

RURAL COUNTY HEALTH CARE FACILITIES TAX

AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Phil Lyman

Senate Sponsor: David P. Hinkins

LONG TITLE

General Description:

This bill modifies provisions relating to the county sales and use tax for rural county health care facilities.

Highlighted Provisions:

This bill:

- ▶ modifies the purposes for which a county of the third or fourth class may use money collected from the rural county health care facilities tax; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-12-802, as last amended by Laws of Utah 2017, Chapter 422

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

Section 1. Section **59-12-802** is amended to read:

59-12-802. Imposition of rural county health care facilities tax -- Expenditure of tax revenue -- Base -- Rate -- Administration, collection, and enforcement of tax -- Administrative charge.

(1) (a) A county legislative body of a county of the third, fourth, fifth, or sixth class may impose a sales and use tax of up to 1% on the transactions described in Subsection 59-12-103(1) located within the county.

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

~~[(i) for a county of the third or fourth class, rural county health care facilities in that county; or]~~

~~[(ii) for a county of the fifth or sixth class:]~~

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

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

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

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

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

~~[(F)]~~ (vi) a combination of Subsections ~~[(1)(b)(ii)(A)]~~ (1)(b)(i) through ~~[(E)]~~ (v).

(c) Notwithstanding Subsection (1)(a), a county legislative body may not impose a tax under this section on:

(i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104;

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

(iii) except as provided in Subsection (1)(e), amounts paid or charged for food and food ingredients.

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

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

(2) (a) Before imposing a tax under Subsection (1), a county legislative body shall obtain approval to impose the tax from a majority of the:

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

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

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

~~[(3)(a) The money collected from a tax imposed under Subsection (1) by a county legislative body of a county of the third or fourth class may only be used for the financing of:]~~

~~[(i) ongoing operating expenses of a rural county health care facility within that county;]~~

~~[(ii) the acquisition of land for a rural county health care facility within that county; or]~~

~~[(iii) the design, construction, equipping, or furnishing of a rural county health care facility within that county.]~~

~~[(b)]~~ (3) The money collected from a tax imposed under Subsection (1) ~~[by a county of the fifth or sixth class]~~ may only be used to fund:

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

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

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

~~[(iv)]~~ (d) rural emergency medical services within that county.

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

(i) except as provided in Subsection (4)(b), administered, collected, and enforced in accordance with:

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

(I) Part 1, Tax Collection; or

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

- 86 (B) Chapter 1, General Taxation Policies; and
- 87 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
- 88 period by the county legislative body as provided in Subsection (1).
- 89 (b) A tax under this section is not subject to Subsections 59-12-205(2) through (6).
- 90 (c) A county legislative body shall distribute money collected from a tax under this
- 91 section quarterly.
- 92 (5) The commission shall retain and deposit an administrative charge in accordance
- 93 with Section 59-1-306 from the revenue the commission collects from a tax under this section.