

**COUNTY SALES AND USE TAX AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies distribution provisions of the County Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities.

**Highlighted Provisions:**

This bill:

- ▶ revises the distribution of 16% of the revenue from the county botanical, cultural, recreational, and zoological organizations or facilities tax in a county of the first class for two years; and
- ▶ requires a county of the first class to distribute revenue from the tax in the same manner as other counties beginning in 2027.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

- 59-12-702**, as last amended by Laws of Utah 2017, Chapter 382
- 59-12-704**, as last amended by Laws of Utah 2021, Chapter 396

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



28 Section 1. Section 59-12-702 is amended to read:

29 **59-12-702. Definitions.**

30 As used in this part:

31 (1) "Administrative unit" means a division of a private nonprofit organization or  
32 institution that:

33 (a) would, if it were a separate entity, be a botanical organization or cultural  
34 organization; and

35 (b) consistently maintains books and records separate from those of ~~[its]~~ the  
36 administrative unit's parent organization.

37 (2) "Aquarium" means a park or building where a collection of water animals and  
38 plants is kept for study, conservation, and public exhibition.

39 (3) "Aviary" means a park or building where a collection of birds is kept for study,  
40 conservation, and public exhibition.

41 (4) "Base amount" means the amount distributed during the previous calendar year.

42 ~~[(4)]~~ (5) "Botanical organization" means:

43 (a) a private nonprofit organization or institution having as ~~[its]~~ the private nonprofit  
44 organization's or institution's primary purpose the advancement and preservation of plant  
45 science through horticultural display, botanical research, and community education; or

46 (b) an administrative unit.

47 (6) "Consumer price index" means the Consumer Price Index for All Urban Consumers  
48 as published by the Bureau of Labor Statistics of the United States Department of Labor.

49 ~~[(5)]~~ (7) "Cultural facility" means the same as that term is defined in Section  
50 59-12-602.

51 ~~[(6)]~~ (8) (a) "Cultural organization" means:

52 ~~[(i) means:]~~

53 ~~[(A)]~~ (i) a private nonprofit organization or institution having as ~~[its]~~ the private  
54 nonprofit organization's or institution's primary purpose the advancement and preservation of:

55 ~~[(I)]~~ (A) natural history;

56 ~~[(II)]~~ (B) art;

57 ~~[(III)]~~ (C) music;

58 ~~[(IV)]~~ (D) theater;

59           ~~[(V)]~~ (E) dance; or

60           ~~[(VI)]~~ (F) cultural arts, including literature, a motion picture, or storytelling; and

61           ~~[(B)]~~ (ii) an administrative unit~~[-and]~~.

62           ~~[(ii)]~~ (b) "Cultural organization" includes, for purposes of Subsections 59-12-704(1)(d)

63 and ~~[(6)]~~ (10) only:

64           ~~[(A)]~~ (i) a private nonprofit organization or institution having as [its] the private

65 nonprofit organization's or institution's primary purpose the advancement and preservation of

66 history; or

67           ~~[(B)]~~ (ii) a municipal or county cultural council having as [its] the municipal or county

68 cultural council's primary purpose the advancement and preservation of:

69           ~~[(A)]~~ (A) history;

70           ~~[(B)]~~ (B) natural history;

71           ~~[(C)]~~ (C) art;

72           ~~[(D)]~~ (D) music;

73           ~~[(E)]~~ (E) theater; or

74           ~~[(F)]~~ (F) dance.

75           ~~[(b)]~~ (c) "Cultural organization" does not include:

76           (i) an agency of the state;

77           (ii) except as provided in Subsection ~~[(6)(a)(ii)(B)]~~ (8)(b)(ii), a political subdivision of

78 the state;

79           (iii) an educational institution ~~[whose annual revenues are]~~ for which annual revenue is

80 directly derived more than 50% from state funds; or

81           (iv) in a county of the first or second class, a radio or television broadcasting network

82 or station, cable communications system, newspaper, or magazine.

83           ~~[(7)]~~ (9) "Institution" means an institution of higher education listed in Subsection

84 53B-1-102(1)(a).

85           ~~[(8)]~~ (10) "Recreational facility" means a publicly owned or operated park,

86 campground, marina, dock, golf course, playground, athletic field, gymnasium, swimming

87 pool, trail system, or other facility used for recreational purposes.

88           ~~[(9)]~~ (11) "Rural radio station" means a nonprofit radio station based in a county of the

89 third, fourth, fifth, or sixth class.

90           ~~[(10)]~~ (12) In a county of the first class, "zoological facility" means a public,  
 91 public-private partnership, or private nonprofit building, exhibit, utility and infrastructure,  
 92 walkway, pathway, roadway, office, administration facility, public service facility, educational  
 93 facility, enclosure, public viewing area, animal barrier, animal housing, animal care facility,  
 94 and veterinary and hospital facility related to the advancement, exhibition, or preservation of a  
 95 mammal, bird, reptile, fish, or an amphibian.

96           ~~[(11)]~~ (13) (a) (i) ~~[Except as provided in Subsection (11)(a)(ii), "zoological]~~  
 97 "Zoological organization" means a public, public-private partnership, or private nonprofit  
 98 organization having as its primary purpose the advancement and preservation of zoology.

99           (ii) In a county of the first class, "zoological organization" means a nonprofit  
 100 organization having as its primary purpose the advancement and exhibition of a mammal, bird,  
 101 reptile, fish, or an amphibian to an audience of 75,000 or more persons annually.

102           (b) "Zoological organization" does not include an agency of the state, educational  
 103 institution, radio or television broadcasting network or station, cable communications system,  
 104 newspaper, or magazine.

105           ~~[(12)]~~ (14) "Zoological park" means a park or garden where a collection of wild  
 106 animals is kept for study, conservation, and public exhibition.

107           Section 2. Section **59-12-704** is amended to read:

108           **59-12-704. Distribution of revenue -- Advisory board creation -- Determining**  
 109 **operating expenses -- Administrative charge.**

110           (1) Except as provided in Subsections ~~[(3)(b)]~~ (7)(b) and ~~[(5)]~~ (9), and subject to the  
 111 requirements of this section, ~~[any revenues collected by a county of the first class under this~~  
 112 ~~part shall be distributed annually by the county legislative body]~~ the county legislative body of  
 113 a county of the first class shall distribute annually for calendar years 2024, 2025, and 2026 any  
 114 revenue collected under this part to support cultural facilities, recreational facilities, and  
 115 zoological facilities and botanical organizations, cultural organizations, and zoological  
 116 organizations within that first class county as follows:

117           ~~[(a) 30% of the revenue collected by the county under this section shall be distributed~~  
 118 ~~by the county legislative body to support cultural facilities and recreational facilities located~~  
 119 ~~within the county;]~~

120           ~~[(b) (i) subject to Subsection (1)(b)(ii) and except as provided in Subsection~~

121 ~~(1)(b)(iii); [16% of the revenue collected by the county under this section shall be distributed~~  
122 ~~by the county legislative body] [to support no more than three] [zoological facilities and~~  
123 ~~zoological organizations located within the county, having average annual operating expenses~~  
124 ~~of \$1,500,000 or more as determined under Subsection (3), with:]~~

125 ~~[(A) 63.5% of that revenue being distributed to support a zoological organization~~  
126 ~~having as its primary purpose the operation of a zoological park, or a zoological facility that is~~  
127 ~~part of or integrated with a zoological park;]~~

128 ~~[(B) 28.25% of that revenue being distributed to support a zoological organization~~  
129 ~~having as its primary purpose the operation of an aquarium, or a zoological facility that is part~~  
130 ~~of or integrated with an aquarium; and]~~

131 ~~[(C) 8.25% of that revenue being distributed to support a zoological organization~~  
132 ~~having as its primary purpose the operation of an aviary, or a zoological facility that is part of~~  
133 ~~or integrated with an aviary;]~~

134 ~~[(ii) if more than one zoological organization or zoological facility qualifies to receive~~  
135 ~~the money described in Subsection (1)(b)(i)(A), (B), or (C), the county legislative body shall~~  
136 ~~distribute the money described in the subsection for which more than one zoological~~  
137 ~~organization or zoological facility qualifies to whichever zoological organization or zoological~~  
138 ~~facility the county legislative body determines is most appropriate, except that a zoological~~  
139 ~~organization or zoological facility may not receive money under more than one subsection~~  
140 ~~under Subsection (1)(b)(i); and]~~

141 ~~[(iii) if no zoological organization or zoological facility qualifies to receive money~~  
142 ~~described in Subsection (1)(b)(i)(A), (B), or (C), the county legislative body shall distribute the~~  
143 ~~money described in the subsection for which no zoological organization or zoological facility~~  
144 ~~qualifies among the zoological organizations or zoological facilities qualifying for and~~  
145 ~~receiving money under the other subsections in proportion to the zoological organizations' or~~  
146 ~~zoological facilities' average annual operating expenses as determined under Subsection (3);]~~

147 ~~[(c) (i) 45% of the revenue collected by the county under this section shall be~~  
148 ~~distributed to no more than 22 botanical organizations and cultural organizations:]~~

149 ~~[(A) each of which has average annual operating expenses of more than \$250,000 as~~  
150 ~~determined under Subsection (3); and]~~

151 ~~[(B) whose activities impact all or a significant region of the county or state;]~~

152 ~~[(ii) subject to Subsection (1)(c)(iii), the county legislative body shall distribute the~~  
153 ~~money described in Subsection (1)(c)(i) among the botanical organizations and cultural~~  
154 ~~organizations in proportion to their average annual operating expenses as determined under~~  
155 ~~Subsection (3); and]~~

156 ~~[(iii) the amount distributed to any botanical organization or cultural organization~~  
157 ~~described in Subsection (1)(c)(i) may not exceed 35% of the botanical organization's or cultural~~  
158 ~~organization's operating budget; and]~~

159 ~~[(d) (i) 9% of the revenue collected by the county under this section shall be distributed~~  
160 ~~to botanical organizations and cultural organizations that do not receive revenue under~~  
161 ~~Subsection (1)(c)(i) in communities throughout the county; and]~~

162 ~~[(ii) the county legislative body shall determine how the money shall be distributed~~  
163 ~~among the botanical organizations and cultural organizations described in Subsection (1)(d)(i).]~~

164 (a) 30% of the revenue to support cultural facilities and recreational facilities located  
165 within the county;

166 (b) 16% of the revenue to support zoological facilities and zoological organizations  
167 located within the county as provided in Subsection (2);

168 (c) as provided in Subsection (5), 45% of the revenue to support no more than 22  
169 botanical organizations and cultural organizations;

170 (i) each of which has average annual operating expenses of more than \$250,000 as  
171 determined under Subsection (7); and

172 (ii) whose activities impact all or a significant region of the county or state; and

173 (d) 9% of the revenue to botanical organizations and cultural organizations that do not  
174 receive revenue under Subsection (1)(c) in communities throughout the county as determined  
175 by the county legislative body.

176 (2) (a) The distribution described in Subsection (1)(b) shall support no more than three  
177 zoological facilities and zoological organizations located within the county and having average  
178 annual operating expenses of \$1,500,000 or more, as determined under Subsection (7).

179 (b) For calendar years 2025 and 2026, the county shall distribute the 16% of the  
180 revenue as follows:

181 (i) 8.25% of the revenue to support a zoological organization having as the zoological  
182 organization's primary purpose the operation of an aviary, or a zoological facility that is part of

183 or integrated with an aviary;

184 (ii) an amount equal to the amount distributed during the previous calendar year plus  
185 the amount described in Subsection (2)(c) to support a zoological organization having as the  
186 zoological organization's primary purpose the operation of a zoological park, or a zoological  
187 facility that is part of or integrated with a zoological park; and

188 (iii) the remaining amount to a zoological organization having as the zoological  
189 organization's primary purpose the operation of an aquarium, or a zoological facility that is part  
190 of or integrated with an aquarium.

191 (c) (i) The county shall add to the distribution described in Subsection (2)(b)(ii) an  
192 amount equal to the greater of:

193 (A) the amount calculated by multiplying the amount distributed to a zoological  
194 organization during the previous calendar year by the actual percent change during the previous  
195 calendar year in the consumer price index; and

196 (B) \$0.

197 (ii) The county shall reduce the amount calculated in Subsection (2)(c)(i) if the growth  
198 in revenue is insufficient to pay the total amount described in Subsection (2)(c)(i) and ensure  
199 payment of:

200 (A) the distribution described in Subsection (2)(b)(i); and

201 (B) at least the base amount for a zoological organization described in Subsection  
202 (2)(b)(iii).

203 (3) If more than one zoological organization or zoological facility qualifies to receive  
204 the money described in Subsection (2), the county legislative body shall distribute the money  
205 described in the subsection for which more than one zoological organization or zoological  
206 facility qualifies to whichever zoological organization or zoological facility the county  
207 legislative body determines is most appropriate, except that a zoological organization or  
208 zoological facility may not receive money under more than one subsection under Subsection  
209 (2).

210 (4) If no zoological organization or zoological facility qualifies to receive money  
211 described in Subsection (2), the county legislative body shall distribute the money described in  
212 the subsection for which no zoological organization or zoological facility qualifies among the  
213 zoological organizations or zoological facilities qualifying for and receiving money under the

214 other subsections in proportion to the zoological organizations' or zoological facilities' average  
215 annual operating expenses as determined under Subsection (7).

216 (5) (a) Subject to Subsection (5)(b), the county legislative body shall distribute the  
217 money described in Subsection (1)(c) among the botanical organizations and cultural  
218 organizations in proportion to the botanical organizations' and cultural organizations' average  
219 annual operating expenses as determined under Subsection (7).

220 (b) The amount distributed to any botanical organization or cultural organization  
221 described in Subsection (1)(c) may not exceed 35% of the botanical organization's or cultural  
222 organization's operating budget.

223 ~~[(2)]~~ (6) (a) The county legislative body of each county shall create an advisory board  
224 to advise the county legislative body on disbursement of funds to botanical organizations and  
225 cultural organizations under Subsection ~~[(1)(c)]~~ (1)(c).

226 (b) (i) The advisory board under Subsection ~~[(2)(a)]~~ (6)(a) shall consist of seven  
227 members appointed by the county legislative body.

228 (ii) ~~[In a county of the first class, two of the seven members of the advisory board~~  
229 ~~under Subsection (2)(a) shall be appointed by the Division of Arts and Museums created in~~  
230 ~~Section 9-6-201]~~ In a county of the first class, the Division of Arts and Museums created in  
231 Section 9-6-201 shall appoint two of the seven members of the advisory board under  
232 Subsection (6)(a).

233 ~~[(3)]~~ (7) (a) Except as provided in Subsection ~~[(3)(b)]~~ (7)(b), to be eligible to receive  
234 money collected by the county under this part, a botanical organization, cultural organization,  
235 zoological organization, and zoological facility located within a county of the first class shall,  
236 every year:

237 (i) calculate its average annual operating expenses based upon audited operating  
238 expenses for three preceding fiscal years; and

239 (ii) submit to the appropriate county legislative body:

240 (A) a verified audit of annual operating expenses for each of those three preceding  
241 fiscal years; and

242 (B) the average annual operating expenses as calculated under Subsection ~~[(3)(a)(i)]~~  
243 (7)(a)(i).

244 (b) The county legislative body may waive the operating expenses reporting



245 requirements under Subsection ~~[(3)(a)]~~ (7)(a) for organizations described in Subsection  
 246 ~~[(1)(d)(i)]~~ (1)(d).

247 ~~[(4)]~~ (8) When calculating average annual operating expenses as described in  
 248 Subsection ~~[(3)]~~ (7), each botanical organization, cultural organization, and zoological  
 249 organization shall use the same three-year fiscal period as determined by the county legislative  
 250 body.

251 ~~[(5)]~~ (9) (a) By July 1 ~~[of each year]~~ 2024, and July 1, 2025, the county legislative body  
 252 of a first class county may index the threshold amount in Subsections (1)(c) and (d).

253 (b) Any change under Subsection ~~[(5)(a)]~~ (9)(a) shall be rounded off to the nearest  
 254 \$100.

255 ~~[(6)]~~ (10) (a) ~~[In a county except for a county of the first class, the]~~ Subject to  
 256 Subsection (10)(d), the county legislative body shall by ordinance provide for the distribution  
 257 of the entire amount of the ~~[revenues]~~ revenue generated by the tax imposed by this section:

258 (i) as provided in this Subsection ~~[(6)]~~ (10); and

259 (ii) as stated in the opinion question described in Subsection 59-12-703(1).

260 (b) ~~[Pursuant to]~~ In accordance with an interlocal agreement established in accordance  
 261 with Title 11, Chapter 13, Interlocal Cooperation Act, a county described in Subsection ~~[(6)(a)]~~  
 262 (10)(a) may distribute to a city, town, or political subdivision within the county ~~[revenues]~~  
 263 revenue generated by a tax under this part.

264 (c) The ~~[revenues]~~ revenue distributed under Subsection ~~[(6)(a)]~~ (10)(a) or (b) shall be  
 265 used for one or more organizations or facilities defined in Section 59-12-702 regardless of  
 266 whether the ~~[revenues are]~~ revenue is distributed:

267 (i) directly by the county described in Subsection ~~[(6)(a)]~~ (10)(a) to be used for an  
 268 organization or facility defined in Section 59-12-702; or

269 (ii) in accordance with an interlocal agreement described in Subsection ~~[(6)(b)]~~ (10)(b).

270 (d) (i) For calendar years 2024, 2025, and 2026, this Subsection (10) applies only to a  
 271 county other than a county of the first class.

272 (ii) For a calendar year that begins on or after January 1, 2027, this Subsection (10)  
 273 applies to all counties.

274 ~~[(7)]~~ (11) A county legislative body may retain up to 1.5% of the proceeds from a tax  
 275 under this part for the cost of administering this part.

276            [(8)] (12) The commission shall retain and deposit an administrative charge in  
277 accordance with Section 59-1-306 from the [~~revenues~~] revenue the commission collects from a  
278 tax under this part.

279            Section 3. **Effective date.**

280            This bill takes effect on July 1, 2024.