 (v) telecommunications transmission equipment, machinery, or software;
3873 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
3874 personal property or a product transferred electronically that are used in the research and
3875 development of alternative energy technology; and
3876 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3877 commission may, for purposes of Subsection (62)(a), make rules defining what constitutes
3878 purchases of tangible personal property or a product transferred electronically that are used in
3879 the research and development of alternative energy technology;
3880 (63) (a) purchases of tangible personal property or a product transferred electronically
3881 if:
3882 (i) the tangible personal property or product transferred electronically is:
3883 (A) purchased outside of this state;
3884 (B) brought into this state at any time after the purchase described in Subsection
3885 (63)(a)(i)(A); and
3886 (C) used in conducting business in this state; and
3887 (ii) for:
3888 (A) tangible personal property or a product transferred electronically other than the
3889 tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property
3890 for a purpose for which the property is designed occurs outside of this state; or
3891 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered
3892 outside of this state and not required to be registered in this state under Section [41-1a-202](#) or
3893 [73-18-9](#) based on residency;
3894 (b) the exemption provided for in Subsection (63)(a) does not apply to:
3895 (i) a lease or rental of tangible personal property or a product transferred electronically;
3896 or
3897 (ii) a sale of a vehicle exempt under Subsection (33); and
3898 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
3899 purposes of Subsection (63)(a), the commission may by rule define what constitutes the
3900 following:
3901 (i) conducting business in this state if that phrase has the same meaning in this

3902 Subsection (63) as in Subsection (24);
3903 (ii) the first use of tangible personal property or a product transferred electronically if
3904 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or
3905 (iii) a purpose for which tangible personal property or a product transferred
3906 electronically is designed if that phrase has the same meaning in this Subsection (63) as in
3907 Subsection (24);
3908 (64) sales of disposable home medical equipment or supplies if:
3909 (a) a person presents a prescription for the disposable home medical equipment or
3910 supplies;
3911 (b) the disposable home medical equipment or supplies are used exclusively by the
3912 person to whom the prescription described in Subsection (64)(a) is issued; and
3913 (c) the disposable home medical equipment and supplies are listed as eligible for
3914 payment under:
3915 (i) Title XVIII, federal Social Security Act; or
3916 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;
3917 (65) sales:
3918 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit
3919 District Act; or
3920 (b) of tangible personal property to a subcontractor of a public transit district, if the
3921 tangible personal property is:
3922 (i) clearly identified; and
3923 (ii) installed or converted to real property owned by the public transit district;
3924 (66) sales of construction materials:
3925 (a) purchased on or after July 1, 2010;
3926 (b) purchased by, on behalf of, or for the benefit of an international airport:
3927 (i) located within a county of the first class; and
3928 (ii) that has a United States customs office on its premises; and
3929 (c) if the construction materials are:
3930 (i) clearly identified;
3931 (ii) segregated; and
3932 (iii) installed or converted to real property;

- 3933 (A) owned or operated by the international airport described in Subsection (66)(b); and
3934 (B) located at the international airport described in Subsection (66)(b);
3935 (67) sales of construction materials:
3936 (a) purchased on or after July 1, 2008;
3937 (b) purchased by, on behalf of, or for the benefit of a new airport:
3938 (i) located within a county of the second class; and
3939 (ii) that is owned or operated by a city in which an airline as defined in Section
3940 59-2-102 is headquartered; and
3941 (c) if the construction materials are:
3942 (i) clearly identified;
3943 (ii) segregated; and
3944 (iii) installed or converted to real property:
3945 (A) owned or operated by the new airport described in Subsection (67)(b);
3946 (B) located at the new airport described in Subsection (67)(b); and
3947 (C) as part of the construction of the new airport described in Subsection (67)(b);
3948 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a
3949 common carrier that is a railroad for use in a locomotive engine;
3950 (69) purchases and sales described in Section 63H-4-111;
3951 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and
3952 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of
3953 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
3954 lists a state or country other than this state as the location of registry of the fixed wing turbine
3955 powered aircraft; or
3956 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
3957 provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of
3958 a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration
3959 lists a state or country other than this state as the location of registry of the fixed wing turbine
3960 powered aircraft;
3961 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
3962 (a) to a person admitted to an institution of higher education; and
3963 (b) by a seller, other than a bookstore owned by an institution of higher education, if

3964 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a
3965 textbook for a higher education course;

3966 (72) a license fee or tax a municipality imposes in accordance with Subsection
3967 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced
3968 level of municipal services;

3969 (73) amounts paid or charged for construction materials used in the construction of a
3970 new or expanding life science research and development facility in the state, if the construction
3971 materials are:

3972 (a) clearly identified;

3973 (b) segregated; and

3974 (c) installed or converted to real property;

3975 (74) amounts paid or charged for:

3976 (a) a purchase or lease of machinery and equipment that:

3977 (i) are used in performing qualified research:

3978 (A) as defined in Section 41(d), Internal Revenue Code; and

3979 (B) in the state; and

3980 (ii) have an economic life of three or more years; and

3981 (b) normal operating repair or replacement parts:

3982 (i) for the machinery and equipment described in Subsection (74)(a); and

3983 (ii) that have an economic life of three or more years;

3984 (75) a sale or lease of tangible personal property used in the preparation of prepared
3985 food if:

3986 (a) for a sale:

3987 (i) the ownership of the seller and the ownership of the purchaser are identical; and

3988 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
3989 tangible personal property prior to making the sale; or

3990 (b) for a lease:

3991 (i) the ownership of the lessor and the ownership of the lessee are identical; and

3992 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible
3993 personal property prior to making the lease;

3994 (76) (a) purchases of machinery or equipment if:

- 3995 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
3996 Gambling, and Recreation Industries, of the 2012 North American Industry Classification
3997 System of the federal Executive Office of the President, Office of Management and Budget;
3998 (ii) the machinery or equipment:
3999 (A) has an economic life of three or more years; and
4000 (B) is used by one or more persons who pay admission or user fees described in
4001 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and
4002 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
4003 (A) amounts paid or charged as admission or user fees described in Subsection
4004 59-12-103(1)(f); and
4005 (B) subject to taxation under this chapter; and
4006 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4007 commission may make rules for verifying that 51% of a purchaser's sales revenue for the
4008 previous calendar quarter is:
4009 (i) amounts paid or charged as admission or user fees described in Subsection
4010 59-12-103(1)(f); and
4011 (ii) subject to taxation under this chapter;
4012 (77) purchases of a short-term lodging consumable by a business that provides
4013 accommodations and services described in Subsection 59-12-103(1)(i);
4014 (78) amounts paid or charged to access a database:
4015 (a) if the primary purpose for accessing the database is to view or retrieve information
4016 from the database; and
4017 (b) not including amounts paid or charged for a:
4018 (i) digital audio work;
4019 (ii) digital audio-visual work; or
4020 (iii) digital book;
4021 (79) amounts paid or charged for a purchase or lease made by an electronic financial
4022 payment service, of:
4023 (a) machinery and equipment that:
4024 (i) are used in the operation of the electronic financial payment service; and
4025 (ii) have an economic life of three or more years; and

- 4026 (b) normal operating repair or replacement parts that:
- 4027 (i) are used in the operation of the electronic financial payment service; and
- 4028 (ii) have an economic life of three or more years;
- 4029 (80) sales of a fuel cell as defined in Section [54-15-102](#);
- 4030 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
- 4031 product transferred electronically if the tangible personal property or product transferred
- 4032 electronically:
- 4033 (a) is stored, used, or consumed in the state; and
- 4034 (b) is temporarily brought into the state from another state:
- 4035 (i) during a disaster period as defined in Section [53-2a-1202](#);
- 4036 (ii) by an out-of-state business as defined in Section [53-2a-1202](#);
- 4037 (iii) for a declared state disaster or emergency as defined in Section [53-2a-1202](#); and
- 4038 (iv) for disaster- or emergency-related work as defined in Section [53-2a-1202](#);
- 4039 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined
- 4040 in Section [39A-7-102](#), made pursuant to Title 39A, Chapter 7, Morale, Welfare, and Recreation
- 4041 Program;
- 4042 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 4043 (84) amounts paid or charged for a purchase or lease made by a qualifying data center
- 4044 or an occupant of a qualifying data center of machinery, equipment, or normal operating repair
- 4045 or replacement parts, if the machinery, equipment, or normal operating repair or replacement
- 4046 parts:
- 4047 (a) are used in:
- 4048 (i) the operation of the qualifying data center; or
- 4049 (ii) the occupant's operations in the qualifying data center; and
- 4050 (b) have an economic life of one or more years;
- 4051 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a
- 4052 vehicle that includes cleaning or washing of the interior of the vehicle;
- 4053 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
- 4054 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used
- 4055 or consumed:
- 4056 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined

4057 in Section 79-6-701 located in the state;

4058 (b) if the machinery, equipment, normal operating repair or replacement parts,
4059 catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:

4060 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
4061 added to gasoline or diesel fuel;

4062 (ii) research and development;

4063 (iii) transporting, storing, or managing raw materials, work in process, finished
4064 products, and waste materials produced from refining gasoline or diesel fuel, or adding
4065 blendstock to gasoline or diesel fuel;

4066 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
4067 refining; or

4068 (v) preventing, controlling, or reducing pollutants from refining; and

4069 (c) if the person holds a valid refiner tax exemption certification as defined in Section
4070 79-6-701;

4071 (87) amounts paid to or charged by a proprietor for accommodations and services, as
4072 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations tax
4073 imposed under Section 63H-1-205;

4074 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal
4075 operating repair or replacement parts, or materials, except for office equipment or office
4076 supplies, by an establishment, as the commission defines that term in accordance with Title
4077 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

4078 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North
4079 American Industry Classification System of the federal Executive Office of the President,
4080 Office of Management and Budget;

4081 (b) is located in this state; and

4082 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
4083 materials in the operation of the establishment;

4084 (89) amounts paid or charged for an item exempt under Section 59-12-104.10;

4085 (90) sales of a note, leaf, foil, or film, if the item:

4086 (a) is used as currency;

4087 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and

4088 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any
4089 transparent polymer holder, coating, or encasement;

4090 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or
4091 surfing facility, if a trained instructor:

4092 (a) is present with the participant, in person or by video, for the duration of the activity;
4093 and

4094 (b) actively instructs the participant, including providing observation or feedback;

4095 (92) amounts paid or charged in connection with the construction, operation,
4096 maintenance, repair, or replacement of facilities owned by or constructed for:

4097 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or
4098 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;

4099 (93) amounts paid by the service provider for tangible personal property, other than
4100 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels, that:

4101 (a) is consumed in the performance of a service that is subject to tax under Subsection
4102 59-12-103(1)(b), (f), (g), (h), (i), or (j);

4103 (b) has to be consumed for the service provider to provide the service described in
4104 Subsection (93)(a); and

4105 (c) will be consumed in the performance of the service described in Subsection (93)(a),
4106 to one or more customers, to the point that the tangible personal property disappears or cannot
4107 be used for any other purpose;

4108 (94) sales of rail rolling stock manufactured in Utah; ~~and~~

4109 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement
4110 products, or construction materials between establishments, as the commission defines that
4111 term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:

4112 (a) the establishments are related directly or indirectly through 100% common
4113 ownership or control; and

4114 (b) each establishment is described in one of the following subsectors of the 2022
4115 North American Industry Classification System of the federal Executive Office of the
4116 President, Office of Management and Budget:

4117 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or
4118 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing[-]; and

4119 (96) sales of construction materials used for the construction of a qualified stadium, as
4120 defined in Section 11-70-101.

4121 Section 53. Section **59-12-352** is amended to read:

4122 **59-12-352. Authority to impose a transient room tax -- Purposes for which**
4123 **revenues may be used.**

4124 (1) (a) Except as provided in Subsection (5), the governing body of a municipality may
4125 impose a tax of not to exceed 1% on charges for the accommodations and services described in
4126 Subsection **59-12-103**(1)(i).

4127 (b) Subject to Section **63H-1-203**, the military installation development authority
4128 created in Section **63H-1-201** may impose a tax under this section for accommodations and
4129 services described in Subsection **59-12-103**(1)(i) within a project area described in a project
4130 area plan adopted by the authority under Title 63H, Chapter 1, Military Installation
4131 Development Authority Act, as though the authority were a municipality.

4132 (c) Beginning October 1, 2024, the Utah Fairpark Area Investment and Restoration
4133 District, created in Section 11-70-201, may impose a tax under this section for
4134 accommodations and services described in Subsection 59-12-103(1)(i) within the district sales
4135 tax area, as defined in Section 11-70-101, to the same extent and in the same manner as a
4136 municipality may impose a tax under this section.

4137 (2) Subject to the limitations of Subsection (1), a governing body of a municipality
4138 may, by ordinance, increase or decrease the tax under this part.

4139 (3) A governing body of a municipality shall regulate the tax under this part by
4140 ordinance.

4141 (4) A municipality may use revenues generated by the tax under this part for general
4142 fund purposes.

4143 (5) (a) A municipality may not impose a tax under this section for accommodations and
4144 services described in Subsection **59-12-103**(1)(i) within a project area described in a project
4145 area plan adopted by:

4146 (i) the military installation development authority under Title 63H, Chapter 1, Military
4147 Installation Development Authority Act[-]; or

4148 (ii) the Utah Fairpark Area Investment and Restoration District under Title 11, Chapter
4149 70, Utah Fairpark Area Investment and Restoration District.

4150 (b) Subsection (5)(a) does not apply to the military installation development authority's
4151 imposition of a tax under this section.

4152 (6) (a) As used in this Subsection (6):

4153 (i) "Authority" means the Point of the Mountain State Land Authority, created in
4154 Section 11-59-201.

4155 (ii) "Authority board" means the board referred to in Section 11-59-301.

4156 (b) The authority may, by a resolution adopted by the authority board, impose a tax of
4157 not to exceed 5% on charges for the accommodations and services described in Subsection
4158 59-12-103(1)(i) for transactions that occur on point of the mountain state land, as defined in
4159 Section 11-59-102.

4160 (c) The authority board, by resolution, shall regulate the tax under this Subsection (6).

4161 (d) The authority shall use all revenue from a tax imposed under this Subsection (6) to
4162 provide affordable housing, consistent with the manner that a community reinvestment agency
4163 uses funds for affordable housing under Section 17C-1-412.

4164 (e) A tax under this Subsection (6) is in addition to any other tax that may be imposed
4165 under this part.

4166 Section 54. Section 59-12-354 is amended to read:

4167 **59-12-354. Collection of tax -- Administrative charge.**

4168 (1) Except as provided in Subsections (2) and (3), the tax authorized under this part
4169 shall be administered, collected, and enforced in accordance with:

4170 (a) the same procedures used to administer, collect, and enforce the tax under:

4171 (i) Part 1, Tax Collection; or

4172 (ii) Part 2, Local Sales and Use Tax Act; and

4173 (b) Chapter 1, General Taxation Policies.

4174 (2) (a) The location of a transaction shall be determined in accordance with Sections
4175 59-12-211 through 59-12-215.

4176 (b) ~~[The] Except as provided in Subsection (2)(c), the commission~~~~[: (i) except as~~
4177 ~~provided in Subsection (2)(b)(ii),]~~ shall distribute the revenue collected from the tax to:

4178 ~~[(A)] (i) (A)~~ the municipality within which the revenue was collected, for a tax
4179 imposed under this part by a municipality; ~~[and] or~~

4180 (B) the Utah Fairpark Area Investment and Restoration District, for a tax imposed

4181 under this part by the Utah Fairpark Area Investment and Restoration District; and

4182 ~~[(B)]~~ (ii) the Point of the Mountain State Land Authority, for a tax imposed under
4183 Subsection 59-12-352(6)~~[-and]~~.

4184 ~~[(ii)]~~ (c) The commission shall retain and deposit an administrative charge in
4185 accordance with Section 59-1-306 from the revenue the commission collects from a tax under
4186 this part.

4187 (3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or
4188 Subsections 59-12-205(2) through (5).

4189 Section 55. Section 59-12-401 is amended to read:

4190 **59-12-401. Resort communities tax authority for cities, towns, and military**
4191 **installation development authority -- Base -- Rate -- Collection fees.**

4192 (1) (a) In addition to other sales and use taxes, a city or town in which the transient
4193 room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the
4194 municipality's permanent census population may impose a sales and use tax of up to 1.1% on
4195 the transactions described in Subsection 59-12-103(1) located within the city or town.

4196 (b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this
4197 section on:

4198 (i) (A) the sale of[:] a motor vehicle, an aircraft, a watercraft, a modular home, a
4199 manufactured home, or a mobile home;

4200 ~~[(A) a motor vehicle;]~~

4201 ~~[(B) an aircraft;]~~

4202 ~~[(C) a watercraft;]~~

4203 ~~[(D) a modular home;]~~

4204 ~~[(E) a manufactured home; or]~~

4205 ~~[(F) a mobile home;]~~

4206 ~~[(ii)]~~ (B) the sales and uses described in Section 59-12-104 to the extent the sales and
4207 uses are exempt from taxation under Section 59-12-104; and

4208 ~~[(iii)]~~ (C) except as provided in Subsection (1)(d), amounts paid or charged for food
4209 and food ingredients[:]; or

4210 (ii) transactions that occur in district sales tax area, as defined in Subsection (4), if the
4211 fairpark district, as defined in Subsection (4), has imposed a tax under Subsection (4).

4212 (c) For purposes of this Subsection (1), the location of a transaction shall be
4213 determined in accordance with Sections 59-12-211 through 59-12-215.

4214 (d) A city or town imposing a tax under this section shall impose the tax on the
4215 purchase price or the sales price for amounts paid or charged for food and food ingredients if
4216 the food and food ingredients are sold as part of a bundled transaction attributable to food and
4217 food ingredients and tangible personal property other than food and food ingredients.

4218 (2) (a) An amount equal to the total of any costs incurred by the state in connection
4219 with the implementation of Subsection (1) which exceed, in any year, the revenues received by
4220 the state from its collection fees received in connection with the implementation of Subsection
4221 (1) shall be paid over to the state General Fund by the cities and towns which impose the tax
4222 provided for in Subsection (1).

4223 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among
4224 those cities and towns according to the amount of revenue the respective cities and towns
4225 generate in that year through imposition of that tax.

4226 (3) (a) Subject to Section 63H-1-203, the military installation development authority
4227 created in Section 63H-1-201 may impose a tax under this section on the transactions described
4228 in Subsection 59-12-103(1) located within a project area described in a project area plan
4229 adopted by the authority under Title 63H, Chapter 1, Military Installation Development
4230 Authority Act, as though the authority were a city or a town.

4231 (b) For purposes of calculating the permanent census population within a project area,
4232 the board, as defined in Section 63H-1-102, shall:

4233 (i) use the actual number of permanent residents within the project area as determined
4234 by the board;

4235 (ii) include in the calculation of transient room capacity the number, as determined by
4236 the board, of approved high-occupancy lodging units, recreational lodging units, special
4237 lodging units, and standard lodging units, even if the units are not constructed;

4238 (iii) adopt a resolution verifying the population number; and

4239 (iv) provide the commission any information required in Section 59-12-405.

4240 (c) Notwithstanding Subsection (1)(a), a board as defined in Section 63H-1-102 may
4241 impose the sales and use tax under this section if there are no permanent residents.

4242 (4) (a) As used in this Subsection (4):

4243 (i) "District sales tax area" means the same as that term is defined in Section
4244 11-70-101.

4245 (ii) "Fairpark district" means the Utah Fairpark Area Investment and Restoration
4246 District, created in Section 11-70-201.

4247 (iii) "Fairpark district board" means the board of the fairpark district.

4248 (b) The fairpark district, by resolution of the fairpark district board, may impose a tax
4249 under this section, as though the fairpark district were a city or town, on transactions described
4250 in Subsection 59-12-103(1):

4251 (i) located within the district sales tax area; and

4252 (ii) that occur on or after October 1, 2024.

4253 (c) For purposes of calculating the permanent census population within the district
4254 sales tax area, the fairpark district board shall:

4255 (i) use the actual number of permanent residents within the district sales tax area as
4256 determined by the fairpark district board;

4257 (ii) include in the calculation of transient room capacity the number, as determined by
4258 the fairpark district board, of approved high-occupancy lodging units, recreational lodging
4259 units, special lodging units, and standard lodging units, even if the units are not constructed;

4260 (iii) adopt a resolution verifying the population number; and

4261 (iv) provide the commission any information required in Section 59-12-405.

4262 (d) Notwithstanding Subsection (1)(a), the fairpark district may impose the sales and
4263 use tax under this section if there are no permanent residents within the district sales tax area.

4264 Section 56. Section **59-12-402** is amended to read:

4265 **59-12-402. Additional resort communities sales and use tax -- Base -- Rate --**

4266 **Collection fees -- Resolution and voter approval requirements -- Election requirements --**

4267 **Notice requirements -- Ordinance requirements -- Prohibition of military installation**

4268 **development authority imposition of tax.**

4269 (1) (a) Subject to Subsections (2) through (6), the governing body of a municipality in
4270 which the transient room capacity as defined in Section 59-12-405 is greater than or equal to
4271 66% of the municipality's permanent census population may, in addition to the sales tax
4272 authorized under Section 59-12-401, impose an additional resort communities sales tax in an
4273 amount that is less than or equal to .5% on the transactions described in Subsection

4274 [59-12-103](#)(1) located within the municipality.

4275 (b) Notwithstanding Subsection (1)(a), the governing body of a municipality may not
4276 impose a tax under this section on:

4277 (i) (A) the sale of[:] [a motor vehicle, an aircraft, a watercraft, a modular home, a](#)
4278 [manufactured home, or a mobile home;](#)

4279 [~~(A) a motor vehicle;~~]

4280 [~~(B) an aircraft;~~]

4281 [~~(C) a watercraft;~~]

4282 [~~(D) a modular home;~~]

4283 [~~(E) a manufactured home; or]~~

4284 [~~(F) a mobile home;~~]

4285 [~~(ii)~~] (B) the sales and uses described in Section [59-12-104](#) to the extent the sales and
4286 uses are exempt from taxation under Section [59-12-104](#); and

4287 [~~(iii)~~] (C) except as provided in Subsection (1)(d), amounts paid or charged for food
4288 and food ingredients[:]; or

4289 (ii) transactions that occur in the district sales tax area, as defined in Subsection
4290 [59-12-401](#)(4), if the Utah Fairpark Area Investment and Restoration District, created in Section
4291 [11-70-201](#), has imposed a tax under Subsection (8)

4292 (c) For purposes of this Subsection (1), the location of a transaction shall be
4293 determined in accordance with Sections [59-12-211](#) through [59-12-215](#).

4294 (d) A municipality imposing a tax under this section shall impose the tax on the
4295 purchase price or sales price for amounts paid or charged for food and food ingredients if the
4296 food and food ingredients are sold as part of a bundled transaction attributable to food and food
4297 ingredients and tangible personal property other than food and food ingredients.

4298 (2) (a) An amount equal to the total of any costs incurred by the state in connection
4299 with the implementation of Subsection (1) which exceed, in any year, the revenues received by
4300 the state from its collection fees received in connection with the implementation of Subsection
4301 (1) shall be paid over to the state General Fund by the cities and towns which impose the tax
4302 provided for in Subsection (1).

4303 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among
4304 those cities and towns according to the amount of revenue the respective cities and towns

4305 generate in that year through imposition of that tax.

4306 (3) To impose an additional resort communities sales tax under this section, the
4307 governing body of the municipality shall:

4308 (a) pass a resolution approving the tax; and

4309 (b) except as provided in Subsection (6), obtain voter approval for the tax as provided
4310 in Subsection (4).

4311 (4) To obtain voter approval for an additional resort communities sales tax under
4312 Subsection (3)(b), a municipality shall:

4313 (a) hold the additional resort communities sales tax election during:

4314 (i) a regular general election; or

4315 (ii) a municipal general election; and

4316 (b) post notice of the election for the municipality, as a class A notice under Section
4317 [63G-30-102](#), for at least 15 days before the day on which the election is held.

4318 (5) An ordinance approving an additional resort communities sales tax under this
4319 section shall provide an effective date for the tax as provided in Section [59-12-403](#).

4320 (6) (a) Except as provided in Subsection (6)(b), a municipality is not subject to the
4321 voter approval requirements of Subsection (3)(b) if, on or before January 1, 1996, the
4322 municipality imposed a license fee or tax on businesses based on gross receipts pursuant to
4323 Section [10-1-203](#).

4324 (b) The exception from the voter approval requirements in Subsection (6)(a) does not
4325 apply to a municipality that, on or before January 1, 1996, imposed a license fee or tax on only
4326 one class of businesses based on gross receipts pursuant to Section [10-1-203](#).

4327 (7) A military installation development authority authorized to impose a resort
4328 communities tax under Section [59-12-401](#) may not impose an additional resort communities
4329 sales tax under this section.

4330 (8) The Utah Fairpark Area Investment and Restoration District, created in Section
4331 [11-70-201](#), may impose an additional resort communities tax under this section on transaction
4332 that occur:

4333 (a) within the district sales tax area, as defined in Subsection [59-12-401](#)(4); and

4334 (b) that occur on or after October 1, 2024.

4335 Section 57. Section [59-12-1201](#) is amended to read:

4336 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**
4337 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

4338 (1) As used in this section:

4339 (a) "Fairpark district board" means the board of the fairpark district.

4340 (b) "Fairpark district" means the Utah Fairpark Area Investment and Restoration
4341 District, created in Section [11-70-201](#).

4342 (c) "Franchise agreement date" means the same as that term is defined in Section
4343 [11-70-101](#).

4344 (d) "Stadium contribution" means the same as that term is defined in Section
4345 [11-70-101](#).

4346 (e) "Transition date" means the first day of the calendar quarter that begins at least 90
4347 days after the fairpark district board delivers to the commission the certificate described in
4348 Subsection (2)(a)(ii)(B).

4349 ~~[(1)]~~ (2) (a) (i) Except as provided in Subsections ~~[(3) and (4)]~~ (4) and (5), there is
4350 imposed a tax of 2.5% on all short-term leases and rentals of motor vehicles not exceeding 30
4351 days.

4352 (ii) (A) In addition to the tax imposed under Subsection (2)(a)(i) and except as
4353 provided in Subsections (4) and (5), beginning on the transition date there is imposed a tax of
4354 1.5% on all short-term leases and rentals of motor vehicles not exceeding 30 days.

4355 (B) After the franchise agreement date, the fairpark district board shall deliver to the
4356 commission a certificate verifying the execution of a franchise agreement, as defined in Section
4357 [11-70-101](#), and providing the franchise agreement date.

4358 (C) A tax under this Subsection (2)(a)(ii) is imposed only if the franchise agreement
4359 date is on or before June 30, 2032.

4360 (b) The tax imposed in this section is in addition to all other state, county, or municipal
4361 fees and taxes imposed on rentals of motor vehicles.

4362 ~~[(2)]~~ (3) (a) Subject to Subsection ~~[(2)(b)]~~ (3)(b), a tax rate repeal or tax rate change for
4363 the tax imposed under Subsection ~~[(1)]~~ (2) shall take effect on the first day of a calendar
4364 quarter.

4365 (b) (i) For a transaction subject to a tax under Subsection ~~[(1)]~~ (2), a tax rate increase
4366 shall take effect on the first day of the first billing period:

4367 (A) that begins after the effective date of the tax rate increase; and
4368 (B) if the billing period for the transaction begins before the effective date of a tax rate
4369 increase imposed under Subsection ~~[(1)]~~ (2).

4370 (ii) For a transaction subject to a tax under Subsection ~~[(1)]~~ (2), the repeal of a tax or a
4371 tax rate decrease shall take effect on the first day of the last billing period:
4372 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
4373 and
4374 (B) if the billing period for the transaction begins before the effective date of the repeal
4375 of the tax or the tax rate decrease imposed under Subsection ~~[(1)]~~ (2).

4376 ~~[(3)]~~ (4) Beginning on July 1, 2023, a tax imposed under ~~[Subsection (1)]~~ this section
4377 applies at the same rate to car sharing, except for:
4378 (a) car sharing for the purpose of temporarily replacing a person's motor vehicle that is
4379 being repaired pursuant to a repair or an insurance agreement; and
4380 (b) car sharing for more than 30 days.

4381 ~~[(4)]~~ (5) A motor vehicle is exempt from the tax imposed under ~~[Subsection (1)]~~ this
4382 section if:
4383 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;
4384 (b) the motor vehicle is rented as a personal household goods moving van; or
4385 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
4386 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an
4387 insurance agreement.

4388 ~~[(5)]~~ (6) (a) (i) The tax authorized under this section shall be administered, collected,
4389 and enforced in accordance with:
4390 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,
4391 Tax Collection; and
4392 (B) Chapter 1, General Taxation Policies.

4393 (ii) Notwithstanding Subsection (5)(a)(i), a tax under this part is not subject to
4394 [59-12-103\(4\)](#) through (9) or Section [59-12-107.1](#) or [59-12-123](#).

4395 (b) The commission shall retain and deposit an administrative charge in accordance
4396 with Section [59-1-306](#) from the revenues the commission collects from a tax under this part.
4397 (c) Except as provided under Subsection ~~[(5)(b)]~~ (6)(b) and (d), all revenue received by

4398 the commission under this section shall be deposited daily with the state treasurer and credited
4399 monthly to the Marda Dillree Corridor Preservation Fund under Section [72-2-117](#).

4400 (d) (i) Subject to Subsection (6)(d)(iii), all revenue received by the commission under
4401 Subsection (2)(a)(ii) shall be paid to the fairpark district.

4402 (ii) Within 10 days after the fairpark district completes payment of the stadium
4403 contribution, the fairpark district board shall deliver to the commission a written statement
4404 verifying that the fairpark district has completed payment of the stadium contribution.

4405 (iii) Upon receipt of the written statement under Subsection (6)(d)(ii), the commission
4406 shall:

4407 (A) discontinue collecting revenue under Subsection (2)(a)(ii), beginning the first day
4408 of the calendar quarter that is at least 90 days after the commission's receipt of the written
4409 statement;

4410 (B) discontinue distributing revenue under Subsection (2)(a)(ii) to the fairpark district,
4411 beginning the first day of the calendar quarter that is at least 90 days after the commission's
4412 receipt of the written statement; and

4413 (C) notify the Executive Appropriations Committee of the Legislature that the
4414 commission is discontinuing collecting and distributing revenue under Subsection (2)(a)(ii).

4415 Section 58. Section **63A-3-401.5** is amended to read:

4416 **63A-3-401.5. Definitions.**

4417 As used in this part:

4418 (1) "Borrower" means a person who borrows money from an infrastructure fund for an
4419 infrastructure project.

4420 (2) "Fairpark district development fund" means the infrastructure fund created in
4421 Subsection [63A-3-402\(1\)\(c\)](#).

4422 [~~(2)~~] (3) "Independent political subdivision" means:

4423 (a) the Utah Inland Port Authority created in Section [11-58-201](#);

4424 (b) the Point of the Mountain State Land Authority created in Section [11-59-201](#); [~~or~~]

4425 (c) the Utah Fairpark Area Investment and Restoration District created in Section
4426 [11-70-201](#); or

4427 [~~(e)~~] (d) the Military Installation Development Authority created in Section [63H-1-201](#).

4428 [~~(3)~~] (4) "Infrastructure fund" means a fund created in Subsection [63A-3-402\(1\)](#).

4429 ~~[(4)]~~ (5) "Infrastructure loan" means a loan of infrastructure fund money to finance an
4430 infrastructure project.

4431 ~~[(5)]~~ (6) "Infrastructure project" means a project to acquire, construct, reconstruct,
4432 rehabilitate, equip, or improve public infrastructure and improvements:

4433 (a) within a project area; or

4434 (b) outside a project area, if the respective loan approval body determines by resolution
4435 that the public infrastructure and improvements are of benefit to the project area.

4436 ~~[(6)]~~ (7) "Inland port" means the same as that term is defined in Section [11-58-102](#).

4437 ~~[(7)]~~ (8) "Inland port fund" means the infrastructure fund created in Subsection
4438 [63A-3-402\(1\)\(a\)](#).

4439 ~~[(8)]~~ (9) "Military development fund" means the infrastructure fund created in
4440 Subsection ~~[[63A-3-402\(1\)\(c\)](#)]~~ [63A-3-402\(1\)\(d\)](#).

4441 ~~[(9)]~~ (10) "Point of the mountain fund" means the infrastructure fund created in
4442 Subsection [63A-3-402\(1\)\(b\)](#).

4443 ~~[(10)]~~ (11) "Project area" means:

4444 (a) the same as that term is defined in Section [11-58-102](#), for purposes of an
4445 infrastructure loan from the inland port fund;

4446 (b) the point of the mountain state land, as defined in Section [11-59-102](#), for purposes
4447 of an infrastructure loan from the point of the mountain fund; ~~[and]~~

4448 (c) the same as that term is defined in Section [11-70-101](#), for purposes of an
4449 infrastructure loan from the fairpark district development fund; or

4450 ~~[(c)]~~ (d) the same as that term is defined in Section [63H-1-102](#), for purposes of an
4451 infrastructure loan from the military development fund.

4452 ~~[(11)]~~ (12) "Property tax revenue" means:

4453 (a) property tax differential, as defined in Section [11-58-102](#), for purposes of an
4454 infrastructure loan from the inland port fund; ~~[or]~~

4455 (b) enhanced property tax revenue, as defined in Section [11-70-101](#), for purposes of an
4456 infrastructure loan from the fairpark district development fund; or

4457 ~~[(b)]~~ (c) property tax allocation, as defined in Section [63H-1-102](#), for purposes of an
4458 infrastructure loan from the military development fund.

4459 ~~[(12)]~~ (13) "Public infrastructure and improvements" means:

4460 (a) [~~means~~] the same as that term is defined in Section 11-58-102, for purposes of an
4461 infrastructure loan from the inland port fund;

4462 (b) [~~means~~] publicly owned infrastructure and improvements, as defined in Section
4463 11-59-102, for purposes of an infrastructure loan from the point of the mountain fund; [~~and~~]

4464 (c) the same as that term is defined in Section 11-70-101, for purposes of an
4465 infrastructure loan from the fairpark district development fund; or

4466 [~~(c)~~] (d) [~~means~~] the same as that term is defined in Section 63H-1-102, for purposes of
4467 an infrastructure loan from the military development fund.

4468 [~~(13)~~] (14) "Respective loan approval body" means:

4469 (a) the board created in Section 11-58-301, for purposes of an infrastructure loan from
4470 the inland port fund;

4471 (b) the board created in Section 11-59-301, for purposes of an infrastructure loan from
4472 the point of the mountain fund; [~~and~~]

4473 (c) the board created in Section 11-70-301, for purposes of an infrastructure loan from
4474 the fairpark area development fund; or

4475 [~~(c)~~] (d) the committee created in Section 63H-1-104, for purposes of an infrastructure
4476 loan from the military development fund.

4477 Section 59. Section 63A-3-402 is amended to read:

4478 **63A-3-402. Infrastructure funds established -- Purpose of funds -- Use of money**
4479 **in funds.**

4480 (1) There are created, as enterprise revolving loan funds:

4481 (a) the inland port infrastructure revolving loan fund;

4482 (b) the point of the mountain infrastructure revolving loan fund; [~~and~~]

4483 (c) the fairpark area development revolving loan fund; and

4484 [~~(c)~~] (d) the military development infrastructure revolving loan fund.

4485 (2) The purpose of each infrastructure fund is to provide funding, through
4486 infrastructure loans, for infrastructure projects undertaken by a borrower.

4487 (3) (a) Money in an infrastructure fund may be used only to provide loans for
4488 infrastructure projects.

4489 (b) The division may not loan money in an infrastructure fund without the approval of:

4490 (i) the respective loan approval body; and

4491 (ii) the Executive Appropriations Committee of the Legislature, for a loan from the
4492 inland port fund [or], the point of the mountain fund, or the fairpark area development fund.

4493 Section 60. Section **63A-5b-902** is amended to read:

4494 **63A-5b-902. Application of part.**

4495 (1) The provisions of this part, other than this section, do not apply to:

4496 (a) a conveyance, lease, or disposal under Subsection **63A-5b-303(1)(a)(viii)**;

4497 (b) the division's disposal or lease of division-owned property with a value under
4498 \$500,000, as estimated by the division;

4499 (c) a conveyance, lease, or disposal of division-owned property in connection with:

4500 (i) the establishment of a state store, as defined in Section **32B-1-102**; or

4501 (ii) the construction of student housing; [or]

4502 (d) a conveyance, lease, or disposal of any part of the point of the mountain state land,
4503 as defined in Section **11-59-102**, by the Point of the Mountain State Land Authority created in
4504 Section **11-59-201**[-]; or

4505 (e) a conveyance, lease, or disposal of any state-owned land, as defined in Section
4506 **11-70-101**, by the Utah Fairpark Area Investment and Restoration District, created in Section
4507 **11-70-201**.

4508 (2) Nothing in Subsection (1)(b) or (c) may be construed to diminish or eliminate the
4509 division's responsibility to manage division-owned property in the best interests of the state.

4510 Section 61. Section **63C-25-101** is amended to read:

4511 **63C-25-101. Definitions.**

4512 As used in this chapter:

4513 (1) "Authority" means the same as that term is defined in Section **63B-1-303**.

4514 (2) "Bond" means the same as that term is defined in Section **63B-1-101**.

4515 (3) (a) "Bonding government entity" means the state or any entity that is authorized to
4516 issue bonds under any provision of state law.

4517 (b) "Bonding government entity" includes:

4518 (i) a bonding political subdivision; and

4519 (ii) a public infrastructure district that is authorized to issue bonds either directly, or
4520 through the authority of a bonding political subdivision or other governmental entity.

4521 (4) "Bonding political subdivision" means:

- 4522 (a) the Utah Inland Port Authority, created in Section [11-58-201](#);
- 4523 (b) the Military Installation Development Authority, created in Section [63H-1-201](#);
- 4524 (c) the Point of the Mountain State Land Authority, created in Section [11-59-201](#);
- 4525 (d) the Utah Lake Authority, created in Section [11-65-201](#); ~~[or]~~
- 4526 (e) the State Fair Park Authority, created in Section [11-68-201](#)~~[-]~~; or
- 4527 (f) the Utah Fairpark Area Investment and Restoration District, created in Section
- 4528 [11-70-201](#).
- 4529 (5) "Commission" means the State Finance Review Commission created in Section
- 4530 [63C-25-201](#).
- 4531 (6) "Concessionaire" means a person who:
- 4532 (a) operates, finances, maintains, or constructs a government facility under a contract
- 4533 with a bonding political subdivision; and
- 4534 (b) is not a bonding government entity.
- 4535 (7) "Concessionaire contract" means a contract:
- 4536 (a) between a bonding government entity and a concessionaire for the operation,
- 4537 finance, maintenance, or construction of a government facility;
- 4538 (b) that authorizes the concessionaire to operate the government facility for a term of
- 4539 five years or longer, including any extension of the contract; and
- 4540 (c) in which all or some of the annual source of payment to the concessionaire comes
- 4541 from state funds provided to the bonding government entity.
- 4542 (8) "Creating entity" means the same as that term is defined in Section [17D-4-102](#).
- 4543 (9) "Government facility" means infrastructure, improvements, or a building that:
- 4544 (a) costs more than \$5,000,000 to construct; and
- 4545 (b) has a useful life greater than five years.
- 4546 (10) "Large public transit district" means the same as that term is defined in Section
- 4547 [17B-2a-802](#).
- 4548 (11) "Loan entity" means the board, person, unit, or agency with legal responsibility for
- 4549 making a loan from a revolving loan fund.
- 4550 (12) "Obligation" means the same as that term is defined in Section [63B-1-303](#).
- 4551 (13) "Parameters resolution" means a resolution of a bonding government entity that
- 4552 sets forth for proposed bonds:

- 4553 (a) the maximum:
- 4554 (i) amount of bonds;
- 4555 (ii) term; and
- 4556 (iii) interest rate; and
- 4557 (b) the expected security for the bonds.
- 4558 (14) "Public infrastructure district" means a public infrastructure district created under
- 4559 Title 17D, Chapter 4, Public Infrastructure District Act.
- 4560 (15) "Revolving loan fund" means:
- 4561 (a) the Water Resources Conservation and Development Fund, created in Section
- 4562 [73-10-24](#);
- 4563 (b) the Water Resources Construction Fund, created in Section [73-10-8](#);
- 4564 (c) the Water Resources Cities Water Loan Fund, created in Section [73-10-22](#);
- 4565 (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean
- 4566 Fuels and Emission Reduction Technology Program Act;
- 4567 (e) the Water Development Security Fund and its subaccounts, created in Section
- 4568 [73-10c-5](#);
- 4569 (f) the Agriculture Resource Development Fund, created in Section [4-18-106](#);
- 4570 (g) the Utah Rural Rehabilitation Fund, created in Section [4-19-105](#);
- 4571 (h) the Permanent Community Impact Fund, created in Section [35A-8-303](#);
- 4572 (i) the Petroleum Storage Tank Fund, created in Section [19-6-409](#);
- 4573 (j) the School Building Revolving Account, created in Section [53F-9-206](#);
- 4574 (k) the State Infrastructure Bank Fund, created in Section [72-2-202](#);
- 4575 (l) the Uintah Basin Revitalization Fund, created in Section [35A-8-1602](#);
- 4576 (m) the Navajo Revitalization Fund, created in Section [35A-8-1704](#);
- 4577 (n) the Energy Efficiency Fund, created in Section [11-45-201](#);
- 4578 (o) the Brownfields Fund, created in Section [19-8-120](#);
- 4579 (p) ~~[the following]~~ any of the enterprise revolving loan funds created in Section
- 4580 [63A-3-402](#): and
- 4581 ~~[(i) the inland port infrastructure revolving loan fund;]~~
- 4582 ~~[(ii) the point of the mountain infrastructure revolving loan fund; or]~~
- 4583 ~~[(iii) the military development infrastructure revolving loan fund; and]~~

4584 (q) any other revolving loan fund created in statute where the borrower from the
4585 revolving loan fund is a public non-profit entity or political subdivision, including a fund listed
4586 in Section [63A-3-205](#), from which a loan entity is authorized to make a loan.

4587 (16) (a) "State funds" means an appropriation by the Legislature identified as coming
4588 from the General Fund or Education Fund.

4589 (b) "State funds" does not include:

4590 (i) a revolving loan fund; or

4591 (ii) revenues received by a bonding political subdivision from:

4592 (A) a tax levied by the bonding political subdivision;

4593 (B) a fee assessed by the bonding political subdivision; or

4594 (C) operation of the bonding political subdivision's government facility.

4595 Section 62. Section [63C-25-202](#) is amended to read:

4596 **[63C-25-202](#). Powers and duties.**

4597 (1) The commission shall annually review a report provided in accordance with Section
4598 [63B-1-305](#) or [63B-1a-102](#).

4599 (2) (a) A loan entity other than a loan entity described in Subsection (2)(b) shall no
4600 later than January 1 of each year submit information on each revolving loan fund from which
4601 the loan entity made a loan in the previous fiscal year, including information identifying new
4602 and ongoing loan recipients, the terms of each loan, loan repayment, and any other information
4603 regarding a revolving loan fund requested by the commission.

4604 (b) If a loan entity is:

4605 (i) the Utah Inland Port Authority, the loan entity shall submit the information in
4606 accordance with Section [11-58-106](#) and any other information regarding a revolving loan fund
4607 requested by the commission;

4608 (ii) the Point of the Mountain State Land Authority, the loan entity shall submit the
4609 information in accordance with Section [11-59-104](#) and any other information regarding a
4610 revolving loan fund requested by the commission; ~~[or]~~

4611 (iii) the Utah Fairpark Area Investment and Restoration District, the loan entity shall
4612 submit the information in accordance with Section [11-70-104](#) and any other information
4613 regarding a revolving loan fund requested by the commission; or

4614 ~~[(iii)]~~ (iv) the Military Installation Development Authority, the loan entity shall submit

4615 the information in accordance with Section 63H-1-104 and any other information regarding a
4616 revolving loan fund requested by the commission.

4617 (c) The commission may annually review and provide feedback for the following:

4618 (i) each loan entity for compliance with state law authorizing and regulating the
4619 revolving loan fund, including, as applicable, Title 11, Chapter 14, Local Government Bonding
4620 Act;

4621 (ii) each loan entity's revolving loan fund policies and practices, including policies and
4622 practices for approving and setting the terms of a loan; and

4623 (iii) each borrower of funds from a revolving loan fund for accurate and timely
4624 reporting by the borrower to the appropriate debt repository.

4625 (3) (a) The commission shall review and may approve a bond before a large public
4626 transit district may issue a bond.

4627 (b) The commission may not approve issuance of a bond described in Subsection (3)(a)
4628 unless the execution and terms of the bond comply with state law.

4629 (c) If, after review, the commission approves a bond described in Subsection (3)(a), the
4630 large public transit district:

4631 (i) may not change before issuing the bond the terms of the bond that were reviewed by
4632 the commission if the change is outside the approved parameters and intended purposes; and

4633 (ii) is under no obligation to issue the bond.

4634 (d) A member of the commission who approves a bond under Subsection (3)(a) or
4635 reviews a parameters resolution under Subsection (4)(a) is not liable personally on the bond.

4636 (e) The approval of a bond under Subsection (3)(a) or review under Subsection (4)(a)
4637 of a parameters resolution by the commission:

4638 (i) is not an obligation of the state; and

4639 (ii) is not an act that:

4640 (A) lends the state's credit; or

4641 (B) constitutes indebtedness within the meaning of any constitutional or statutory debt
4642 limitation.

4643 (4) (a) The commission shall review and, at the commission's discretion, may make
4644 recommendations regarding a parameters resolution before:

4645 (i) a bonding political subdivision may issue a bond; or

4646 (ii) a public infrastructure district may issue a bond, if the creating entity of the public
4647 infrastructure district is a bonding political subdivision.

4648 (b) The commission shall conduct the review under Subsection (4)(a) and forward any
4649 recommendations to the bonding political subdivision or public infrastructure district no later
4650 than 45 days after the day on which the commission receives the bonding political subdivision's
4651 or public infrastructure district's parameters resolution.

4652 (c) Notwithstanding Subsection (4)(a), if the commission fails to review a parameters
4653 resolution or forward recommendations, if any, in the timeframe described in Subsection
4654 (4)(b), the bonding political subdivision or public infrastructure district, respectively, may
4655 proceed with the bond without review by the commission.

4656 (d) After review by the commission under Subsection (4)(a), the bonding political
4657 subdivision or public infrastructure district:

4658 (i) shall consider recommendations by the commission; and

4659 (ii) may proceed with the bond but is under no obligation to issue the bond.

4660 (5) The commission shall provide training and other information on debt management,
4661 lending and borrowing best practices, and compliance with state law to the authority, a bonding
4662 political subdivision, a large public transit district, and a loan entity.

4663 (6) (a) Before a bonding government entity may enter into a concessionaire contract,
4664 the commission shall review and approve the concessionaire contract.

4665 (b) If, after review, the commission approves the concessionaire contract, the bonding
4666 government entity:

4667 (i) may not change the terms of the concessionaire contract if the change is outside of:

4668 (A) any applicable approved parameters of the concessionaire contract; or

4669 (B) the intended purposes of the concessionaire contract; and

4670 (ii) is under no obligation to enter into the concessionaire contract.

4671 **Section 63. Repealer.**

4672 This bill repeals:

4673 Section **11-68-401, Distribution of sales tax revenue to authority.**

4674 Section **11-68-402, Privilege tax -- Personal property tax revenue -- Deposit into**
4675 **Utah State Fair Fund.**

4676 Section **59-12-2301, Definitions.**

- 4677 Section [59-12-2302](#), Fair park authority may impose special event tax.
- 4678 Section [59-12-2303](#), Seller or certified service provider reliance on commission
4679 information.
- 4680 Section [59-12-2304](#), Certified service provider or model 2 seller reliance on
4681 commission certified software.
- 4682 Section [59-12-2305](#), Purchaser relief from liability.
- 4683 Section 64. **Effective date.**
- 4684 (1) Except as provided in Subsection (2), this bill takes effect on May 1, 2024.
- 4685 (2) The actions to Section [59-12-103](#) (Contingently Effective 01/01/25) contingently
4686 take effect on January 1, 2025.