**Jerry W. Stevenson** proposes the following substitute bill:

# Major Sporting Event Venue Financing Amendments

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jerry W. Stevenson**

House Sponsor: Jon Hawkins

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**LONG TITLE**

**General Description:**

This bill enacts the Major Sporting Event Venue Zone Act and related provisions.

**Highlighted Provisions:**

This bill:

- defines terms;
- establishes objectives and requirements for a municipality or county to create a major sporting event venue zone to capture property tax increment and local sales and use tax increment within a defined area around a major sporting event venue;
- defines permitted uses and administration of property tax increment and local sales and use tax increment generated pursuant to a major sporting event venue zone;
- authorizes a creating entity of a major sporting event venue to impose, under certain circumstances:
  - a resort communities sales and use tax within a major sporting event venue zone;
  - an additional resort communities sales and use tax within a major sporting event venue zone;
  - if the creating entity is a county, a municipal energy tax within a major sporting event venue zone; and
  - if the creating entity is a county, a municipal telecommunications tax within a major sporting event venue zone;
- provides that a county of the third class with three or more major sporting event venues may implement a resort communities tax, the same as if the county of the third class were an eligible municipality, and use the revenue from the tax on public infrastructure or transit;
- authorizes a creating entity of a major sporting event venue zone to designate a community reinvestment agency or a public infrastructure district as a fiscal agent for

major sporting event venue zone funds;

‣ authorizes a creating entity to enter into an agreement with a person to utilize major sporting event venue zone funds in regard to owning, leasing, or operating a major sporting event venue;

‣ authorizes a creating entity to utilize major sporting venue zone funds to bond;

‣ provides a sales and use tax exemption for construction materials used for the remodeling, or refurbishing of a major sporting event venue;

‣ requires a municipality or county to submit a major sporting event venue zone proposal to the Governor's Office of Economic Opportunity;

‣ creates and defines the membership of a committee to review a proposed major sporting event venue zone;

‣ requires the committee to evaluate the proposed major sporting event venue zone and, if certain criteria are met, approve the proposal with or without modifications;

‣ requires participation from local taxing entities if the major sporting event venue zone meets statutory requirements;

‣ provides procedures for a major sports event venue that overlaps with a community reinvestment project, a housing and transit reinvestment zone, a first home investment zone, or a revitalization zone; and

‣ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**10-1-303**, as last amended by Laws of Utah 2024, Chapters 419, 438

**10-1-304**, as last amended by Laws of Utah 2024, Chapter 419

**10-1-403**, as last amended by Laws of Utah 2024, Chapter 419

**59-2-924**, as last amended by Laws of Utah 2024, Chapter 258

**59-12-104**, as last amended by Laws of Utah 2024, Chapter 35

**59-12-205**, as last amended by Laws of Utah 2024, Chapter 535

**59-12-352**, as last amended by Laws of Utah 2024, Chapters 413, 419

**59-12-354**, as last amended by Laws of Utah 2024, Chapter 419

**59-12-401**, as last amended by Laws of Utah 2024, Chapter 419

**59-12-402**, as last amended by Laws of Utah 2024, Chapter 419
**59-12-405**, as last amended by Laws of Utah 2019, Chapter 245

ENACTS:

**11-71-101**, Utah Code Annotated 1953
**11-71-201**, Utah Code Annotated 1953
**11-71-202**, Utah Code Annotated 1953
**11-71-203**, Utah Code Annotated 1953
**11-71-301**, Utah Code Annotated 1953
**63N-3-1701**, Utah Code Annotated 1953
**63N-3-1702**, Utah Code Annotated 1953
**63N-3-1703**, Utah Code Annotated 1953
**63N-3-1704**, Utah Code Annotated 1953
**63N-3-1705**, Utah Code Annotated 1953
**63N-3-1706**, Utah Code Annotated 1953
**63N-3-1707**, Utah Code Annotated 1953
**63N-3-1708**, Utah Code Annotated 1953
**63N-3-1709**, Utah Code Annotated 1953
**63N-3-1710**, Utah Code Annotated 1953
**63N-3-1711**, Utah Code Annotated 1953
**63N-3-1712**, Utah Code Annotated 1953

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

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

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

As used in this part:

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

(2) "Contractual franchise fee" means:

(a) a fee:

(i) provided for in a franchise agreement; and

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

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

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

(3)(a) "Delivered value" means the fair market value of the taxable energy delivered for sale or use in the municipality and includes:

(i) the value of the energy itself; and

(ii) any transportation, freight, customer demand charges, services charges, or other costs typically incurred in providing taxable energy in usable form to each class of customer in the municipality.

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

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

(ii) this part.

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

(a) 5% of the energy supplier's estimated total Utah gross receipts from sales of property or services; or

(b) $10,000.

(5) "Energy supplier" means a person supplying taxable energy, except that the commission may by rule exclude from this definition a person supplying a de minimis amount of taxable energy.

(6) "Fairpark district" means the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.

(7) "Franchise agreement" means a franchise or an ordinance, contract, or agreement granting a franchise.

(8) "Franchise tax" means:

(a) a franchise tax;

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

(c) any combination of Subsections (8)(a) and (b).

(9) "Major sporting event venue zone" means the same as that term is defined in Section 63N-3-1701.

[~~(9)~~] (10) "Military authority" means the Military Installation Development Authority, created in Section 63H-1-201.

[~~(10)~~] (11) "Municipality" means a city or town.

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

[~~(12)~~] (13) "Point of the mountain authority" means the Point of the Mountain State Land Authority, created in Section 11-59-201.

[~~(13)~~] (14) "Taxable energy" means gas and electricity.

Section 2. Section **10-1-304** is amended to read:

**10-1-304 . Energy sales and use tax -- Rate -- Imposition or repeal of tax -- Tax**

**rate change -- Effective date -- Notice requirements -- Exemptions.**

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

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

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

(b) Subject to Section 63H-1-203, the military authority may levy a municipal energy sales and use tax under this part within a project area described in a project area plan adopted by the military authority under Title 63H, Chapter 1, Military Installation Development Authority Act, as though the military authority were a municipality.

(c)(i) Beginning July 1, 2022, the point of the mountain authority may by resolution levy a municipal energy sales and use tax under this part within the area that constitutes the point of the mountain state land, as defined in Section 11-59-102, as though the point of the mountain authority were a municipality.

(ii) The point of the mountain authority's adoption of a resolution under Subsection (1)(c)(i) that otherwise complies with the requirements under this part applicable to an ordinance is considered the equivalent of adopting an ordinance under this part.

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

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

(e)(i) Except as provided in Subsection (1)(e)(ii), beginning January 1, 2026, the legislative body of a county with a major sporting event venue zone on unincorporated county land may, by ordinance, levy a municipal energy sales and use tax on the sale or use of taxable energy within the portion of the major sporting event venue zone that is on unincorporated county land, as though the county were a municipality.

(ii) A tax imposed under Subsection (1)(e)(i) may not be imposed on an establishment described in NAICS Sectors 21, 22, or 48, or NAICS Code 324110, within the 2022 North American Industry Classification System of the federal

Executive Office of the President, Office of Management and Budget.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) within any portion of the municipality that is within a project area described in a project area plan adopted by the military authority under Title 63H, Chapter 1, Military Installation Development Authority Act;

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

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

(iv) on or after January 1, 2026, within a major sporting event venue zone, as defined in Section 63N-3-1701.

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

(i) the military authority's levy of a municipal energy sales and use tax;

(ii) the point of the mountain authority's levy of a municipal energy sales and use tax;[ ~~or~~]

(iii) the fairpark district's levy of a municipal energy sales and use tax[~~.~~] ; or

(iv) a county legislative body's levy of a municipal energy sales and use tax within a major sporting event venue zone.

(6) A tax levied under this part by the military authority, point of the mountain authority, [ ~~or~~ ]fairpark district, or county with a major sporting event venue zone shall be administered and collected on behalf of and paid to the military authority, point of the mountain authority, [~~or~~ ]fairpark district, or county with a major sporting event venue zone respectively, in the same way that a tax levied under this part by a municipality is administered and collected on behalf of and paid to the municipality.

Section 3. Section **10-1-403** is amended to read:

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

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

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

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

(iv)(A) Except as provided in Subsection (1)(a)(iv)(B), beginning January 1, 2026, a county with a major sporting event venue zone may by ordinance levy a municipal telecommunications license tax under this part for telecommunications service provided within the portion of the major sporting event venue zone that is on unincorporated county land as though the county were a municipality.

(B) A tax imposed under Subsection (1)(a)(iv)(A) may not be imposed on an establishment described in NAICS Sectors 21, 22, or 48, or NAICS Code 324110 within the 2022 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget.

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

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

(2) A telecommunications provider may recover the amounts paid in municipal telecommunications license taxes from the customers of the telecommunications provider within the municipality imposing the municipal telecommunications license tax through a charge that is separately identified in the statement of the transaction with the customer as the recovery of a tax.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) Beginning January 1, 2026, a municipality may not levy or collect a municipal telecommunications license tax within the sales and use tax boundary of a major sporting event venue zone.

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

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

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

(iii) a county legislative body that levies a municipal telecommunications license tax within a major sporting event venue zone.

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

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

Section 4. Section **11-71-101** is enacted to read:

## CHAPTER 71. MAJOR SPORTING EVENT VENUE ZONES

### Part 1. General Provisions

**11-71-101 . Definitions.**

As used in this chapter:

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

(2) "Agency" means a community reinvestment agency established by a creating entity under Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agencies.

(3) "Committee" means a major sporting event venue zone committee convened under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.

(4) "Creating entity" means:

(a) a municipality or county with an approved major sporting event venue zone in the jurisdictional boundaries of the municipality or county, provided that the jurisdictional boundaries of a county shall include incorporated areas within a county if the county has an ownership interest in all or a portion of the major sporting event venue; or

(b) one or more municipalities, one or more counties, or a municipality and a county that:

(i) have entered into an interlocal agreement to form a major sporting event venue zone; and

(ii) have an approved major sporting event venue zone, as described in Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.

(5) "Development" means:

(a) construction of a new major sporting event venue, including public infrastructure and improvements;

(b) demolition, reconstruction, modification, upgrade, or expansion of an existing but aging major sporting event venue, including new public infrastructure, public infrastructure upgrades, or public infrastructure and improvements; and

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

(6) "Fiscal agent" means:

(a) an agency; or

(b) a public infrastructure financing district created under Title 17D, Chapter 4, Public Infrastructure District Act.

(7) "Impacted primary area" means the same as that term is defined in Section 63N-3-1701.

(8) "Major sporting event venue zone" means the area within a municipality or county approved by a major sporting event venue zone committee, as described in Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.

(9) "Major sporting event venue zone revenue" means the same as that term is defined in Section 63N-3-1701.

(10)(a) "Public infrastructure and improvements" means infrastructure, improvements, facilities, or buildings that:

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

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

(ii)(A) are privately owned;

(B) benefit the public;

(C) as determined by the legislative body of the creating entity, provide a substantial benefit to the development and operation of a major sporting event venue zone; and

(D) are built according to applicable county or municipal design and safety standards.

(b) "Public infrastructure and improvements" includes:

(i) facilities, lines, or systems that provide water, sewer, storm drainage, natural gas, electricity, energy storage, clean energy, microgrids, or telecommunications service;

(ii) streets, roads, curbs, gutters, sidewalks, walkways, solid waste facilities, parking facilities, rail lines, and multimodal facilities; and

(iii) a transportation system or components of a transportation system.

(11) "Qualified development zone" means the same as that term is defined in Section 63N-3-1701.

(12) "Secondary project area" means the same as that term is defined in Section 63N-3-1701.

(13) "Transportation system" means the same as the term is defined in Section 63N-3-1701.

Section 5. Section **11-71-201** is enacted to read:

**11-71-201 . Taxes within and for the benefit of a major sporting event venue zone.**

(1) The legislative body of a creating entity may, by ordinance, impose within a sales and use boundary for a major sporting event venue zone:

(a)(i) a transient room tax, as described in Section 59-12-352;

(ii) a resort communities sales and use tax, as described in Section 59-12-401; and

(iii) an additional resort communities sales and use tax, as described in Section 59-12-402; and

(b) for a creating entity county:

(i) a municipal energy sales and use tax on the sale or use of taxable energy within the part of the qualified development zone on the county's unincorporated land, as described in Section 10-1-304; and

(ii) a municipal telecommunications license tax under this part for telecommunications service provided within the part of the qualified development zone on the county's unincorporated land, as described in Section 10-1-403.

(2) Revenue generated by a tax described in Subsection (1) is governed by Sections 11-71-202 and 11-71-203.

Section 6. Section **11-71-202** is enacted to read:

**11-71-202 . Major sporting event venue zone revenue.**

(1) The following are approved revenue sources for a major sporting event venue zone:

(a) property tax increment for:

(i) the major sporting event venue zone, for at least 25 years but no more than 40, as approved by the committee; and

(ii) if applicable, the secondary project area, for at least 25 years but no more than 40, as approved by the committee;

(b) local sales and use tax increment for the major sporting event venue zone, for at least 25 years but no more than 40, as approved by the committee; and

(c) revenue generated by a tax described in Section 11-71-201.

(2) Revenue generated from a source described in Subsection (1):

(a) is major sporting event venue zone revenue; and

(b) shall be administered by the creating entity or a fiscal agent designated by the creating entity.

(3) If a creating entity designates a fiscal agent to administer major sporting event venue zone revenue, the creating entity and fiscal agent shall first enter into an interlocal agreement:

(a) governing the administration, distribution, use, and management of major sporting event zone revenue; and

(b) with terms that are consistent with this chapter and Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.

Section 7. Section **11-71-203** is enacted to read:

**11-71-203 . Allowable uses of major sporting event venue zone revenue.**

(1) A creating entity or fiscal agent shall use major sporting event venue zone revenue within, or for the direct benefit of:

(a) the major sporting event venue zone;

(b) a secondary project area, if any; and

(c) an impacted primary area, if the creating entity finds that the use of the major sporting event venue zone revenue will directly benefit the major sporting event venue.

(2) A creating entity that receives major sporting event venue zone revenue shall allocate the revenue to:

(a) development in the major sporting event venue zone, including:

(i) constructing, furnishing, maintaining, or operating a major sporting event venue;

(ii) demolishing or remodeling an existing major sporting event venue, or portions of a major sporting event venue;

(iii) public infrastructure and improvements supporting the major sporting event venue; and

(iv) realigning public infrastructure to better support the major sporting event venue;

(b) public infrastructure and improvements in a secondary project area, if any;

(c) public infrastructure and improvements in an impacted primary area; and

(d) make the annual payment of principal, interest, premiums, and necessary reserves for any of the aggregate of bonds authorized under Subsection (3).

(3) A creating entity of a major sporting event venue zone may issue bonds, or cause bonds to be issued, as permitted by law, to pay all or part of the costs incurred for the purposes described in Subsections (2)(a) through (c), including the cost to issue and repay the bonds including interest.

(4)(a) A creating entity or fiscal agent designated by a creating entity may create one or more public infrastructure districts within the major sporting event venue zone under Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the major sporting event venue zone funds to guarantee the payment of public infrastructure bonds issued by a public infrastructure district.

(b) A public infrastructure district created by a creating entity may be designated a fiscal agent by the creating entity.

(5) In addition to the purposes described in Subsection (2), a creating entity or fiscal agent may also allocate major sporting event venue zone funding:

(a) to promote the major sporting event venue;

(b) to mitigate the impacts of the major sporting event venue on local services, including solid waste disposal operations, law enforcement, and road repair and road upgrades; and

(c) as described in Subsection (7).

(6)(a) The creating entity may use major sporting event venue zone revenue to cover the costs of the creating entity to administer the major sporting event venue zone, not to exceed:

(i) 2% of the total annual major sporting event venue zone revenue collected by the creating entity for the benefit of the major sporting event venue zone; or

(ii) if the creating entity provides some major sporting event venue zone revenue to a fiscal agent, 2% of the total annual major sporting event zone revenue retained by the creating entity for the benefit of the major sporting event venue zone.

(b) If the creating entity provides some or all of the major sporting event venue zone revenue to a fiscal agent, the interlocal agreement described in Subsection 11-71-202(3) shall provide that the fiscal agent expends no more than 2% of the major sporting event venue zone revenue allocated by the creating entity to the fiscal agent on the fiscal agent's administrative costs.

(7) A creating entity may provide major sporting event venue zone revenue to a person pursuant to a participation agreement or an agreement described in Section 11-71-301 or 11-71-302.

Section 8. Section **11-71-301** is enacted to read:

**11-71-301 . Private-public partnerships for a major sporting event venue.**

(1) A person that seeks to enter into a private-public partnership with a creating entity shall provide the creating entity with an application that:

(a) demonstrates the applicant is qualified to operate, in whole or in part, a major sporting event venue; and

(b) provides any additional information required by the creating entity.

(2) A creating entity may enter into a private-public partnership:

(a) if, after reviewing the application described in Subsection (1), the creating entity determines a private-public partnership will promote the objectives of the major sporting event venue zone; and

(b) through an agreement described in this section.

(3) An agreement to create a private-public partnership between a person and a creating entity:

(a) may establish or recognize an ownership interest in the major sporting event venue for the person, in consideration of the person's financial investment in the major sporting event venue;

(b) may establish an ownership interest in the major sporting event venue for the creating entity, in consideration of the creating entity's financial investment in the major sporting event venue zone; and

(c) may create a lease interest for the person in the major sporting event venue.

Section 9. Section **59-2-924** is amended to read:

**59-2-924 . Definitions -- Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the commission.**

(1) As used in this section:

(a)(i) "Ad valorem property tax revenue" means revenue collected in accordance with this chapter.

(ii) "Ad valorem property tax revenue" does not include:

(A) interest;

(B) penalties;

(C) collections from redemptions; or

(D) revenue received by a taxing entity from personal property that is semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment.

(b) "Adjusted tax increment" means the same as that term is defined in Section 17C-1-102.

(c)(i) "Aggregate taxable value of all property taxed" means:

(A) the aggregate taxable value of all real property a county assessor assesses in accordance with Part 3, County Assessment, for the current year;

(B) the aggregate taxable value of all real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year; and

(C) the aggregate year end taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls of the taxing entity.

(ii) "Aggregate taxable value of all property taxed" does not include the aggregate year end taxable value of personal property that is:

(A) semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment; and

(B) contained on the prior year's tax rolls of the taxing entity.

(d) "Base taxable value" means:

(i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, the same as that term is defined in Section 11-59-207;

(iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the same as that term is defined in Section 11-70-101;

(iv) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;

(v) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102;

(vi) for a host local government, the same as that term is defined in Section 63N-2-502;

(vii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 63N-3-602;

(viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 27a, Part 12, Home Ownership Promotion Zone for Counties, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 10-9a-1001 or Section 17-27a-1201;[ ~~or~~]

(ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 63N-3-1601[~~.~~] ; or

(x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the property tax base year, as that term is defined in Section 63N-3-1701.

(e) "Centrally assessed benchmark value" means an amount equal to the average year end taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous three calendar years, adjusted for taxable value attributable to:

(i) an annexation to a taxing entity;

(ii) an incorrect allocation of taxable value of real or personal property the commission assesses in accordance with Part 2, Assessment of Property; or

(iii) a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.

(f)(i) "Centrally assessed new growth" means the greater of:

(A) zero; or

(B) the amount calculated by subtracting the centrally assessed benchmark value adjusted for prior year end incremental value from the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value.

(ii) "Centrally assessed new growth" does not include a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.

(g) "Certified tax rate" means a tax rate that will provide the same ad valorem property tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

(h) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.

(i) "Eligible new growth" means the greater of:

(i) zero; or

(ii) the sum of:

(A) locally assessed new growth;

(B) centrally assessed new growth; and

(C) project area new growth or hotel property new growth.

(j) "Host local government" means the same as that term is defined in Section 63N-2-502.

(k) "Hotel property" means the same as that term is defined in Section 63N-2-502.

(l) "Hotel property new growth" means an amount equal to the incremental value that is no longer provided to a host local government as incremental property tax revenue.

(m) "Incremental property tax revenue" means the same as that term is defined in Section 63N-2-502.

(n) "Incremental value" means:

(i) for an authority created under Section 11-58-201, the amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property that is located within a project area and on which property tax differential is collected; and

(B) the number that represents the percentage of the property tax differential that is paid to the authority;

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount calculated by multiplying:

(A) the difference between the current assessed value of the property and the base taxable value; and

(B) the number that represents the percentage of the property tax augmentation, as defined in Section 11-59-207, that is paid to the Point of the Mountain State Land Authority;

(iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the amount calculated by multiplying:

(A) the difference between the taxable value for the current year and the base taxable value of the property that is located within a project area; and

(B) the number that represents the percentage of enhanced property tax revenue, as defined in Section 11-70-101;

(iv) for an agency created under Section 17C-1-201.5, the amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property located within a project area and on which tax increment is collected; and

(B) the number that represents the adjusted tax increment from that project area that is paid to the agency;

(v) for an authority created under Section 63H-1-201, the amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property located within a project area and on which property tax allocation is collected; and

(B) the number that represents the percentage of the property tax allocation from that project area that is paid to the authority;

(vi) for a housing and transit reinvestment zone created pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property that is located within a housing and transit reinvestment zone and on which tax increment is collected; and

(B) the number that represents the percentage of the tax increment that is paid to the housing and transit reinvestment zone;

(vii) for a host local government, an amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the hotel property on which incremental property tax revenue is collected; and

(B) the number that represents the percentage of the incremental property tax revenue from that hotel property that is paid to the host local government;

(viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 27a, Part 12, Home Ownership Promotion Zone for Counties, an amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property that is located within a home ownership promotion zone and on which tax increment is collected; and

(B) the number that represents the percentage of the tax increment that is paid to the home ownership promotion zone;[~~ or~~]

(ix) for a first home investment zone created pursuant to Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property that is located within a first home investment zone and on which tax increment is collected; and

(B) the number that represents the percentage of the tax increment that is paid to the first home investment zone[~~.~~] ; or

(x) for a major sporting event venue zone created pursuant to Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property located within a qualified development zone for a major sporting event venue zone and upon which property tax increment is collected; and

(B) the number that represents the percentage of tax increment that is paid to the major sporting event venue zone, as approved by a major sporting event venue zone committee described in Section 63N-1a-1706.

(o)(i) "Locally assessed new growth" means the greater of:

(A) zero; or

(B) the amount calculated by subtracting the year end taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the previous year, adjusted for prior year end incremental value from the taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted for current year incremental value.

(ii) "Locally assessed new growth" does not include a change in:

(A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or another adjustment;

(B) assessed value based on whether a property is allowed a residential exemption for a primary residence under Section 59-2-103;

(C) assessed value based on whether a property is assessed under Part 5, Farmland Assessment Act; or

(D) assessed value based on whether a property is assessed under Part 17, Urban Farming Assessment Act.

(p) "Project area" means:

(i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;

(ii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the same as that term is defined in Section 11-70-101;

(iii) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;[ ~~or~~]

(iv) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102[~~.~~] ; or

(v) for a major sporting event venue zone established under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, the qualified development zone, as defined in Section 63N-3-1701.

(q) "Project area new growth" means:

(i) for an authority created under Section 11-58-201, an amount equal to the incremental value that is no longer provided to an authority as property tax differential;

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount equal to the incremental value that is no longer provided to the Point of the Mountain State Land Authority as property tax augmentation, as defined in Section 11-59-207;

(iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, an amount equal to the incremental value that is no longer provided to the Utah Fairpark Area Investment and Restoration District;

(iv) for an agency created under Section 17C-1-201.5, an amount equal to the incremental value that is no longer provided to an agency as tax increment;

(v) for an authority created under Section 63H-1-201, an amount equal to the incremental value that is no longer provided to an authority as property tax allocation;

(vi) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the incremental value that is no longer provided to a housing and transit reinvestment zone as tax increment;

(vii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 27a, Part 12, Home Ownership Promotion Zone for Counties, an amount equal to the incremental value that is no longer provided to a home ownership promotion zone as tax increment;[~~or~~]

(viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, an amount equal to the incremental value that is no longer provided to a first home investment zone as tax increment[~~.~~] ; or

(ix) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount equal to the incremental value that is no longer provided to the creating entity of a major sporting event venue zone as property tax increment.

(r) "Project area incremental revenue" means the same as that term is defined in Section 17C-1-1001.

(s) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.

(t) "Property tax differential" means the same as that term is defined in Section 11-58-102.

(u) "Qualifying exempt revenue" means revenue received:

(i) for the previous calendar year;

(ii) by a taxing entity;

(iii) from tangible personal property contained on the prior year's tax rolls that is exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year beginning on January 1, 2022; and

(iv) on the aggregate 2021 year end taxable value of the tangible personal property that exceeds $15,300.

(v) "Tax increment" means:

(i) for a project created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;

(ii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;

(iii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 27a, Part 12, Home Ownership Promotion Zone for Counties, the same as that term is defined in Section 10-9a-1001 or Section 17-27a-1201;[~~or~~]

(iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, the same as that term is defined in Section

63N-3-1601[~~.~~] ; or

(v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, property tax increment, as that term is defined in Section 63N-3-1701.

(2) Before June 1 of each year, the county assessor of each county shall deliver to the county auditor and the commission the following statements:

(a) a statement containing the aggregate valuation of all taxable real property a county assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and

(b) a statement containing the taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, from the prior year end values.

(3) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:

(a) the statements described in Subsections (2)(a) and (b);

(b) an estimate of the revenue from personal property;

(c) the certified tax rate; and

(d) all forms necessary to submit a tax levy request.

(4)(a) Except as otherwise provided in this section, the certified tax rate shall be calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the prior year minus the qualifying exempt revenue by the amount calculated under Subsection (4)(b).

(b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall calculate an amount as follows:

(i) calculate for the taxing entity the difference between:

(A) the aggregate taxable value of all property taxed; and

(B) any adjustments for current year incremental value;

(ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the average of the percentage net change in the value of taxable property for the equalization period for the three calendar years immediately preceding the current calendar year;

(iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product of:

(A) the amount calculated under Subsection (4)(b)(ii); and

(B) the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year; and

(iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount determined by:

(A) multiplying the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year by eligible new growth; and

(B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount calculated under Subsection (4)(b)(iii).

(5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated as follows:

(a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified tax rate is zero;

(b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

(i) in a county of the first, second, or third class, the levy imposed for municipal-type services under Sections 17-34-1 and 17-36-9; and

(ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-34-1 and Subsection 17-36-3(23);

(c) for a community reinvestment agency that received all or a portion of a taxing entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4) except that the commission shall treat the total revenue transferred to the community reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the prior year; and

(d) for debt service voted on by the public, the certified tax rate is the actual levy imposed by that section, except that a certified tax rate for the following levies shall be calculated in accordance with Section 59-2-913 and this section:

(i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and

(ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.

(6)(a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more eligible judgments.

(b) The ad valorem property tax revenue generated by a judgment levy described in Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax rate.

(7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:

(i) the taxable value of real property:

(A) the county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the assessment roll;

(ii) the year end taxable value of personal property:

(A) a county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the prior year's assessment roll; and

(iii) the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property.

(b) For purposes of Subsection (7)(a), taxable value does not include eligible new growth.

(8)(a) On or before June 30, a taxing entity shall annually adopt a tentative budget.

(b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify the county auditor of:

(i) the taxing entity's intent to exceed the certified tax rate; and

(ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

(c) The county auditor shall notify property owners of any intent to levy a tax rate that exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

(9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim Committee if:

(i) the amount calculated under Subsection (9)(b) is 10% or more of the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value; and

(ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.

(b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by subtracting the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value, from the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value.

(c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by subtracting the total taxable value of real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the current year, from the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.

(d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the requirement under Subsection (9)(a)(ii).

Section 10. Section **59-12-104** is amended to read:

**59-12-104 . Exemptions.**

Exemptions from the taxes imposed by this chapter are as follows:

(1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax under Chapter 13, Motor and Special Fuel Tax Act;

(2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political subdivisions; however, this exemption does not apply to sales of:

(a) construction materials except:

(i) construction materials purchased by or on behalf of institutions of the public education system as defined in Utah Constitution, Article X, Section 2, provided the construction materials are clearly identified and segregated and installed or converted to real property which is owned by institutions of the public education system; and

(ii) construction materials purchased by the state, its institutions, or its political subdivisions which are installed or converted to real property by employees of the state, its institutions, or its political subdivisions; or

(b) tangible personal property in connection with the construction, operation, maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or facilities providing additional project capacity, as defined in Section 11-13-103;

(3)(a) sales of an item described in Subsection (3)(b) from a vending machine if:

(i) the proceeds of each sale do not exceed $1; and

(ii) the seller or operator of the vending machine reports an amount equal to 150% of the cost of the item described in Subsection (3)(b) as goods consumed; and

(b) Subsection (3)(a) applies to:

(i) food and food ingredients; or

(ii) prepared food;

(4)(a) sales of the following to a commercial airline carrier for in-flight consumption:

(i) alcoholic beverages;

(ii) food and food ingredients; or

(iii) prepared food;

(b) sales of tangible personal property or a product transferred electronically:

(i) to a passenger;

(ii) by a commercial airline carrier; and

(iii) during a flight for in-flight consumption or in-flight use by the passenger; or

(c) services related to Subsection (4)(a) or (b);

(5) sales of parts and equipment for installation in an aircraft operated by a common carrier in interstate or foreign commerce;

(6) sales of commercials, motion picture films, prerecorded audio program tapes or records, and prerecorded video tapes by a producer, distributor, or studio to a motion picture exhibitor, distributor, or commercial television or radio broadcaster;

(7)(a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of cleaning or washing of tangible personal property if the cleaning or washing of the tangible personal property is not assisted cleaning or washing of tangible personal property;

(b) if a seller that sells at the same business location assisted cleaning or washing of tangible personal property and cleaning or washing of tangible personal property that is not assisted cleaning or washing of tangible personal property, the exemption described in Subsection (7)(a) applies if the seller separately accounts for the sales of the assisted cleaning or washing of the tangible personal property; and

(c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules:

(i) governing the circumstances under which sales are at the same business location; and

(ii) establishing the procedures and requirements for a seller to separately account for sales of assisted cleaning or washing of tangible personal property;

(8) sales made to or by religious or charitable institutions in the conduct of their regular religious or charitable functions and activities, if the requirements of Section 59-12-104.1 are fulfilled;

(9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this state if:

(a) the sale is not from the vehicle's lessor to the vehicle's lessee;

(b) the vehicle is not registered in this state; and

(c)(i) the vehicle is not used in this state; or

(ii) the vehicle is used in this state:

(A) if the vehicle is not used to conduct business, for a time period that does not exceed the longer of:

(I) 30 days in any calendar year; or

(II) the time period necessary to transport the vehicle to the borders of this state; or

(B) if the vehicle is used to conduct business, for the time period necessary to transport the vehicle to the borders of this state;

(10)(a) amounts paid for an item described in Subsection (10)(b) if:

(i) the item is intended for human use; and

(ii)(A) a prescription was issued for the item; or

(B) the item was purchased by a hospital or other medical facility; and

(b)(i) Subsection (10)(a) applies to:

(A) a drug;

(B) a syringe; or

(C) a stoma supply; and

(ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the terms:

(A) "syringe"; or

(B) "stoma supply";

(11) purchases or leases exempt under Section 19-12-201;

(12)(a) sales of an item described in Subsection (12)(c) served by:

(i) the following if the item described in Subsection (12)(c) is not available to the general public:

(A) a church; or

(B) a charitable institution; or

(ii) an institution of higher education if:

(A) the item described in Subsection (12)(c) is not available to the general public; or

(B) the item described in Subsection (12)(c) is prepaid as part of a student meal plan offered by the institution of higher education;[ ~~or~~]

(b) sales of an item described in Subsection (12)(c) provided for a patient by:

(i) a medical facility; or

(ii) a nursing facility; and

(c) Subsections (12)(a) and (b) apply to:

(i) food and food ingredients;

(ii) prepared food; or

(iii) alcoholic beverages;

(13)(a) except as provided in Subsection (13)(b), the sale of tangible personal property or a product transferred electronically by a person:

(i) regardless of the number of transactions involving the sale of that tangible personal property or product transferred electronically by that person; and

(ii) not regularly engaged in the business of selling that type of tangible personal property or product transferred electronically;

(b) this Subsection (13) does not apply if:

(i) the sale is one of a series of sales of a character to indicate that the person is regularly engaged in the business of selling that type of tangible personal property or product transferred electronically;

(ii) the person holds that person out as regularly engaged in the business of selling that type of tangible personal property or product transferred electronically;

(iii) the person sells an item of tangible personal property or product transferred electronically that the person purchased as a sale that is exempt under Subsection (25); or

(iv) the sale is of a vehicle or vessel required to be titled or registered under the laws of this state in which case the tax is based upon:

(A) the bill of sale, lease agreement, or other written evidence of value of the vehicle or vessel being sold; or

(B) in the absence of a bill of sale, lease agreement, or other written evidence of value, the fair market value of the vehicle or vessel being sold at the time of the sale as determined by the commission; and

(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules establishing the circumstances under which:

(i) a person is regularly engaged in the business of selling a type of tangible personal property or product transferred electronically;

(ii) a sale of tangible personal property or a product transferred electronically is one of a series of sales of a character to indicate that a person is regularly engaged in the business of selling that type of tangible personal property or product transferred electronically; or

(iii) a person holds that person out as regularly engaged in the business of selling a type of tangible personal property or product transferred electronically;

(14) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, or materials, except for office equipment or office supplies, by:

(a) a manufacturing facility that:

(i) is located in the state; and

(ii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or materials:

(A) in the manufacturing process to manufacture an item sold as tangible personal property, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; or

(B) for a scrap recycler, to process an item sold as tangible personal property, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

(b) an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

(i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;

(ii) is located in the state; and

(iii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or materials in:

(A) the production process to produce an item sold as tangible personal property, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

(B) research and development, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

(C) transporting, storing, or managing tailings, overburden, or similar waste materials produced from mining;

(D) developing or maintaining a road, tunnel, excavation, or similar feature used in mining; or

(E) preventing, controlling, or reducing dust or other pollutants from mining; or

(c) an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

(i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;

(ii) is located in the state; and

(iii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or materials in the operation of the web search portal;

(15)(a) sales of the following if the requirements of Subsection (15)(b) are met:

(i) tooling;

(ii) special tooling;

(iii) support equipment;

(iv) special test equipment; or

(v) parts used in the repairs or renovations of tooling or equipment described in Subsections (15)(a)(i) through (iv); and

(b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:

(i) the tooling, equipment, or parts are used or consumed exclusively in the performance of any aerospace or electronics industry contract with the United States government or any subcontract under that contract; and

(ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i), title to the tooling, equipment, or parts is vested in the United States government as evidenced by:

(A) a government identification tag placed on the tooling, equipment, or parts; or

(B) listing on a government-approved property record if placing a government identification tag on the tooling, equipment, or parts is impractical;

(16) sales of newspapers or newspaper subscriptions;

(17)(a) except as provided in Subsection (17)(b), tangible personal property or a product transferred electronically traded in as full or part payment of the purchase price, except that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:

(i) the bill of sale or other written evidence of value of the vehicle being sold and the vehicle being traded in; or

(ii) in the absence of a bill of sale or other written evidence of value, the then existing fair market value of the vehicle being sold and the vehicle being traded in, as determined by the commission; and

(b) Subsection (17)(a) does not apply to the following items of tangible personal property or products transferred electronically traded in as full or part payment of the purchase price:

(i) money;

(ii) electricity;

(iii) water;

(iv) gas; or

(v) steam;

(18)(a)(i) except as provided in Subsection (18)(b), sales of tangible personal property or a product transferred electronically used or consumed primarily and directly in farming operations, regardless of whether the tangible personal property or product transferred electronically:

(A) becomes part of real estate; or

(B) is installed by a farmer, contractor, or subcontractor; or

(ii) sales of parts used in the repairs or renovations of tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically is exempt under Subsection (18)(a)(i); and

(b) amounts paid or charged for the following are subject to the taxes imposed by this chapter:

(i)(A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or supplies if used in a manner that is incidental to farming; and

(B) tangible personal property that is considered to be used in a manner that is incidental to farming includes:

(I) hand tools; or

(II) maintenance and janitorial equipment and supplies;
(ii)(A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically is used in an activity other than farming; and
(B) tangible personal property or a product transferred electronically that is considered to be used in an activity other than farming includes:
(I) office equipment and supplies; or
(II) equipment and supplies used in:
(Aa) the sale or distribution of farm products;
(Bb) research; or
(Cc) transportation; or
(iii) a vehicle required to be registered by the laws of this state during the period ending two years after the date of the vehicle's purchase;
(19) sales of hay;
(20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or garden, farm, or other agricultural produce is sold by:
(a) the producer of the seasonal crops, seedling plants, or garden, farm, or other agricultural produce;
(b) an employee of the producer described in Subsection (20)(a); or
(c) a member of the immediate family of the producer described in Subsection (20)(a);
(21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
(22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags, nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor, wholesaler, or retailer for use in packaging tangible personal property to be sold by that manufacturer, processor, wholesaler, or retailer;
(23) a product stored in the state for resale;
(24)(a) purchases of a product if:
(i) the product is:
(A) purchased outside of this state;
(B) brought into this state:
(I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
(II) by a nonresident person who is not living or working in this state at the

time of the purchase;

(C) used for the personal use or enjoyment of the nonresident person described in Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state; and

(D) not used in conducting business in this state; and

(ii) for:

(A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use of the product for a purpose for which the product is designed occurs outside of this state;

(B) a boat, the boat is registered outside of this state; or

(C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered outside of this state;

(b) the exemption provided for in Subsection (24)(a) does not apply to:

(i) a lease or rental of a product; or

(ii) a sale of a vehicle exempt under Subsection (33); and

(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of Subsection (24)(a), the commission may by rule define what constitutes the following:

(i) conducting business in this state if that phrase has the same meaning in this Subsection (24) as in Subsection (63);

(ii) the first use of a product if that phrase has the same meaning in this Subsection (24) as in Subsection (63); or

(iii) a purpose for which a product is designed if that phrase has the same meaning in this Subsection (24) as in Subsection (63);

(25) a product purchased for resale in the regular course of business, either in its original form or as an ingredient or component part of a manufactured or compounded product;

(26) a product upon which a sales or use tax was paid to some other state, or one of its subdivisions, except that the state shall be paid any difference between the tax paid and the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax Act;

(27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person for use in compounding a service taxable under the subsections;

(28) purchases made in accordance with the special supplemental nutrition program for

women, infants, and children established in 42 U.S.C. Sec. 1786;

(29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of the President, Office of Management and Budget;

(30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:

(a) not registered in this state; and

(b)(i) not used in this state; or

(ii) used in this state:

(A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a time period that does not exceed the longer of:

(I) 30 days in any calendar year; or

(II) the time period necessary to transport the boat, boat trailer, or outboard motor to the borders of this state; or

(B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time period necessary to transport the boat, boat trailer, or outboard motor to the borders of this state;

(31) sales of aircraft manufactured in Utah;

(32) amounts paid for the purchase of telecommunications service for purposes of providing telecommunications service;

(33) sales, leases, or uses of the following:

(a) a vehicle by an authorized carrier; or

(b) tangible personal property that is installed on a vehicle:

(i) sold or leased to or used by an authorized carrier; and

(ii) before the vehicle is placed in service for the first time;

(34)(a) 45% of the sales price of any new manufactured home; and

(b) 100% of the sales price of any used manufactured home;

(35) sales relating to schools and fundraising sales;

(36) sales or rentals of durable medical equipment if:

(a) a person presents a prescription for the durable medical equipment; and

(b) the durable medical equipment is used for home use only;

(37)(a) sales to a ski resort of electricity to operate a passenger ropeway as defined in

Section 72-11-102; and

(b) the commission shall by rule determine the method for calculating sales exempt under Subsection (37)(a) that are not separately metered and accounted for in utility billings;

(38) sales to a ski resort of:

(a) snowmaking equipment;

(b) ski slope grooming equipment;

(c) passenger ropeways as defined in Section 72-11-102; or

(d) parts used in the repairs or renovations of equipment or passenger ropeways described in Subsections (38)(a) through (c);

(39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel oil, or other fuels for industrial use;

(40)(a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for amusement, entertainment, or recreation an unassisted amusement device as defined in Section 59-12-102;

(b) if a seller that sells or rents at the same business location the right to use or operate for amusement, entertainment, or recreation one or more unassisted amusement devices and one or more assisted amusement devices, the exemption described in Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for the assisted amusement devices; and

(c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules:

(i) governing the circumstances under which sales are at the same business location; and

(ii) establishing the procedures and requirements for a seller to separately account for the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for assisted amusement devices;

(41)(a) sales of photocopies by:

(i) a governmental entity; or

(ii) an entity within the state system of public education, including:

(A) a school; or

(B) the State Board of Education; or

(b) sales of publications by a governmental entity;

(42) amounts paid for admission to an athletic event at an institution of higher education that is subject to the provisions of Title IX of the Education Amendments of 1972, 20 U.S.C. Sec. 1681 et seq.;

(43)(a) sales made to or by:

(i) an area agency on aging; or

(ii) a senior citizen center owned by a county, city, or town; or

(b) sales made by a senior citizen center that contracts with an area agency on aging;

(44) sales or leases of semiconductor fabricating, processing, research, or development materials regardless of whether the semiconductor fabricating, processing, research, or development materials:

(a) actually come into contact with a semiconductor; or

(b) ultimately become incorporated into real property;

(45) an amount paid by or charged to a purchaser for accommodations and services described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section 59-12-104.2;

(46) the lease or use of a vehicle issued a temporary sports event registration certificate in accordance with Section 41-3-306 for the event period specified on the temporary sports event registration certificate;

(47)(a) sales or uses of electricity, if the sales or uses are made under a retail tariff adopted by the Public Service Commission only for purchase of electricity produced from a new alternative energy source built after January 1, 2016, as designated in the tariff by the Public Service Commission; and

(b) for a residential use customer only, the exemption under Subsection (47)(a) applies only to the portion of the tariff rate a customer pays under the tariff described in Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the customer would have paid absent the tariff;

(48) sales or rentals of mobility enhancing equipment if a person presents a prescription for the mobility enhancing equipment;

(49) sales of water in a:

(a) pipe;

(b) conduit;

(c) ditch; or

(d) reservoir;

(50) sales of currency or coins that constitute legal tender of a state, the United States, or a

foreign nation;

(51)(a) sales of an item described in Subsection (51)(b) if the item:

(i) does not constitute legal tender of a state, the United States, or a foreign nation; and

(ii) has a gold, silver, or platinum content of 50% or more; and

(b) Subsection (51)(a) applies to a gold, silver, or platinum:

(i) ingot;

(ii) bar;

(iii) medallion; or

(iv) decorative coin;

(52) amounts paid on a sale-leaseback transaction;

(53) sales of a prosthetic device:

(a) for use on or in a human; and

(b)(i) for which a prescription is required; or

(ii) if the prosthetic device is purchased by a hospital or other medical facility;

(54)(a) except as provided in Subsection (54)(b), purchases, leases, or rentals of machinery or equipment by an establishment described in Subsection (54)(c) if the machinery or equipment is primarily used in the production or postproduction of the following media for commercial distribution:

(i) a motion picture;

(ii) a television program;

(iii) a movie made for television;

(iv) a music video;

(v) a commercial;

(vi) a documentary; or

(vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the commission by administrative rule made in accordance with Subsection (54)(d);[ ~~or~~]

(b) purchases, leases, or rentals of machinery or equipment by an establishment described in Subsection (54)(c) that is used for the production or postproduction of the following are subject to the taxes imposed by this chapter:

(i) a live musical performance;

(ii) a live news program; or

(iii) a live sporting event;

(c) the following establishments listed in the 1997 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget, apply to Subsections (54)(a) and (b):

(i) NAICS Code 512110; or

(ii) NAICS Code 51219; and

(d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule:

(i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi); or

(ii) define:

(A) "commercial distribution";

(B) "live musical performance";

(C) "live news program"; or

(D) "live sporting event";

(55)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on or before June 30, 2027, of tangible personal property that:

(i) is leased or purchased for or by a facility that:

(A) is an alternative energy electricity production facility;

(B) is located in the state; and

(C)(I) becomes operational on or after July 1, 2004; or

(II) has its generation capacity increased by one or more megawatts on or after July 1, 2004, as a result of the use of the tangible personal property;

(ii) has an economic life of five or more years; and

(iii) is used to make the facility or the increase in capacity of the facility described in Subsection (55)(a)(i) operational up to the point of interconnection with an existing transmission grid including:

(A) a wind turbine;

(B) generating equipment;

(C) a control and monitoring system;

(D) a power line;

(E) substation equipment;

(F) lighting;

(G) fencing;

(H) pipes; or

(I) other equipment used for locating a power line or pole; and
(b) this Subsection (55) does not apply to:
(i) tangible personal property used in construction of:
(A) a new alternative energy electricity production facility; or
(B) the increase in the capacity of an alternative energy electricity production facility;
(ii) contracted services required for construction and routine maintenance activities; and
(iii) unless the tangible personal property is used or acquired for an increase in capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or acquired after:
(A) the alternative energy electricity production facility described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
(B) the increased capacity described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(iii);
(56)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on or before June 30, 2027, of tangible personal property that:
(i) is leased or purchased for or by a facility that:
(A) is a waste energy production facility;
(B) is located in the state; and
(C)(I) becomes operational on or after July 1, 2004; or
(II) has its generation capacity increased by one or more megawatts on or after July 1, 2004, as a result of the use of the tangible personal property;
(ii) has an economic life of five or more years; and
(iii) is used to make the facility or the increase in capacity of the facility described in Subsection (56)(a)(i) operational up to the point of interconnection with an existing transmission grid including:
(A) generating equipment;
(B) a control and monitoring system;
(C) a power line;
(D) substation equipment;
(E) lighting;
(F) fencing;
(G) pipes; or

(H) other equipment used for locating a power line or pole; and

(b) this Subsection (56) does not apply to:

(i) tangible personal property used in construction of:

(A) a new waste energy facility; or

(B) the increase in the capacity of a waste energy facility;

(ii) contracted services required for construction and routine maintenance activities; and

(iii) unless the tangible personal property is used or acquired for an increase in capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after:

(A) the waste energy facility described in Subsection (56)(a)(i) is operational as described in Subsection (56)(a)(iii); or

(B) the increased capacity described in Subsection (56)(a)(i) is operational as described in Subsection (56)(a)(iii);

(57)(a) leases of five or more years or purchases made on or after July 1, 2004, but on or before June 30, 2027, of tangible personal property that:

(i) is leased or purchased for or by a facility that:

(A) is located in the state;

(B) produces fuel from alternative energy, including:

(I) methanol; or

(II) ethanol; and

(C)(I) becomes operational on or after July 1, 2004; or

(II) has its capacity to produce fuel increase by 25% or more on or after July 1, 2004, as a result of the installation of the tangible personal property;

(ii) has an economic life of five or more years; and

(iii) is installed on the facility described in Subsection (57)(a)(i);

(b) this Subsection (57) does not apply to:

(i) tangible personal property used in construction of:

(A) a new facility described in Subsection (57)(a)(i); or

(B) the increase in capacity of the facility described in Subsection (57)(a)(i);[~~ or~~]

(ii) contracted services required for construction and routine maintenance activities; and

(iii) unless the tangible personal property is used or acquired for an increase in capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used or acquired after:

(A) the facility described in Subsection (57)(a)(i) is operational; or

(B) the increased capacity described in Subsection (57)(a)(i) is operational;

(58)(a) subject to Subsection (58)(b), sales of tangible personal property or a product transferred electronically to a person within this state if that tangible personal property or product transferred electronically is subsequently shipped outside the state and incorporated pursuant to contract into and becomes a part of real property located outside of this state; and

(b) the exemption under Subsection (58)(a) is not allowed to the extent that the other state or political entity to which the tangible personal property is shipped imposes a sales, use, gross receipts, or other similar transaction excise tax on the transaction against which the other state or political entity allows a credit for sales and use taxes imposed by this chapter;

(59) purchases:

(a) of one or more of the following items in printed or electronic format:

(i) a list containing information that includes one or more:

(A) names; or

(B) addresses; or

(ii) a database containing information that includes one or more:

(A) names; or

(B) addresses; and

(b) used to send direct mail;

(60) redemptions or repurchases of a product by a person if that product was:

(a) delivered to a pawnbroker as part of a pawn transaction; and

(b) redeemed or repurchased within the time period established in a written agreement between the person and the pawnbroker for redeeming or repurchasing the product;

(61)(a) purchases or leases of an item described in Subsection (61)(b) if the item:

(i) is purchased or leased by, or on behalf of, a telecommunications service provider; and

(ii) has a useful economic life of one or more years; and

(b) the following apply to Subsection (61)(a):

(i) telecommunications enabling or facilitating equipment, machinery, or software;

(ii) telecommunications equipment, machinery, or software required for 911 service;

(iii) telecommunications maintenance or repair equipment, machinery, or software;

(iv) telecommunications switching or routing equipment, machinery, or software; or

(v) telecommunications transmission equipment, machinery, or software;

(62)(a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible personal property or a product transferred electronically that are used in the research and development of alternative energy technology; and

(b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may, for purposes of Subsection (62)(a), make rules defining what constitutes purchases of tangible personal property or a product transferred electronically that are used in the research and development of alternative energy technology;

(63)(a) purchases of tangible personal property or a product transferred electronically if:

(i) the tangible personal property or product transferred electronically is:

(A) purchased outside of this state;

(B) brought into this state at any time after the purchase described in Subsection (63)(a)(i)(A); and

(C) used in conducting business in this state; and

(ii) for:

(A) tangible personal property or a product transferred electronically other than the tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property for a purpose for which the property is designed occurs outside of this state; or

(B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered outside of this state and not required to be registered in this state under Section 41-1a-202 or 73-18-9 based on residency;

(b) the exemption provided for in Subsection (63)(a) does not apply to:

(i) a lease or rental of tangible personal property or a product transferred electronically; or

(ii) a sale of a vehicle exempt under Subsection (33); and

(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of Subsection (63)(a), the commission may by rule define what constitutes the following:

(i) conducting business in this state if that phrase has the same meaning in this Subsection (63) as in Subsection (24);

(ii) the first use of tangible personal property or a product transferred electronically if that phrase has the same meaning in this Subsection (63) as in Subsection (24); or

(iii) a purpose for which tangible personal property or a product transferred electronically is designed if that phrase has the same meaning in this Subsection (63) as in Subsection (24);

(64) sales of disposable home medical equipment or supplies if:

(a) a person presents a prescription for the disposable home medical equipment or supplies;

(b) the disposable home medical equipment or supplies are used exclusively by the person to whom the prescription described in Subsection (64)(a) is issued; and

(c) the disposable home medical equipment and supplies are listed as eligible for payment under:

(i) Title XVIII, federal Social Security Act; or

(ii) the state plan for medical assistance under Title XIX, federal Social Security Act;

(65) sales:

(a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District Act; or

(b) of tangible personal property to a subcontractor of a public transit district, if the tangible personal property is:

(i) clearly identified; and

(ii) installed or converted to real property owned by the public transit district;

(66) sales of construction materials:

(a) purchased on or after July 1, 2010;

(b) purchased by, on behalf of, or for the benefit of an international airport:

(i) located within a county of the first class; and

(ii) that has a United States customs office on its premises; and

(c) if the construction materials are:

(i) clearly identified;

(ii) segregated; and

(iii) installed or converted to real property:

(A) owned or operated by the international airport described in Subsection (66)(b); and

(B) located at the international airport described in Subsection (66)(b);

(67) sales of construction materials:

(a) purchased on or after July 1, 2008;

(b) purchased by, on behalf of, or for the benefit of a new airport:
(i) located within a county of the second class; and
(ii) that is owned or operated by a city in which an airline as defined in Section 59-2-102 is headquartered; and
(c) if the construction materials are:
(i) clearly identified;
(ii) segregated; and
(iii) installed or converted to real property:
(A) owned or operated by the new airport described in Subsection (67)(b);
(B) located at the new airport described in Subsection (67)(b); and
(C) as part of the construction of the new airport described in Subsection (67)(b);
(68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common carrier that is a railroad for use in a locomotive engine;
(69) purchases and sales described in Section 63H-4-111;
(70)(a) sales of tangible personal property to an aircraft maintenance, repair, and overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration lists a state or country other than this state as the location of registry of the fixed wing turbine powered aircraft; or
(b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul provider in connection with the maintenance, repair, overhaul, or refurbishment in this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered aircraft's registration lists a state or country other than this state as the location of registry of the fixed wing turbine powered aircraft;
(71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
(a) to a person admitted to an institution of higher education; and
(b) by a seller, other than a bookstore owned by an institution of higher education, if 51% or more of that seller's sales revenue for the previous calendar quarter are sales of a textbook for a higher education course;
(72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5) on a purchaser from a business for which the municipality provides an enhanced level of municipal services;
(73) amounts paid or charged for construction materials used in the construction of a new or expanding life science research and development facility in the state, if the construction

materials are:

(a) clearly identified;

(b) segregated; and

(c) installed or converted to real property;

(74) amounts paid or charged for:

(a) a purchase or lease of machinery and equipment that:

(i) are used in performing qualified research:

(A) as defined in Section 41(d), Internal Revenue Code; and

(B) in the state; and

(ii) have an economic life of three or more years; and

(b) normal operating repair or replacement parts:

(i) for the machinery and equipment described in Subsection (74)(a); and

(ii) that have an economic life of three or more years;

(75) a sale or lease of tangible personal property used in the preparation of prepared food if:

(a) for a sale:

(i) the ownership of the seller and the ownership of the purchaser are identical; and

(ii) the seller or the purchaser paid a tax under this chapter on the purchase of that tangible personal property prior to making the sale; or

(b) for a lease:

(i) the ownership of the lessor and the ownership of the lessee are identical; and

(ii) the lessor or the lessee paid a tax under this chapter on the purchase of that tangible personal property prior to making the lease;

(76)(a) purchases of machinery or equipment if:

(i) the purchaser is an establishment described in NAICS Subsector 713, Amusement, Gambling, and Recreation Industries, of the 2012 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;

(ii) the machinery or equipment:

(A) has an economic life of three or more years; and

(B) is used by one or more persons who pay admission or user fees described in Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment; and

(iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:

(A) amounts paid or charged as admission or user fees described in Subsection

59-12-103(1)(f); and

(B) subject to taxation under this chapter; and

(b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules for verifying that 51% of a purchaser's sales revenue for the previous calendar quarter is:

(i) amounts paid or charged as admission or user fees described in Subsection 59-12-103(1)(f); and

(ii) subject to taxation under this chapter;

(77) purchases of a short-term lodging consumable by a business that provides accommodations and services described in Subsection 59-12-103(1)(i);

(78) amounts paid or charged to access a database:

(a) if the primary purpose for accessing the database is to view or retrieve information from the database; and

(b) not including amounts paid or charged for a:

(i) digital audio work;

(ii) digital audio-visual work; or

(iii) digital book;

(79) amounts paid or charged for a purchase or lease made by an electronic financial payment service, of:

(a) machinery and equipment that:

(i) are used in the operation of the electronic financial payment service; and

(ii) have an economic life of three or more years; and

(b) normal operating repair or replacement parts that:

(i) are used in the operation of the electronic financial payment service; and

(ii) have an economic life of three or more years;

(80) sales of a fuel cell as defined in Section 54-15-102;

(81) amounts paid or charged for a purchase or lease of tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically:

(a) is stored, used, or consumed in the state; and

(b) is temporarily brought into the state from another state:

(i) during a disaster period as defined in Section 53-2a-1202;

(ii) by an out-of-state business as defined in Section 53-2a-1202;

(iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and

(iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;

(82) sales of goods and services at a morale, welfare, and recreation facility, as defined in Section 39A-7-102, made pursuant to Title 39A, Chapter 7, Morale, Welfare, and Recreation Program;

(83) amounts paid or charged for a purchase or lease of molten magnesium;

(84) amounts paid or charged for a purchase or lease made by a qualifying data center or an occupant of a qualifying data center of machinery, equipment, or normal operating repair or replacement parts, if the machinery, equipment, or normal operating repair or replacement parts:

(a) are used in:

(i) the operation of the qualifying data center; or

(ii) the occupant's operations in the qualifying data center; and

(b) have an economic life of one or more years;

(85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle that includes cleaning or washing of the interior of the vehicle;

(86) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies used or consumed:

(a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined in Section 79-6-701 located in the state;

(b) if the machinery, equipment, normal operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or supplies are used or consumed in:

(i) the production process to produce gasoline or diesel fuel, or at which blendstock is added to gasoline or diesel fuel;

(ii) research and development;

(iii) transporting, storing, or managing raw materials, work in process, finished products, and waste materials produced from refining gasoline or diesel fuel, or adding blendstock to gasoline or diesel fuel;

(iv) developing or maintaining a road, tunnel, excavation, or similar feature used in refining; or

(v) preventing, controlling, or reducing pollutants from refining; and

(c) if the person holds a valid refiner tax exemption certification as defined in Section 79-6-701;

(87) amounts paid to or charged by a proprietor for accommodations and services, as

defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations tax imposed under Section 63H-1-205;

(88) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, or materials, except for office equipment or office supplies, by an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

(a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget;

(b) is located in this state; and

(c) uses the machinery, equipment, normal operating repair or replacement parts, or materials in the operation of the establishment;

(89) amounts paid or charged for an item exempt under Section 59-12-104.10;

(90) sales of a note, leaf, foil, or film, if the item:

(a) is used as currency;

(b) does not constitute legal tender of a state, the United States, or a foreign nation; and

(c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any transparent polymer holder, coating, or encasement;

(91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or surfing facility, if a trained instructor:

(a) is present with the participant, in person or by video, for the duration of the activity; and

(b) actively instructs the participant, including providing observation or feedback;

(92) amounts paid or charged in connection with the construction, operation, maintenance, repair, or replacement of facilities owned by or constructed for:

(a) a distribution electrical cooperative, as defined in Section 54-2-1; or

(b) a wholesale electrical cooperative, as defined in Section 54-2-1;

(93) amounts paid by the service provider for tangible personal property, other than machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels, that:

(a) is consumed in the performance of a service that is subject to tax under Subsection 59-12-103(1)(b), (f), (g), (h), (i), or (j);

(b) has to be consumed for the service provider to provide the service described in Subsection (93)(a); and

(c) will be consumed in the performance of the service described in Subsection (93)(a), to one or more customers, to the point that the tangible personal property disappears or cannot be used for any other purpose;

(94) sales of rail rolling stock manufactured in Utah;

(95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or construction materials between establishments, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:

(a) the establishments are related directly or indirectly through 100% common ownership or control; and

(b) each establishment is described in one of the following subsectors of the 2022 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget:

(i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or

(ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing;

(96) sales of construction materials used for the construction of a qualified stadium, as defined in Section 11-70-101;[~~ and~~]

(97) amounts paid or charged for sales of a cannabinoid product as that term is defined in Section 4-41-102[~~.~~] ; and

(98) sales of construction materials used for the construction, remodeling, or refurbishing of a major sporting event venue, as defined in Section 63N-3-1701, within an approved major sporting event venue zone.

Section 11. Section **59-12-205** is amended to read:

**59-12-205 . Ordinances to conform with statutory amendments -- Distribution of tax revenue -- Determination of population.**

(1) To maintain in effect sales and use tax ordinances adopted pursuant to Section 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or town's sales and use tax ordinances:

(a) within 30 days of the day on which the state makes an amendment to an applicable provision of Part 1, Tax Collection; and

(b) as required to conform to the amendments to Part 1, Tax Collection.

(2)(a) Except as provided in Subsections (3) and (4) and subject to Subsection (5):

(i) 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the percentage that the population of the county, city, or town bears to the total population of all counties, cities, and towns in the state; and

(ii)(A) except as provided in Subsections (2)(a)(ii)(B), (C), [~~and~~](D), and (E), 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215;

(B) 50% of each dollar collected from the sales and use tax authorized by this part within a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act, shall be distributed to the military installation development authority created in Section 63H-1-201;

(C) beginning July 1, 2024, 20% of each dollar collected from the sales and use tax authorized by this part within a project area under Title 11, Chapter 58, Utah Inland Port Authority Act, shall be distributed to the Utah Inland Port Authority, created in Section 11-58-201;[~~ and~~]

(D) 50% of each dollar collected from the sales and use tax authorized by this part within the lake authority boundary, as defined in Section 11-65-101, shall be distributed to the Utah Lake Authority, created in Section 11-65-201, beginning the next full calendar quarter following the creation of the Utah Lake Authority[~~.~~] ; and

(E) except as provided in Subsections (7) and (8), beginning the first day of a calendar quarter after the sales and use tax boundary for a major sporting event venue zone is established, the commission, at least annually, shall transfer an amount equal to 50% of the sales and use tax increment, as defined in Section 63N-3-1701, from the sales and use tax imposed under this part on transactions occurring within a sales and use tax boundary, as Section 63N-3-1710, to the creating entity of the major sporting event venue zone.

(b) Subsection (2)(a)(ii)(C) does not apply to sales and use tax revenue collected before July 1, 2022.

(3)(a) As used in this Subsection (3):

(i) "Eligible county, city, or town" means a county, city, or town that:

(A) for fiscal year 2012-13, received a tax revenue distribution under Subsection (3)(b) equal to the amount described in Subsection (3)(b)(ii); and

(B) does not impose a sales and use tax under Section 59-12-2103 on or before July 1, 2016.

(ii) "Minimum tax revenue distribution" means the total amount of tax revenue distributions an eligible county, city, or town received from a tax imposed in accordance with this part for fiscal year 2004-05.

(b) An eligible county, city, or town shall receive a tax revenue distribution for a tax imposed in accordance with this part equal to the greater of:

(i) the payment required by Subsection (2); or

(ii) the minimum tax revenue distribution.

(4)(a) For purposes of this Subsection (4):

(i) "Annual local contribution" means the lesser of $275,000 or an amount equal to 2.55% of the participating local government's tax revenue distribution amount under Subsection (2)(a)(i) for the previous fiscal year.

(ii) "Participating local government" means a county or municipality, as defined in Section 10-1-104, that is not an eligible municipality certified in accordance with Section 35A-16-404.

(b) For revenue collected from the tax authorized by this part that is distributed on or after January 1, 2019, the commission, before making a tax revenue distribution under Subsection (2)(a)(i) to a participating local government, shall:

(i) adjust a participating local government's tax revenue distribution under Subsection (2)(a)(i) by:

(A) subtracting an amount equal to one-twelfth of the annual local contribution for each participating local government from the participating local government's tax revenue distribution; and

(B) if applicable, reducing the amount described in Subsection (4)(b)(i)(A) by an amount equal to one-twelfth of $250 for each bed that is available at all homeless shelters located within the boundaries of the participating local government, as reported to the commission by the Office of Homeless Services in accordance with Section 35A-16-405; and

(ii) deposit the resulting amount described in Subsection (4)(b)(i) into the Homeless Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.

(c) For a participating local government that qualifies to receive a distribution described in Subsection (3), the commission shall apply the provisions of this Subsection (4) after the commission applies the provisions of Subsection (3).

(5)(a) As used in this Subsection (5):

(i) "Annual dedicated sand and gravel sales tax revenue" means an amount equal to the total revenue an establishment described in NAICS Code 327320, Ready-Mix Concrete Manufacturing, of the 2022 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget, collects and remits under this part for a calendar year.

(ii) "Sand and gravel" means sand, gravel, or a combination of sand and gravel.

(iii) "Sand and gravel extraction site" means a pit, quarry, or deposit that:

(A) contains sand and gravel; and

(B) is assessed by the commission in accordance with Section 59-2-201.

(iv) "Ton" means a short ton of 2,000 pounds.

(v) "Tonnage ratio" means the ratio of:

(A) the total amount of sand and gravel, measured in tons, sold during a calendar year from all sand and gravel extraction sites located within a county, city, or town; to

(B) the total amount of sand and gravel, measured in tons, sold during the same calendar year from sand and gravel extraction sites statewide.

(b) For purposes of calculating the ratio described in Subsection (5)(a)(v), the commission shall:

(i) use the gross sales data provided to the commission as part of the commission's property tax valuation process; and

(ii) if a sand and gravel extraction site operates as a unit across municipal or county lines, apportion the reported tonnage among the counties, cities, or towns based on the percentage of the sand and gravel extraction site located in each county, city, or town, as approximated by the commission.

(c)(i) Beginning July 2023, and each July thereafter, the commission shall distribute from total collections under this part an amount equal to the annual dedicated sand and gravel sales tax revenue for the preceding calendar year to each county, city, or town in the same proportion as the county's, city's, or town's tonnage ratio for the preceding calendar year.

(ii) The commission shall ensure that the revenue distributed under this Subsection (5)(c) is drawn from each jurisdiction's collections in proportion to the jurisdiction's share of total collections for the preceding 12-month period.

(d) A county, city, or town shall use revenue described in Subsection (5)(c) for class B or class C roads.

(6)(a) Population figures for purposes of this section shall be based on the most recent official census or census estimate of the United States Bureau of the Census.

(b) If a needed population estimate is not available from the United States Bureau of the Census, population figures shall be derived from the estimate from the Utah Population Committee.

(c) The population of a county for purposes of this section shall be determined only from the unincorporated area of the county.

(7)(a) As used in this Subsection (7):

(i) "Applicable percentage" means, for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, for sales occurring within the qualified development zone described in Subsection (7)(a)(ii):

(A) 50% of the sales and use tax increment, as that term is defined in Section 63N-3-601, from the sales and use tax imposed under this part;

(B) 100% of the revenue from the sales and use tax imposed by the creating entity of a major sporting event venue zone under Section 59-12-401; and

(C) 100% of the revenue from the sales and use tax imposed by the creating entity of a major sporting event venue zone under Section 59-12-402.

(ii) "Qualified development zone" means the sales and use tax boundary, as described in Section 63N-3-1710, of a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.

(iii) "Qualifying construction materials" means construction materials that are:

(A) delivered to a delivery outlet within a qualified development zone; and

(B) intended to be permanently attached to real property within the qualified development zone.

(b) For a sale of qualifying construction materials, the commission shall distribute the product calculated in Subsection (7)(c) to the creating entity of a qualified development zone if the seller of the construction materials:

(i) establishes a delivery outlet with the commission within the qualified development zone;

(ii) reports the sales of the construction materials to the delivery outlet described in Subsection (7)(b)(i); and

(iii) does not report the sales of the construction materials on a simplified electronic return.

(c) For the purposes of Subsection (7)(b), the product is equal to:

(i) the sales price or purchase price of the qualifying construction materials; and

(ii) the applicable percentage.

(8)(a) As used in this Subsection (8):

(i) "Applicable percentage" means the same as that term is defined in Subsection (7).

(ii) "Qualified development zone" means the same as that term is defined in Subsection (7).

(iii) "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J or a substantially similar form as designated by the commission.

(b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone shall be distributed to the jurisdiction that would have received the revenue in the absence of the qualified development zone.

Section 12. Section **59-12-352** is amended to read:

**59-12-352 . Transient room tax authority for municipalities and certain authorities -- Purposes for which revenues may be used.**

(1)(a) Except as provided in Subsection (5), the governing body of a municipality may impose a tax of not to exceed 1% on charges for the accommodations and services described in Subsection 59-12-103(1)(i).

(b) Subject to Section 63H-1-203, the military installation development authority created in Section 63H-1-201 may impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within a project area described in a project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation Development Authority Act, as though the authority were a municipality.

(c) Beginning October 1, 2024, the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, may impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within the district sales tax area, as defined in Section 11-70-101, to the same extent and in the same manner as a municipality may impose a tax under this section.

(d) Beginning October 1, 2025, the creating entity of a major sporting event venue zone approved pursuant to Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, may impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within the sales and use tax boundary, as defined in Section 63N-3-1701:

(i) to the same extent and in the same manner as a municipality may impose a tax under this section; and

(ii) as described in Subsection (7).

(2) Subject to the limitations of Subsection (1), a governing body of a municipality may, by ordinance, increase or decrease the tax under this part.

(3) A governing body of a municipality shall regulate the tax under this part by ordinance.

(4) A municipality may use revenues generated by the tax under this part for general fund purposes.

(5)(a) A municipality may not impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within a project area described in a project area plan adopted by[-]:

(i) the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act; or

(ii) the Utah Fairpark Area Investment and Restoration District under Title 11, Chapter 70, Utah Fairpark Area Investment and Restoration District.

(b) Subsection (5)(a) does not apply to the military installation development authority's imposition of a tax under this section.

(c) A municipality may not impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within a qualified development zone of a major sporting event venue zone if the creating entity of the major sporting event venue zone imposes a tax as described in Subsection (7).

(6)(a) As used in this Subsection (6):

(i) "Authority" means the Point of the Mountain State Land Authority, created in Section 11-59-201.

(ii) "Authority board" means the board referred to in Section 11-59-301.

(b) The authority may, by a resolution adopted by the authority board, impose a tax of not to exceed 5% on charges for the accommodations and services described in Subsection 59-12-103(1)(i) for transactions that occur on point of the mountain state land, as defined in Section 11-59-102.

(c) The authority board, by resolution, shall regulate the tax under this Subsection (6).

(d) The authority shall use all revenue from a tax imposed under this Subsection (6) to provide affordable housing, consistent with the manner that a community reinvestment agency uses funds for income targeted housing under Section 17C-1-412.

(e) A tax under this Subsection (6) is in addition to any other tax that may be imposed under this part.

(7)(a) As used in this Subsection (7), "creating entity" means the same as that term is defined in Section 11-71-101.

(b) A creating entity may, by ordinance, impose a tax not to exceed 5% on charges for the accommodations and services described in Subsection 59-12-103(1)(i) for transactions that occur within the sales and use tax boundary, as defined in Section 63N-3-1701, of a major sporting event venue zone.

(c) A creating entity shall use all revenue from a tax imposed under this Subsection (7) as described in Sections 11-71-202 and 11-71-203.

(d) A tax under this Subsection (7) is in addition to any other tax that may be imposed under this part.

Section 13. Section **59-12-354** is amended to read:

**59-12-354 . Collection of tax -- Administrative charge.**

(1) Except as provided in Subsections (2) and (3), the tax authorized under this part shall be 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

(b) Chapter 1, General Taxation Policies.

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

(b) Except as provided in Subsection (2)(c), the commission shall distribute the revenue collected from the tax to:

(i)(A) the municipality within which the revenue was collected, for a tax imposed under this part by a municipality; or

(B) the Utah Fairpark Area Investment and Restoration District, for a tax imposed under this part by the Utah Fairpark Area Investment and Restoration District;[ ~~and~~]

(ii) the Point of the Mountain State Land Authority, for a tax imposed under Subsection 59-12-352(6)[~~.~~] ; and

(iii) the creating entity of a major sporting event venue zone, for a tax imposed under Subsection 59-12-352(7).

(c) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenue the commission collects from a tax under this part.

(3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections

59-12-205(2) through (5).

Section 14. Section **59-12-401** is amended to read:

**59-12-401 . Resort communities tax authority for cities, towns, and certain authorities and certain counties -- Base -- Rate -- Collection fees.**

(1)(a) In addition to other sales and use taxes, a city or town in which the transient room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the municipality's permanent census population may impose a sales and use tax of up to 1.1% on the transactions described in Subsection 59-12-103(1) located within the city or town.

(b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this section on:

(i)(A) the sale of a motor vehicle, an aircraft, a watercraft, a modular home, a manufactured home, or a mobile home;

(B) 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; and

(C) except as provided in Subsection (1)(d), amounts paid or charged for food and food ingredients;[~~ or~~]

(ii) transactions that occur in the district sales tax area, as defined in Subsection (4), if the fairpark district, as defined in Subsection (4), has imposed a tax under Subsection (4)[~~.~~] ;

(iii) transactions that occur within a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Development Authority Act, if the military installation development authority has imposed a tax under Subsection (3); or

(iv) transactions that occur within the sales and use tax boundary of a major sporting event venue zone under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, if the creating entity of the major sporting event venue zone has imposed a tax under Subsection (5).

(c) 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.

(d) A city or town imposing a tax under this section shall impose the tax on the purchase price or the 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) An amount equal to the total of any costs incurred by the state in connection with the implementation of Subsection (1) which exceed, in any year, the revenues received by the state from its collection fees received in connection with the implementation of Subsection (1) shall be paid over to the state General Fund by the cities and towns which impose the tax provided for in Subsection (1).

(b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among those cities and towns according to the amount of revenue the respective cities and towns generate in that year through imposition of that tax.

(3)(a) Subject to Section 63H-1-203, the military installation development authority created in Section 63H-1-201 may impose a tax under this section on the transactions described in Subsection 59-12-103(1) located within a project area described in a project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation Development Authority Act, as though the authority were a city or a town.

(b) For purposes of calculating the permanent census population within a project area, the board, as defined in Section 63H-1-102, shall:

(i) use the actual number of permanent residents within the project area as determined by the board;

(ii) include in the calculation of transient room capacity the number, as determined by the board, of approved high-occupancy lodging units, recreational lodging units, special lodging units, and standard lodging units, even if the units are not constructed;

(iii) adopt a resolution verifying the population number; and

(iv) provide the commission any information required in Section 59-12-405.

(c) Notwithstanding Subsection (1)(a), a board as defined in Section 63H-1-102 may impose the sales and use tax under this section if there are no permanent residents.

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

(i) "District sales tax area" means the same as that term is defined in Section 11-70-101.

(ii) "Fairpark district" means the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.

(iii) "Fairpark district board" means the board of the fairpark district.

(b) [~~The~~ ] On or after October 1, 2024, the fairpark district, by resolution of the fairpark district board, may impose a tax under this section, as though the fairpark district were a city or town, on transactions described in Subsection 59-12-103(1)[~~:~~]

[~~(i)~~] located within the district sales tax area[~~; and~~] .

[~~(ii) that occur on or after October 1, 2024.~~]

(c) For purposes of calculating the permanent census population within the district sales tax area, the fairpark district board shall:

(i) use the actual number of permanent residents within the district sales tax area as determined by the fairpark district board;

(ii) include in the calculation of transient room capacity the number, as determined by the fairpark district board, of approved high-occupancy lodging units, recreational lodging units, special lodging units, and standard lodging units, even if the units are not constructed;

(iii) adopt a resolution verifying the population number; and

(iv) provide the commission any information required in Section 59-12-405.

(d) Notwithstanding Subsection (1)(a), the fairpark district may impose the sales and use tax under this section if there are no permanent residents within the district sales tax area.

(5)(a) As used in this Subsection (5):

(i) "Creating entity" means the same as that term is defined in Section 11-71-101.

(ii) "Major sporting event venue zone" means an area approved to be a major sporting event venue zone under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.

(iii) "Sales and use tax boundary" means the same as that term is defined in Section 63N-3-1701.

(b) Beginning October 1, 2025, the creating entity of a major sporting event venue zone, established under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, may by ordinance impose a tax under this section on transactions that occur within the sales and use boundary of a major sporting event venue zone as those terms are defined in Section 63N-3-1701 to the same extent and in the same manner as a city or town may impose a tax under this section.

(6)(a) As used in this Subsection (6), "major sporting event venue" means a venue that has been or is proposed to be used for the Olympic Games, as confirmed by the Salt Lake City-Utah Committee for the Games, a site, arena, or facility along with supporting or adjacent structures.

(b) Beginning October 1, 2025, a county of the third class with at least three major sporting event venues within the jurisdiction of the county may, by ordinance, impose a tax under this section on transactions occurring within the unincorporated areas of the county to the same extent and in the same manner as a city or town may impose a tax under this section.

(c) Revenue generated by a tax imposed under this Subsection (6) may only be used by the county of the third class on public infrastructure and infrastructure improvements, including transportation infrastructure and improvements, and transit projects.

Section 15. Section **59-12-402** is amended to read:

**59-12-402 . Additional resort communities sales and use tax -- Base -- Rate -- Collection fees -- Resolution and voter approval requirements -- Election requirements -- Notice requirements -- Ordinance requirements -- Certain authorities and zones implementing additional resort communities sales and use tax.**

(1)(a) Subject to Subsections (2) through (6), the governing body of a municipality in which the transient room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the municipality's permanent census population may, in addition to the sales tax authorized under Section 59-12-401, impose an additional resort communities sales tax in an amount that is less than or equal to .5% on the transactions described in Subsection 59-12-103(1) located within the municipality.

(b) Notwithstanding Subsection (1)(a), the governing body of a municipality may not impose a tax under this section on:

(i)(A) the sale of a motor vehicle, an aircraft, a watercraft, a modular home, a manufactured home, or a mobile home;

(B) 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; and

(C) except as provided in Subsection (1)(d), amounts paid or charged for food and food ingredients;[~~ or~~]

(ii) transactions that occur in the district sales tax area, as defined in Subsection 59-12-401(4), if the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, has imposed a tax under Subsection (8)[~~.~~] ;

(iii) transactions that occur within a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Development Authority Act, if the military installation development authority has imposed a tax under Subsection (7); or

(iv) transactions that occur within the sales and use tax boundary of a major sporting

<u>event venue zone under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, if the creating entity of the major sporting event venue zone has imposed a tax under Subsection (9).</u>

(c) 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.

(d) A municipality 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) An amount equal to the total of any costs incurred by the state in connection with the implementation of Subsection (1) which exceed, in any year, the revenues received by the state from its collection fees received in connection with the implementation of Subsection (1) shall be paid over to the state General Fund by the cities and towns which impose the tax provided for in Subsection (1).

(b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among those cities and towns according to the amount of revenue the respective cities and towns generate in that year through imposition of that tax.

(3) To impose an additional resort communities sales tax under this section, the governing body of the municipality shall:

(a) pass a resolution approving the tax; and

(b) except as provided in Subsection (6), obtain voter approval for the tax as provided in Subsection (4).

(4) To obtain voter approval for an additional resort communities sales tax under Subsection (3)(b), a municipality shall:

(a) hold the additional resort communities sales tax election during:

(i) a regular general election; or

(ii) a municipal general election; and

(b) post notice of the election for the municipality, as a class A notice under Section 63G-30-102, for at least 15 days before the day on which the election is held.

(5) An ordinance approving an additional resort communities sales tax under this section shall provide an effective date for the tax as provided in Section 59-12-403.

(6)(a) Except as provided in Subsection (6)(b), a municipality is not subject to the voter approval requirements of Subsection (3)(b) if, on or before January 1, 1996, the municipality imposed a license fee or tax on businesses based on gross receipts pursuant to Section 10-1-203.

(b) The exception from the voter approval requirements in Subsection (6)(a) does not apply to a municipality that, on or before January 1, 1996, imposed a license fee or tax on only one class of businesses based on gross receipts pursuant to Section 10-1-203.

(7) Subject to Subsection 63H-1-203(1), a military installation development authority authorized to impose a resort communities tax under Section 59-12-401 may impose an additional resort communities sales tax under this section as if the military installation development authority were a municipality.

(8) [~~The~~ ] On or after October 1, 2024, the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, may impose an additional resort communities tax under this section on transactions that occur[~~:~~]

[~~(a)~~] within the district sales tax area, as defined in Subsection 59-12-401(4)[~~; and~~] , as if the district were a municipality.

[~~(b) that occur on or after October 1, 2024.~~]

(9) Beginning October 1, 2025, the creating entity of a major sporting event venue zone, established under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, may by ordinance impose a tax under this section on transactions that occur within the sales and use tax boundary of a major sporting event venue zone as those terms are defined in Section 63N-3-1701 to the same extent and in the same manner as a municipality may impose a tax under this section.

Section 16. Section **59-12-405** is amended to read:

**59-12-405 . Definitions -- Municipality filing requirements for lodging unit capacity -- Failure to meet eligibility requirements -- Notice to municipality -- Municipality authority to impose tax.**

(1) As used in this section:

(a) "High-occupancy lodging unit" means each bedroom in a:

(i) hostel; or

(ii) a unit similar to a hostel as determined by the commission by rule.

(b) "High-occupancy lodging unit capacity of a municipality" means the product of:

(i) the total number of high-occupancy lodging units within the incorporated boundaries of a municipality on the first day of the calendar quarter during which the municipality files the form described in Subsection (3); and

(ii) four.

(c) "Recreational lodging unit" means each site in a:

(i) campground that:

(A) is issued a business license by the municipality in which the campground is located; and

(B) provides the following hookups:

(I) water;

(II) sewer; and

(III) electricity;[~~ or~~]

(ii) recreational vehicle park that provides the following hookups:

(A) water;

(B) sewer; and

(C) electricity; or

(iii) unit similar to Subsection (1)(c)(i) or (ii) as determined by the commission by rule.

(d) "Recreational lodging unit capacity of a municipality" means the product of:

(i) the total number of recreational lodging units within the incorporated boundaries of a municipality on the first day of the calendar quarter during which the municipality files the form described in Subsection (3); and

(ii) four.

(e) "Special lodging unit" means a lodging unit:

(i) that is a:

(A) high-occupancy lodging unit;

(B) recreational lodging unit; or

(C) standard lodging unit;

(ii) for which the commission finds that in determining the capacity of the lodging unit the lodging unit should be multiplied by a number other than a number described in:

(A) for a high-occupancy lodging unit, Subsection (1)(b)(ii);

(B) for a recreational lodging unit, Subsection (1)(d)(ii); or

(C) for a standard lodging unit, Subsection (1)(i)(ii); and

(iii) for which the municipality in which the lodging unit is located files a written request with the commission for the finding described in Subsection (1)(e)(ii).

(f) "Special lodging unit capacity of a municipality" means the sum of the special lodging unit numbers for all of the special lodging units within the incorporated boundaries of a municipality on the first day of the calendar quarter during which the municipality files the form described in Subsection (3).

(g) "Special lodging unit number" means the number by which the commission finds that a special lodging unit should be multiplied in determining the capacity of the special lodging unit.

(h) "Standard lodging unit" means each bedroom in:

(i) a hotel;

(ii) a motel;

(iii) a bed and breakfast establishment;

(iv) an inn;

(v) a condominium that is:

(A) part of a rental pool; or

(B) regularly rented out for a time period of less than 30 consecutive days;

(vi) a property used as a residence that is:

(A) part of a rental pool; or

(B) regularly rented out for a time period of less than 30 consecutive days; or

(vii) a unit similar to Subsections (1)(h)(i) through (vi) as determined by the commission by rule.

(i) "Standard lodging unit capacity of a municipality" means the product of:

(i) the total number of standard lodging units within the incorporated boundaries of a municipality on the first day of the calendar quarter during which the municipality files the form described in Subsection (3); and

(ii) three.

(j) "Transient room capacity" means the sum of:

(i) the high-occupancy lodging unit capacity of a municipality;

(ii) the recreational lodging unit capacity of a municipality;

(iii) the special lodging unit capacity of a municipality; and

(iv) the standard lodging unit capacity of a municipality.

(2) A municipality that imposes a tax under this part shall provide the commission the following information as provided in this section:

(a) the high-occupancy lodging unit capacity of the municipality;

(b) the recreational lodging unit capacity of the municipality;

(c) the special lodging unit capacity of the municipality; and

(d) the standard lodging unit capacity of the municipality.

(3) A municipality shall file with the commission the information required by Subsection (2):

(a) on a form provided by the commission; and

(b) on or before:

(i) for a municipality that is required by Section 59-12-403 to provide notice to the commission, the day on which the municipality provides the notice required by Section 59-12-403 to the commission; or

(ii) for a municipality that is not required by Section 59-12-403 to provide notice to the commission, July 1 of each year.

(4) If the commission determines that a municipality that files the form described in Subsection (3) has a transient room capacity that is less than 66% of the municipality's permanent census population, the commission shall notify the municipality in writing:

(a) that the municipality's transient room capacity is less than 66% of the municipality's permanent census population; and

(b)(i) for a municipality that is required by Section 59-12-403 to provide notice to the commission, within 30 days after the day on which the municipality provides the notice to the commission; or

(ii) for a municipality that is not required by Section 59-12-403 to provide notice to the commission, on or before September 1.

(5)(a) For a municipality that does not impose a tax under Section 59-12-401 on the day on which the municipality files the form described in Subsection (3), if the commission provides written notice described in Subsection (4) to the municipality, the municipality may not impose a tax under this part until the municipality meets the requirements of this part to enact the tax.

(b) For a municipality that is not required by Section 59-12-403 to provide notice to the commission, if the commission provides written notice described in Subsection (4) to the municipality for three consecutive calendar years, the municipality may not impose a tax under this part:

(i) beginning on July 1 of the year after the year during which the commission provided written notice described in Subsection (4):

(A) to the municipality; and

(B) for the third consecutive calendar year; and

(ii) until the municipality meets the requirements of this part to enact the tax.

(6) The requirements of this section do not apply to a municipality that:

(a) is a creating entity of a major sporting event venue zone; and

(b) only imposes a tax authorized under this part on transactions that occur within the sales and use tax boundary of a major sporting event venue zone.

Section 17. Section **63N-3-1701** is enacted to read:

**Part 17. Major Sporting Event Venue Zone Act**

**63N-3-1701 . Definitions.**

As used in this part:

(1) "Base taxable value" means the taxable value of land within a qualified development zone as shown upon the assessment roll last equalized during the property tax base year.

(2) "Committee" means a major sporting event venue zone committee described in Section 63N-1a-1706.

(3) "Creating entity" means a municipality or a county.

(4) "Impacted primary area" means the land outside a major sporting event venue zone but within one mile of the boundary of the major sporting event venue zone.

(5)(a) "Major sporting event venue" means:

(i) for a venue that has been or is proposed to be used for the Olympic Games, as confirmed by the Salt Lake City-Utah Committee for the Games, a site, arena, or facility along with supporting or adjacent structures so long as the expected expenditures to construct, demolish, reconstruct, modify, upgrade, or expand the site, arena, or facility exceeds $100,000,000; or

(ii) for a venue that has been or is proposed to host international or professional sports competitions, a site, arena, golf course, playing field, stadium, or facility along with supporting or adjacent structures so long as:

(A) the expected expenditures to construct, demolish, reconstruct, modify, upgrade, or expand the site, arena, golf course, playing field, stadium, or facility exceeds $100,000,000;

(B) the total area for the venue is at least 500 acres in size; and

(C) the site, arena, golf course, playing field, stadium, or facility is not used primarily as the home location for a professional sports league franchise.

(b) "Major sporting event venue" includes structures where an international competition or professional athletic event is not taking place directly but where media, athletes, spectators, organizers, and officials associated with the international competition or professional athletic event are hosted in direct connection with the international competition or professional athletic event taking place at a location described in

Subsection (5)(a).

(6) "Major sporting event venue zone" means the land, as described in a proposal to create a major sporting event venue zone or a proposal to amend a major sporting event venue zone, or as approved by a committee for a major sporting event venue zone, upon which there are one or more major sporting event venues.

(7) "Major sporting event venue zone revenue" means all the revenue captured by a creating entity for an area described in a major sporting event venue zone and if applicable the secondary project area, including:

(a) property tax increment;

(b) if applicable, local sales and use tax increment;

(c) if applicable, municipal energy sales and use tax;

(d) if applicable, municipal telecommunications license tax;

(e) if applicable, accommodations tax;

(f) if applicable, transient room tax; and

(g) if applicable, resort communities sales and use tax and additional resort communities sales and use tax.

(8) "Property tax base year" means, for each property tax increment collection period triggered within a qualified development zone or a proposed qualified development zone, the calendar year before the calendar year in which the property tax increment begins to be collected for the parcels triggered for that collection period.

(9)(a) "Property tax increment" means the difference between:

(i) the amount of property tax revenue generated each tax year by a taxing entity within a qualified development zone, or proposed qualified development zone, from which property tax increment is to be collected, using the current assessed value and each taxing entity's current certified tax rate as defined in Section 59-2-924; and

(ii) the amount of property tax revenue that would be generated from the area described in Subsection (9)(a)(i) using the base taxable value and each taxing entity's current certified tax rate as defined in Section 59-2-924.

(b) "Property tax increment" does not include property tax revenue from:

(i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2); or

(ii) a county additional property tax described in Subsection 59-2-1602(4).

(10) "Proposal" means a document, physical or electronic, developed by a creating entity:

(a) outlining the need for a major sporting event venue zone;
(b) describing the impacted primary area of a proposed major sporting event venue zone;
(c) describing the proposed secondary project area of a proposed major sporting event venue zone, if any; and
(d) submitted to a major sporting event venue zone committee.

(11) "Qualified development zone" means the property within a major sporting event venue zone, and, if applicable, the secondary project area, as approved by the committee as described in this part.

(12) "Sales and use tax base year" means a sales and use tax year determined by the first year pertaining to the tax imposed in Section 59-12-103 after the sales and use tax boundary for a major sporting event venue zone is established.

(13)(a) "Sales and use tax boundary" means a boundary established as described in Sections 63N-3-1707 and 63N-3-1710, based on sales and use tax collection that corresponds as closely as reasonably practicable to the boundary of the major sporting event venue zone.
(b) "Sales and use tax boundary" does not include land described in a secondary project area.

(14) "Sales and use tax increment" means the difference between:
(a) the amount of local sales and use tax revenue generated each year following the sales and use tax base year by the local sales and use tax from the area within a sales and use tax boundary from which local sales and use tax increment is to be collected; and
(b) the amount of local sales and use tax revenue that was generated from within the sales and use tax boundary during the sales and use tax base year.

(15)(a) "Secondary project area" means land, as described in a proposal to create a major sporting event venue zone or a proposal to amend a major sporting event venue zone, or as approved by a committee for a major sporting event venue zone:
(i) located in the same jurisdiction as the creating entity for the major sporting event venue zone;
(ii) located no more than two miles from the boundary of the major sporting event venue zone;
(iii) connected to a major sporting event venue zone by a transportation system; and
(iv) not exceeding 50 acres.
(b) "Secondary project area" may include:
(i) land that is not contiguous to the major sporting event venue zone, if the land

designated in the secondary project area is the only or primary point of transit by which an individual may begin to access the major sporting event venue zone; and

(ii) the land on which a connecting transportation system sits if the transportation system requires infrastructure that is permanently affixed to the land.

(16) "Transportation system" means:

(a) a street, alley, road, highway, pathway, or thoroughfares of any kind, including connected structures;

(b) an airport or aerial transit infrastructure;

(c) a public transit facility; or

(d) any other modes or form of conveyance used by the public.

Section 18. Section **63N-3-1702** is enacted to read:

**63N-3-1702 . Applicability, requirements, and limitations on a major sporting event venue zone.**

(1) A major sporting event venue zone created pursuant to this part shall promote the following objectives:

(a) redevelopment of existing but aging major sporting event venues;

(b) development of new major sporting event venues;

(c) development of infrastructure supporting a major sporting event venue;

(d) increased utilization of public transportation when accessing a major sporting event venue;

(e) improved efficiencies in parking and transportation with the goal of increasing walkability between a major sporting event venue and a public transit station;

(f) improved commercial development, or mixed commercial-residential development, in areas near a major sporting event venue;

(g) improving air quality by reducing fuel consumption and motor vehicle trips; and

(h) increasing tourism activity.

(2) In order to accomplish the objectives described in this section, a creating entity that initiates the process to create a major sporting event venue zone shall ensure that a proposal for a major sporting event venue zone includes information demonstrating how the proposed major sporting event venue zone shall achieve the objectives described in Subsection (1).

(3) Notice of commencement of collection of property tax increment shall be sent by mail or electronically to the following entities no later than January 1 of the year for which the property tax increment collection is proposed to commence:

(a) the State Tax Commission;

(b) the State Board of Education;

(c) the state auditor;

(d) the auditor of the county in which the major sporting event venue zone is proposed to be created;

(e) each taxing entity to be affected by collection of property tax increment in the proposed major sporting event venue zone;

(f) the assessor of the county in which the major sporting event venue zone is proposed to be created; and

(g) the Governor's Office of Economic Opportunity.

(4) A major sporting event venue zone proposal may include:

(a) a proposal to capture property tax increment;

(b) a proposal to capture local sales and use tax increment; and

(c) a proposal to implement a tax described in Section 11-71-201, either immediately upon creation of the major sporting event venue zone or on a specified timeline following the creation of the major sporting event venue zone.

Section 19. Section **63N-3-1703** is enacted to read:

**63N-3-1703 . Process for proposing a major sporting event venue zone.**

(1)(a) A creating entity may propose a major sporting event venue zone as provided in this section.

(b) One or more creating entities may jointly propose a major sporting event venue zone if:

(i) the creating entities first enter an interlocal agreement governing how the creating entities shall manage the major sporting event venue zone, if approved; or

(ii) the creating entities include a proposed interlocal agreement the creating entities will enter upon approval of the major sporting event venue zone.

(c) A creating entity may not propose a major sporting event venue zone unless the owner of a major sporting event venue consents to the creation of the major sporting event venue zone through a participation agreement with the creating entity.

(2) A proposal for a major sporting event venue zone shall:

(a) identify if the proposal is to redevelop an existing but aging major sporting event venue, develop a new major sporting event venue, or both redevelop an existing but aging major sporting event venue and develop a new major sporting event venue;

(b) demonstrate that the major sporting event venue zone will meet the objectives described in Subsection 63N-3-1702(1);

(c) explain how the creating entity will achieve the requirements of Subsection 63N-3-1702(2);

(d) include the consent described in Subsection (1)(c);

(e) define specific infrastructure needs, if any, and proposed improvements to:

(i) the major sporting event venue zone; and

(ii) if applicable, the secondary project area;

(f) demonstrate how the major sporting event venue zone will:

(i) ensure sufficient traffic control;

(ii) provide multiple avenues for spectators or participants to access the major sporting event venue zone, including public transit; and

(iii) promote increased visitation to and recreation in the major sporting event venue zone;

(g) define the boundaries of the major sporting event venue zone;

(h) define the boundaries of the secondary project area, if any;

(i) identify any impediments to the development of a new major sporting event venue, or impediments to refurbishing an existing major sporting event venue, in the major sporting event venue zone and proposed strategies for addressing each one;

(j) describe the proposed development or refurbishment to a sporting event venue in the major sporting event venue zone, including estimated costs;

(k) subject to Subsection (3):

(i) propose the collection period or periods for property tax increment;

(ii) propose the collection period for local sales and use tax increment;

(iii) propose the collection period or periods for property tax increment in the secondary project area, if any;

(iv) propose the sales tax increment to be collected for the benefit of the major sporting event venue zone; and

(v) propose the qualified development zone boundaries for purposes of the property tax increment boundary, as described in Section 63N-3-1709, and the sales and use tax boundary, as described in Section 63N-3-1710;

(l) establish the timeline to levy additional taxes authorized under Title 11, Chapter 71, Major Sporting Event Venue Zones, if any, within the major sporting event venue zone;

(m) describe projected maximum revenues generated within the major sporting event venue zone by each permitted source of revenue described in Section 11-71-201;

(n) describe proposed expenditures of revenue generated within the major sporting event venue zone;

(o) include an analysis of other applicable or eligible incentives, grants, or sources of revenue that can be used to reduce any finance gap between generated revenue and estimated costs;

(p)(i) describe any known opportunities for private-public partnership in developing, refurbishing, operating, or managing a major sporting event venue, as described in Section 11-71-301; or

(ii) describe a strategy to pursue private-public partnership in developing or refurbishing a major sporting event venue;

(q) propose a finance schedule to align expected revenue with required financing costs and payments;

(r) evaluate possible benefits to active transportation, public transportation availability and utilization, street connectivity, and air quality; and

(s) provides a pro forma for the planned development that:

(i) satisfies the requirements described in Section 63N-3-1702; and

(ii) includes data showing the cost difference between what type of redevelopment or development could feasibly occur without major sporting event venue zone revenue, and the type of redevelopment or development that is proposed to occur with major sporting event venue zone revenue.

(3)(a) Property tax increment may be collected from a qualified development zone for no less than 25 years and no more than 40 years.

(b) A proposal for a major sporting event venue zone may not propose or include triggering more than three property tax increment collection periods for the qualified development zone.

(c) Local sales and use tax increment may be collected for an area in a sales and use tax boundary for no more than 40 years.

(d) The percentage of property tax increment collected for the benefit of a major sporting event venue zone is 75%.

(e) The committee established under Section 63N-3-1706 shall determine the percentage of local sales and use tax increment to be collected for the benefit of a major sporting event venue zone.

(4) A creating entity shall submit a proposal described in Subsection (2) to a relevant school

district to discuss the requirements of the proposal.

(5) No earlier than 30 days after the day on which the creating entity submits the proposal to a relevant school district under Subsection (4), the creating entity shall provide the proposal described in Subsection (2) and any response or feedback to the proposal from a relevant school district to the office for consideration.

(6)(a) Within 14 days after the date on which the office receives the proposal described in Subsection (5), the office shall provide notice of the proposal to all affected taxing entities, including the State Tax Commission, cities, counties, school districts, metropolitan planning organizations, and the county assessor and county auditor of the county in which the major sporting event venue zone would be located.

(b) The office, in consultation with the county assessor, county auditor, and the State Tax Commission, shall evaluate the feasibility of administering the tax implications of the proposal, and provide findings to the creating entity proposing the major sporting event venue zone.

(7) After receiving the findings described in Subsection (6)(b), the creating entity proposing the major sporting event venue zone may:

(a) amend the proposal and request that the office submit the amended proposal to the committee; or

(b) request that the office submit the original major sporting event venue zone proposal to the committee.

Section 20. Section **63N-3-1704** is enacted to read:

**63N-3-1704 . Consideration of proposals by the major sporting event venue zone committee.**

(1) A major sporting event venue zone proposed under this part is subject to approval by the major sporting event venue zone committee.

(2)(a) The proposing creating entity shall present the proposal to the major sporting event venue zone committee described in Section 63N-3-1706 in a public meeting.

(b) The committee shall evaluate and verify whether the objectives and elements of a major sporting event venue zone described in Section 63N-3-1702 have been met.

(3) In considering a proposal under this part, a committee may request any information from a creating entity needed to make a determination about whether to approve or deny a proposal, or approve a proposal with modifications, including a description of the proposed uses of funds and how funds will be used to support public projects related to the major sporting event venue zone, including transit.

(4)(a) Subject to Subsection (4)(b), the committee may:

(i) request changes to the proposal based on the analysis, characteristics, and criteria described in Section 63N-3-1703; or

(ii) vote to approve or deny the proposal.

(b) Before the committee may approve the major sporting event venue zone proposal, the creating entity proposing the major sporting event venue zone shall:

(i) for a creating entity that is made up of more than one municipality or county, ensure the requirement described in Subsection 63N-3-1703(1)(b) has been met; and

(ii) ensure that the area of the proposed major sporting event venue zone is zoned in such a manner to accommodate the requirements of a major sporting event venue zone described in this section and the proposed development.

Section 21. Section **63N-3-1705** is enacted to read:

**63N-3-1705 . Notice requirements for the creating entity.**

(1) In approving a proposal, the committee shall follow the hearing and notice requirements for proposing a major sporting event venue zone as described in this section.

(2) Within 30 days after the committee approves a proposed major sporting event venue zone as described in Section 63N-3-1707, the creating entity shall:

(a) record with the recorder of the county in which the major sporting event venue zone is located a document containing:

(i) a description of the land within the major sporting event venue zone, primary project area, and if applicable, the secondary project area;

(ii) a statement that the proposed major sporting event venue zone has been approved;

(iii) the date of adoption; and

(iv) the effective date of the major sporting event venue zone, as described in Section 63N-3-1707;

(b) transmit a copy of the description of the land within the major sporting event venue zone and an accurate map or plat indicating the boundaries of the major sporting event venue zone, and if applicable, secondary project area to the Utah Geospatial Resource Center created under Section 63A-16-505; and

(c) transmit a copy of the approved major sporting event venue zone proposal, map, and legal description of the major sporting event venue zone, and if applicable, secondary project area, to:

(i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any part of the major sporting event venue zone is located;

(ii) the officer or officers performing the function of auditor or assessor for each taxing entity that does not use the county assessment roll or collect the taxing entity's taxes through the county;

(iii) the legislative body or governing board of each taxing entity;

(iv) the State Tax Commission; and

(v) the State Board of Education.

Section 22. Section **63N-3-1706** is enacted to read:

**63N-3-1706 . Major sporting event venue zone committee -- Creation.**

(1) For any major sporting event venue zone proposed under this part, there is created a major sporting event venue zone committee with membership described in Subsection (2).

(2) Each major sporting event venue zone committee shall consist of the following members:

(a) one representative from the office, designated by the executive director of the office;

(b) one representative from the creating entity;

(c)(i) if a proposal addresses a major sporting event venue that will be used during an Olympic Games, one member of the executive committee for the Salt Lake City-Utah Committee for the Games; or

(ii) if a proposal does not address a major sporting event venue that will be used during an Olympic Games, one individual with expertise in a professional sports industry, appointed by the governor;

(d) one individual from the Office of the State Treasurer, designated by the state treasurer;

(e) two members designated by the president of the Senate;

(f) two members designated by the speaker of the House of Representatives;

(g) two representatives designated by the school superintendent from the school district affected by the major sporting event venue zone; and

(h) one representative, representing the largest participating local taxing entity, after the creating entity and school district, in the proposed major sporting event venue zone.

(3) After the office has received a request from the submitting creating entity to submit the proposal to the committee, as described in Subsection 63N-3-1703(7), the office shall notify each of the entities described in Subsection (2) of the formation of the major sporting event venue zone committee.

(4) The individual designated by the office as described in Subsection (2)(a) shall serve as chair of the committee.

(5)(a) A majority of the members of the committee constitutes a quorum.

(b) An action by a majority of a quorum of the committee is an action of the committee.

(6)(a) The chair of the committee shall convene a public meeting to consider the proposed major sporting event venue zone.

(b) A meeting of the committee is subject to Title 52, Chapter 4, Open and Public Meetings Act.

(7) The committee may:

(a) request changes to the proposal based on the analysis, characteristics, and criteria described in Section 63N-3-1702 or 63N-3-1703; or

(b) vote to approve or deny the proposal.

(8) If a major sporting event venue zone is approved as described in Section 63N-3-1707:

(a) the proposed major sporting event venue zone is established:

(i) according to the terms of the proposal; or

(ii) according to the modified terms of the proposal, as established by the committee in the committee's vote to approve the major sporting event venue zone;

(b) affected local taxing entities are required to participate according to the terms approved by the committee; and

(c) each affected taxing entity is required to participate at the same rate.

(9)(a) Except as provided in Subsection (9)(b), any aspect of a major sporting event venue zone, including the approved use of major sporting event venue zone revenue or the boundary of the qualified development zone or sales and use tax boundary, may be amended by following the same procedure as approving a major sporting event venue zone proposal.

(b) A boundary adjustment described in Section 63N-3-1711 does not require an amendment described in Subsection (9)(a).

Section 23. Section **63N-3-1707** is enacted to read:

**63N-3-1707 . Approval of a major sporting event venue zone -- Effective date of a major sporting event venue zone -- Establishment of qualified development zone boundary -- Base taxable value year.**

(1) A major sporting event venue zone proposal may be approved, with or without modifications, by a majority vote of the committee.

(2)(a) The effective date of a major sporting event venue zone is January 1 following the approval of a proposal by the committee, as described in Subsection (1).

(b) The collection of property tax increment or local sales and use tax increment may not be triggered before the effective date.

(3)(a) The base taxable value of land within an approved major sporting event venue zone is determined as of January 1 of the year in which the committee approves a major sporting event venue zone proposal.

(b) In approving the major sporting event venue zone, the committee shall establish:

(i) the qualified development zone area for the purpose of calculating property tax increment;

(ii) the sales and use tax boundary for the purpose of calculating local sales and use tax increment;

(iii) the percent of property tax increment that may be captured in the major sporting event venue zone;

(iv) the percent of local sales and use tax increment that may be captured in the major sporting event venue zone;

(v) the amount of time that property tax increment, local sales and use tax increment, or both may be captured in the major sporting event venue zone; and

(vi) the maximum amount of revenue from property tax increment, local sales and use tax increment, or both may be captured in the major sporting event venue zone.

(4) The creating entity of a major sporting event venue zone is responsible for tracking the revenue received from property tax increment, local sales and use tax increment, or both, and reporting to the county auditor and State Tax Commission if the creating entity reaches the maximum described in Subsection (3)(b)(vi) before the relevant time period described in Subsection (3)(b)(v).

Section 24. Section **63N-3-1708** is enacted to read:

**63N-3-1708 . Major sporting venue event zone boundaries -- Reporting requirements.**

(1) After a major sporting event venue zone is approved by the committee, as described in Section 63N-3-1706, the committee shall provide notice to the State Tax Commission, no later than 90 days after the day on which the committee approves the proposal:

(a) of the creation of the major sporting event venue zone, including the information described in Subsection (2);

(b) if the committee approves the creating entity to receive local sales and use tax increment, the information described in Subsection (3); and

(c) any information to the State Tax Commission required by the State Tax Commission; and

(2) The notice described in Subsection (1)(a) shall include:

(a) a statement that the major sporting event venue zone will be established under this part;

(b) the approval date and effective date of the major sporting event venue zone;

(c) the boundary of the qualified development zone;

(d) the sales and use tax base year, if applicable; and

(e) the sales and use tax boundary, if applicable.

(3) After the effective date of a major sporting event venue zone, as described in Section 63N-3-1707, the creating entity shall provide a written report, no later than August 1, on the creating entity's activities to implement the objectives of the major sporting event venue zone to the executive director.

(4)(a) The executive director shall annually provide a written report, no later than October 1, summarizing all reports received by the executive director under Subsection (3), to the:

(i) Revenue and Taxation Interim Committee;

(ii) Political Subdivisions Interim Committee; and

(iii) Economic Development and Workforce Services Interim Committee.

(b) The executive director shall include with the written report described in Subsection (4)(a) any recommendations to the Legislature for statutory changes to this chapter or Title 11, Chapter 71, Major Sporting Event Venue Zones.

Section 25. Section **63N-3-1709** is enacted to read:

**63N-3-1709 . Allowable property tax increment within a major sporting event venue zone.**

(1) A creating entity may receive and use property tax increment in accordance with this section and as described in Title 11, Chapter 71, Major Sporting Event Venue Zones.

(2)(a) A county that collects property tax on property located within a qualified development zone shall, in accordance with Section 59-2-1365, distribute to the creating entity the percentage of property tax increment approved by the committee pursuant to Section 63N-3-1707, not to exceed 75%.

(b) Property tax increment distributed to a creating entity in accordance with Subsection (2)(a):

(i) is not revenue of the taxing entity or the creating entity; and

(ii) constitutes major sporting event venue zone funds and shall be administered as described in Title 11, Chapter 71, Major Sporting Event Venue Zones.

(3)(a) A creating entity may designate another local government entity to be the fiscal agent for property tax increment paid to the creating entity.

(b) Before a fiscal agent may receive major sporting event venue zone funds from the creating entity, the creating entity and the fiscal agent shall enter into an agreement governing the use of the funds, consistent with this part and Title 11, Chapter 71, Major Sporting Event Venue Zones.

(4) Once the maximum amount of property tax increment has been distributed to the creating entity, as approved by the committee pursuant to Section 63N-3-1707, the county that collects property tax on property located within a qualified development zone is no longer obligated to distribute property tax increment to the creating entity.

(5) A creating entity and a creating entity's fiscal agent shall use major sporting event venue zone funds:

(a) to achieve the purposes described in Subsections 63N-3-1702(1) and (2)

(b) within, or for the direct benefit of, the major sporting event venue zone; and

(c) as described in Section 11-71-204.

Section 26. Section **63N-3-1710** is enacted to read:

**63N-3-1710 . Allowable local sales and use tax increment within a major sporting event venue zone.**

(1)(a) A major sporting event venue zone proposal may, in consultation with the State Tax Commission:

(i) propose a sales and use tax boundary as described in Subsection (2);

(ii) propose a local sales and use tax base year and collection period to calculate and transfer the local sales and use tax increment within the major sporting event venue zone, which sales and use tax base year is established prospectively, 90 days after the date of the notice described in Subsection (5); and

(iii) propose the percentage of local sales and use tax increment to be captured by the creating entity.

(b) A creating entity may only propose one local sales and use tax increment period for a major sporting event venue zone established under this section.

(2)(a) The creating entity, in consultation with the State Tax Commission, shall propose a sales and use tax boundary that:

(i) is based on sales and use tax collection boundaries, which are determined using the ZIP Code as defined in Section 59-12-102, including the four digit delivery route extension;

(ii) follows as closely as reasonably practicable the boundary of the major sporting event venue zone; and

(iii) is one contiguous area that includes at least the entire boundary of the major sporting event venue zone.

(b) If a sales and use tax boundary is bisected by the boundary of the major sporting event venue zone, the major sporting event venue zone may include the entire sales and use tax boundary.

(3) Subject to the requirements of Subsection (2), the committee may modify a proposed sales and use tax boundary before approving a major sporting event venue zone proposal.

(4) A major sporting event venue zone sales and use tax boundary, as approved by the committee, is the qualified development zone for purposes of the calculations in Sections 59-12-103 and 59-12-205.

(5) Once a creating entity notifies the State Tax Commission that the maximum amount of local sales and use tax increment has been distributed to the creating entity, as approved by the committee pursuant to Section 63N-3-1707, the State Tax Commission is no longer obligated to distribute local sales and use tax increment to the creating entity.

(6) The establishment of a sales and use tax base year and the requirement to transfer incremental sales tax revenue shall take effect:

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

(b) after a 90-day waiting period, beginning on the date the State Tax Commission receives notice.

Section 27. Section **63N-3-1711** is enacted to read:

**63N-3-1711 . Boundary adjustments.**

If the relevant county assessor or county auditor adjusts parcel or lot boundaries relevant to a major sporting event venue zone, the creating entity administering the property tax increment or local sales and use tax increment collected in the major sporting event zone may:

(1) make corresponding adjustments to the qualified development zone of the major sporting event venue zone; and

(2) in consultation with the State Tax Commission, and with the approval of the State Tax Commission, make corresponding adjustments to the local sales and use tax boundary.

Section 28. Section **63N-3-1712** is enacted to read:

**63N-3-1712 . Applicability to an existing project.**

(1) If a major sporting event venue zone overlaps an area that is part of a project area, as that term is defined in Section 17C-1-102, and created under Title 17C, Chapter 1, Agency Operations, that parcel may not be triggered for collection unless the project area funds collection period, as that term is defined in Section 17C-1-102, has expired.

(2) If a major sporting event venue zone overlaps any portion of an existing inactive industrial site community reinvestment project area plan created pursuant to Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act:

(a) if the community reinvestment project area plan captures less than 80% of the property tax increment from a taxing entity, or if a taxing entity is not participating in the community reinvestment project area plan, the major sporting event venue zone may capture the difference between:

(i) 80%; and

(ii) the percentage of property tax increment captured pursuant to the community reinvestment project area plan; and

(b) if a community reinvestment project area plan expires before the major sporting event venue zone, the major sporting event venue zone may capture the property tax increment allocated to the community reinvestment project area plan for any remaining portion of the term of the major sporting event venue zone.

(3)(a) Except as provided in Subsection (3)(b), a major sporting event venue zone may not overlap a housing and transit reinvestment zone or a first home investment zone.

(b) A major sporting event venue zone may overlap a housing and transit reinvestment zone or a first home investment zone if:

(i)(A) the major sporting event venue zone does not collect property tax increment for the area overlapping with the housing and transit reinvestment zone or the first home investment zone; or

(B) the major sporting event venue zone does not collect property tax increment for the area overlapping with the housing and transit reinvestment zone or the first home investment zone until the collection period for the housing and transit reinvestment zone's collection of property tax increment or the first home investment zone's collection of property tax increment has ended; and

(ii)(A) the major sporting event venue zone does not collect sales and use tax increment for the area overlapping with the housing and transit reinvestment zone or first home investment zone, if the housing and transit reinvestment zone or the first home investment zone collects sales and use tax increment; or

(B) the major sporting event venue zone does not collect local sales and use tax increment for the area overlapping with the housing and transit reinvestment zone or the first home investment zone until the collection period for the housing and transit reinvestment zone's collection of sales and use tax increment or the first home investment zone's collection of sales and use tax increment has ended.

Section 29. **Effective Date.**

This bill takes effect on January 1, 2026.