

1 **LOCAL GOVERNMENT BUSINESS LICENSE AMENDMENTS**
2 2024 GENERAL SESSION
3 STATE OF UTAH
4 **Chief Sponsor: Heidi Balderree**
5 House Sponsor: Stephanie Gricius



3 **LONG TITLE**

4 **General Description:**

5 This bill modifies provisions relating to business licenses issued by a county or
6 municipality.

7 **Highlighted Provisions:**

8 This bill:

- 9 ▸ modifies a prohibition against a county or municipality requiring a license or permit for
- 10 an occasionally operated business; and
- 11 ▸ provides a limitation on the requirements that may be imposed on a participant at a
- 12 county or municipal event.

13 **Money Appropriated in this Bill:**

14 None

15 **Other Special Clauses:**

16 None

17 **Utah Code Sections Affected:**

18 AMENDS:

19 **10-1-203**, as last amended by Laws of Utah 2022, Chapter 306

20 **17-53-216**, as last amended by Laws of Utah 2022, Chapter 306



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

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

24 **10-1-203 . License fees and taxes -- Application information to be transmitted to**
25 **the county assessor.**

26 (1) As used in this section:

- 27 (a) "Business" means any enterprise carried on for the purpose of gain or economic
- 28 profit, except that the acts of employees rendering services to employers are not

- 29 included in this definition.
- 30 (b) "Telecommunications provider" means the same as that term is defined in Section
31 10-1-402.
- 32 (c) "Telecommunications tax or fee" means the same as that term is defined in Section
33 10-1-402.
- 34 (2) Except as provided in Subsections (3) through (5) and Subsection (7), the legislative
35 body of a municipality may license for the purpose of regulation any business within the
36 limits of the municipality, may regulate that business by ordinance, and may impose fees
37 on businesses to recover the municipality's costs of regulation.
- 38 (3) (a) The legislative body of a municipality may raise revenue by levying and
39 collecting a municipal energy sales or use tax as provided in Part 3, Municipal
40 Energy Sales and Use Tax Act, except a municipality may not levy or collect a
41 franchise tax or fee on an energy supplier other than the municipal energy sales and
42 use tax provided in Part 3, Municipal Energy Sales and Use Tax Act.
- 43 (b) (i) Subsection (3)(a) does not affect the validity of a franchise agreement as
44 defined in Subsection 10-1-303(6), that is in effect on July 1, 1997, or a future
45 franchise.
- 46 (ii) A franchise agreement as defined in Subsection 10-1-303(6) in effect on January
47 1, 1997, or a future franchise shall remain in full force and effect.
- 48 (c) A municipality that collects a contractual franchise fee pursuant to a franchise
49 agreement as defined in Subsection 10-1-303(6) with an energy supplier that is in
50 effect on July 1, 1997, may continue to collect that fee as provided in Subsection
51 10-1-310(2).
- 52 (d) (i) Subject to the requirements of Subsection (3)(d)(ii), a franchise agreement as
53 defined in Subsection 10-1-303(6) between a municipality and an energy supplier
54 may contain a provision that:
- 55 (A) requires the energy supplier by agreement to pay a contractual franchise fee
56 that is otherwise prohibited under Part 3, Municipal Energy Sales and Use Tax
57 Act; and
- 58 (B) imposes the contractual franchise fee on or after the day on which Part 3,
59 Municipal Energy Sales and Use Tax Act is:
- 60 (I) repealed, invalidated, or the maximum allowable rate provided in Section
61 10-1-305 is reduced; and
- 62 (II) not superseded by a law imposing a substantially equivalent tax.

- 63 (ii) A municipality may not charge a contractual franchise fee under the provisions
64 permitted by Subsection (3)(b)(i) unless the municipality charges an equal
65 contractual franchise fee or a tax on all energy suppliers.
- 66 (4) (a) Subject to Subsection (4)(b), beginning July 1, 2004, the legislative body of a
67 municipality may raise revenue by levying and providing for the collection of a
68 municipal telecommunications license tax as provided in Part 4, Municipal
69 Telecommunications License Tax Act.
- 70 (b) A municipality may not levy or collect a telecommunications tax or fee on a
71 telecommunications provider except as provided in Part 4, Municipal
72 Telecommunications License Tax Act.
- 73 (5) (a) (i) The legislative body of a municipality may by ordinance raise revenue by
74 levying and collecting a license fee or tax on:
- 75 (A) a parking service business in an amount that is less than or equal to:
76 (I) \$1 per vehicle that parks at the parking service business; or
77 (II) 2% of the gross receipts of the parking service business;
- 78 (B) a public assembly or other related facility in an amount that is less than or
79 equal to \$5 per ticket purchased from the public assembly or other related
80 facility; and
- 81 (C) subject to the limitations of Subsections (5)(c) and (d):
82 (I) a business that causes disproportionate costs of municipal services; or
83 (II) a purchaser from a business for which the municipality provides an
84 enhanced level of municipal services.
- 85 (ii) Nothing in this Subsection (5)(a) may be construed to authorize a municipality to
86 levy or collect a license fee or tax on a public assembly or other related facility
87 owned and operated by another political subdivision other than a community
88 reinvestment agency without the written consent of the other political subdivision.
- 89 (b) As used in this Subsection (5):
- 90 (i) "Municipal services" includes:
- 91 (A) public utilities; and
92 (B) services for:
93 (I) police;
94 (II) fire;
95 (III) storm water runoff;
96 (IV) traffic control;

- 97 (V) parking;
98 (VI) transportation;
99 (VII) beautification; or
100 (VIII) snow removal.
- 101 (ii) "Parking service business" means a business:
102 (A) that primarily provides off-street parking services for a public facility that is
103 wholly or partially funded by public money;
104 (B) that provides parking for one or more vehicles; and
105 (C) that charges a fee for parking.
- 106 (iii) "Public assembly or other related facility" means an assembly facility that:
107 (A) is wholly or partially funded by public money;
108 (B) is operated by a business; and
109 (C) requires a person attending an event at the assembly facility to purchase a
110 ticket.
- 111 (c) (i) Before the legislative body of a municipality imposes a license fee on a
112 business that causes disproportionate costs of municipal services under Subsection
113 (5)(a)(i)(C)(I), the legislative body of the municipality shall adopt an ordinance
114 defining for purposes of the tax under Subsection (5)(a)(i)(C)(I):
115 (A) the costs that constitute disproportionate costs; and
116 (B) the amounts that are reasonably related to the costs of the municipal services
117 provided by the municipality.
- 118 (ii) The amount of a fee under Subsection (5)(a)(i)(C)(I) shall be reasonably related
119 to the costs of the municipal services provided by the municipality.
- 120 (d) (i) Before the legislative body of a municipality imposes a license fee on a
121 purchaser from a business for which it provides an enhanced level of municipal
122 services under Subsection (5)(a)(i)(C)(II), the legislative body of the municipality
123 shall adopt an ordinance defining for purposes of the fee under Subsection
124 (5)(a)(i)(C)(II):
125 (A) the level of municipal services that constitutes the basic level of municipal
126 services in the municipality; and
127 (B) the amounts that are reasonably related to the costs of providing an enhanced
128 level of municipal services in the municipality.
- 129 (ii) The amount of a fee under Subsection (5)(a)(i)(C)(II) shall be reasonably related
130 to the costs of providing an enhanced level of the municipal services.

- 131 (6) All license fees and taxes shall be uniform in respect to the class upon which they are
132 imposed.
- 133 (7) (a) As used in this Subsection (7):
- 134 (i) (A) "Event requirement" means a requirement a municipality imposes on
135 individuals who participate in a municipal event.
- 136 (B) "Event requirement" does not include a requirement that is inconsistent with
137 Subsection (7)(b).
- 138 (ii) "Exempt individual" means an individual who, under Subsection (7)(b), may not
139 be required to have a business license or permit.
- 140 (iii) "Municipal event" means an event hosted or sponsored by a municipality.
- 141 (b) A municipality may not~~[: (a)]~~ require a license or permit for a business that is
142 operated:
- 143 (i) only occasionally; and
- 144 (ii) by an individual who is under ~~[18]~~ 19 years old~~[:]~~ .
- 145 (c) Subsection (7)(b) does not prevent a municipality from imposing an event
146 requirement on an exempt individual who participates in a municipal event.
- 147 (8) A municipality may not:
- 148 ~~[(b)]~~ (a) charge any fee for a resident of the municipality to operate a home-based
149 business, unless the combined offsite impact of the home-based business and the
150 primary residential use materially exceeds the offsite impact of the primary
151 residential use alone;
- 152 ~~[(e)]~~ (b) require, as a condition of obtaining or maintaining a license or permit for a
153 business:
- 154 (i) that an employee or agent of a business complete education, continuing education,
155 or training that is in addition to requirements under state law or state licensing
156 requirements; or
- 157 (ii) that a business disclose financial information, inventory amounts, or proprietary
158 business information, except as specifically authorized under state or federal law.
- 159 ~~[(8)]~~ (9) (a) Notwithstanding Subsection ~~[(7)(b)]~~ (8)(a), a municipality may charge an
160 administrative fee for a license to a home-based business owner who is otherwise
161 exempt under Subsection ~~[(7)(b)]~~ (8)(a) but who requests a license from the
162 municipality.
- 163 (b) A municipality shall notify the owner of each home-based business of the exemption
164 described in Subsection ~~[(7)(b)]~~ (8)(a) in any communication with the owner.

165 ~~[(9)]~~ (10) The municipality shall transmit the information from each approved business
 166 license application to the county assessor within 60 days following the approval of the
 167 application.

168 ~~[(10)]~~ (11) If challenged in court, an ordinance enacted by a municipality before January 1,
 169 1994, imposing a business license fee on rental dwellings under this section shall be
 170 upheld unless the business license fee is found to impose an unreasonable burden on the
 171 fee payer.

172 Section 2. Section **17-53-216** is amended to read:

173 **17-53-216 . Business license fees and taxes -- Application information to be**
 174 **transmitted to the county assessor.**

175 (1) As used in this section, "business" means any enterprise carried on for the purpose of
 176 gain or economic profit, except that the acts of employees rendering services to
 177 employers are not included in this definition.

178 (2) Except as provided in Subsection (4), the legislative body of a county may by ordinance
 179 provide for the licensing of businesses within the unincorporated areas of the county for
 180 the purpose of regulation, and may impose fees on businesses to recover the county's
 181 costs of regulation.

182 (3) All license fees and taxes shall be uniform in respect to the class upon which they are
 183 imposed.

184 (4) (a) As used in this Subsection (4):

185 (i) (A) "Event requirement" means a requirement a county imposes on individuals
 186 who participate in a county event.

187 (B) "Event requirement" does not include a requirement that is inconsistent with
 188 Subsection (4)(b).

189 (ii) "Exempt individual" means an individual who, under Subsection (4)(b), may not
 190 be required to have a business license or permit.

191 (iii) "County event" means an event hosted or sponsored by a county.

192 (b) A county may not~~;~~ (a) require a license or permit for a business that is operated:

193 (i) only occasionally; and

194 (ii) by an individual who is under ~~[18]~~ 19 years old~~;~~ .

195 (c) Subsection (4)(b) does not prevent a county from imposing an event requirement on
 196 an exempt individual who participates in a county event.

197 ~~[(b)]~~ (5) A county may not:

198 (a) charge a license fee for a home based business unless the combined offsite impact of

199 the home based business and the primary residential use materially exceeds the
200 offsite impact of the primary residential use alone; or
201 ~~[(e)]~~ (b) require, as a condition of obtaining or maintaining a license or permit for a
202 business:
203 (i) that an employee or agent of a business complete education, continuing education,
204 or training that is in addition to requirements under state law or state licensing
205 requirements; or
206 (ii) that a business disclose financial information, inventory amounts, or proprietary
207 business information except as specifically authorized under state or federal law.
208 ~~[(5)]~~ (6) The county business licensing agency shall transmit the information from each
209 approved business license application to the county assessor within 60 days following
210 the approval of the application.
211 ~~[(6)]~~ (7) This section may not be construed to enhance, diminish, or otherwise alter the taxing
212 power of counties existing prior to the effective date of Laws of Utah 1988,
213 Chapter 144.
214 Section 3. **Effective date.**
215 This bill takes effect on May 1, 2024.