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

4 General Description:

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

6 **Highlighted Provisions:**

- 7 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;
- 12 defines permitted uses and administration of property tax increment and local sales and 13 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

- 29 major sporting event venue zone funds;
- authorizes a creating entity to enter into an agreement with a person to utilize major
- 31 sporting event venue zone funds in regard to owning, leasing, or operating a major
- 32 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
- 37 the Governor's Office of Economic Opportunity;
- creates and defines the membership of a committee to review a proposed major sporting
- 39 event venue zone;
- requires the committee to evaluate the proposed major sporting event venue zone and, if
- 41 certain criteria are met, approve the proposal with or without modifications;
- requires participation from local taxing entities if the major sporting event venue zone
- 43 meets statutory requirements;
- provides procedures for a major sports event venue that overlaps with a community
- 45 reinvestment project, a housing and transit reinvestment zone, a first home investment
- 46 zone, or a revitalization zone; and
- 47 ► makes technical and conforming changes.
- 48 Money Appropriated in this Bill:
- 49 None
- 50 Other Special Clauses:
- This bill provides a special effective date.
- 52 Utah Code Sections Affected:
- 53 AMENDS:
- **10-1-303**, as last amended by Laws of Utah 2024, Chapters 419, 438
- 55 **10-1-304**, as last amended by Laws of Utah 2024, Chapter 419
- 56 **10-1-403**, as last amended by Laws of Utah 2024, Chapter 419
- 57 **59-2-924**, as last amended by Laws of Utah 2024, Chapter 258
- 58 **59-12-104**, as last amended by Laws of Utah 2024, Chapter 35
- 59 **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
- 62 **59-12-401**, as last amended by Laws of Utah 2024, Chapter 419

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         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
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     ENACTS:
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         11-71-101, Utah Code Annotated 1953
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         11-71-201, Utah Code Annotated 1953
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         11-71-202, Utah Code Annotated 1953
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         11-71-203, Utah Code Annotated 1953
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         11-71-301, Utah Code Annotated 1953
71
         63N-3-1701, Utah Code Annotated 1953
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         63N-3-1702, Utah Code Annotated 1953
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         63N-3-1703, Utah Code Annotated 1953
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         63N-3-1704, Utah Code Annotated 1953
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         63N-3-1705, Utah Code Annotated 1953
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         63N-3-1706, Utah Code Annotated 1953
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         63N-3-1707, Utah Code Annotated 1953
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         63N-3-1708, Utah Code Annotated 1953
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         63N-3-1709, Utah Code Annotated 1953
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         63N-3-1710, Utah Code Annotated 1953
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         63N-3-1711, Utah Code Annotated 1953
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         63N-3-1712, Utah Code Annotated 1953
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     Be it enacted by the Legislature of the state of Utah:
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           Section 1. Section 10-1-303 is amended to read:
           10-1-303 . Definitions.
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         As used in this part:
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     (1) "Commission" means the State Tax Commission.
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     (2) "Contractual franchise fee" means:
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         (a) a fee:
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             (i) provided for in a franchise agreement; and
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             (ii) that is consideration for the franchise agreement; or
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         (b)(i) a fee similar to Subsection (2)(a); or
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             (ii) any combination of Subsections (2)(a) and (b).
     (3)(a) "Delivered value" means the fair market value of the taxable energy delivered for
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sale or use in the municipality and includes:

- 97 (i) the value of the energy itself; and
- 98 (ii) any transportation, freight, customer demand charges, services charges, or other
- osts typically incurred in providing taxable energy in usable form to each class of
- 100 customer in the municipality.
- (b) "Delivered value" does not include the amount of a tax paid under:
- 102 (i) Title 59, Chapter 12, Sales and Use Tax Act; or
- 103 (ii) this part.
- 104 (4) "De minimis amount" means an amount of taxable energy that does not exceed the
- greater of:
- 106 (a) 5% of the energy supplier's estimated total Utah gross receipts from sales of property
- or services; or
- 108 (b) \$10,000.
- 109 (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.
- 112 (6) "Fairpark district" means the Utah Fairpark Area Investment and Restoration District,
- 113 created in Section 11-70-201.
- 114 (7) "Franchise agreement" means a franchise or an ordinance, contract, or agreement
- granting a franchise.
- 116 (8) "Franchise tax" means:
- 117 (a) a franchise tax;
- (b) a tax similar to a franchise tax; or
- (c) any combination of Subsections (8)(a) and (b).
- 120 (9) "Major sporting event venue zone" means the same as that term is defined in Section
- 121 63N-3-1701.
- [(9)] (10) "Military authority" means the Military Installation Development Authority,
- created in Section 63H-1-201.
- 124 [(10)] (11) "Municipality" means a city or town.
- 125 $[\frac{(11)}{(12)}]$ (12) "Person" is as defined in Section 59-12-102.
- 126 [(12)] (13) "Point of the mountain authority" means the Point of the Mountain State Land
- 127 Authority, created in Section 11-59-201.
- 128 [(13)] (14) "Taxable energy" means gas and electricity.
- Section 2. Section **10-1-304** is amended to read:
- 130 10-1-304. Energy sales and use tax -- Rate -- Imposition or repeal of tax -- Tax

131	rate change Effective date Notice requirements Exemptions.
132	(1)(a) Except as provided in Subsections (4) and (5), a municipality may levy a
133	municipal energy sales and use tax on the sale or use of taxable energy within the
134	municipality:
135	(i) by ordinance as provided in Section 10-1-305; and
136	(ii) of up to 6% of the delivered value of the taxable energy.
137	(b) Subject to Section 63H-1-203, the military authority may levy a municipal energy
138	sales and use tax under this part within a project area described in a project area plan
139	adopted by the military authority under Title 63H, Chapter 1, Military Installation
140	Development Authority Act, as though the military authority were a municipality.
141	(c)(i) Beginning July 1, 2022, the point of the mountain authority may by resolution
142	levy a municipal energy sales and use tax under this part within the area that
143	constitutes the point of the mountain state land, as defined in Section 11-59-102,
144	as though the point of the mountain authority were a municipality.
145	(ii) The point of the mountain authority's adoption of a resolution under Subsection
146	(1)(c)(i) that otherwise complies with the requirements under this part applicable
147	to an ordinance is considered the equivalent of adopting an ordinance under this
148	part.
149	(d)(i) Beginning October 1, 2024, the fairpark district may by resolution levy a
150	municipal energy sales and use tax under this part within the district sales tax area,
151	as defined in Section 11-70-101, as though the fairpark district were a
152	municipality.
153	(ii) The fairpark district's adoption of a resolution under Subsection (1)(d)(i) that
154	otherwise complies with the requirements under this part applicable to an
155	ordinance is considered the equivalent of adopting an ordinance under this part.
156	(e)(i) Except as provided in Subsection (1)(e)(ii), beginning January 1, 2026, the
157	legislative body of a county with a major sporting event venue zone on
158	unincorporated county land may, by ordinance, levy a municipal energy sales and
159	use tax on the sale or use of taxable energy within the portion of the major
160	sporting event venue zone that is on unincorporated county land, as though the
161	county were a municipality.
162	(ii) A tax imposed under Subsection (1)(e)(i) may not be imposed on an
163	establishment described in NAICS Sectors 21, 22, or 48, or NAICS Code 324110
164	within the 2022 North American Industry Classification System of the federal

165	Executive Office of the President, Office of Management and Budget.
166	(2) A municipal energy sales and use tax imposed under this part may be in addition to any
167	sales and use tax imposed by the municipality under Title 59, Chapter 12, Sales and Use
168	Tax Act.
169	(3)(a) For purposes of this Subsection (3):
170	(i) "Annexation" means an annexation to a municipality under Chapter 2, Part 4,
171	Annexation.
172	(ii) "Annexing area" means an area that is annexed into a municipality.
173	(b)(i) If, on or after May 1, 2000, a city or town enacts or repeals a tax or changes the
174	rate of a tax under this part, the enactment, repeal, or change shall take effect:
175	(A) on the first day of a calendar quarter; and
176	(B) after a 90-day period beginning on the date the commission receives notice
177	meeting the requirements of Subsection (3)(b)(ii) from the municipality.
178	(ii) The notice described in Subsection (3)(b)(i)(B) shall state:
179	(A) that the city or town will enact or repeal a tax or change the rate of a tax under
180	this part;
181	(B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);
182	(C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and
183	(D) if the city or town enacts the tax or changes the rate of the tax described in
184	Subsection $(3)(b)(ii)(A)$, the new rate of the tax.
185	(c)(i) If, for an annexation that occurs on or after May 1, 2000, the annexation will
186	result in a change in the rate of a tax under this part for an annexing area, the
187	change shall take effect:
188	(A) on the first day of a calendar quarter; and
189	(B) after a 90-day period beginning on the date the commission receives notice
190	meeting the requirements of Subsection (3)(c)(ii) from the municipality that
191	annexes the annexing area.
192	(ii) The notice described in Subsection (3)(c)(i)(B) shall state:
193	(A) that the annexation described in Subsection (3)(c)(i) will result in a change in
194	the rate of a tax under this part for the annexing area;
195	(B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);
196	(C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and
197	(D) the new rate of the tax described in Subsection (3)(c)(ii)(A).
198	(4)(a) Subject to Subsection (4)(b), a sale or use of electricity within a municipality is

199	exempt from the tax authorized by this section if the sale or use is made under a tariff
200	adopted by the Public Service Commission [of Utah-]only for purchase of electricity
201	produced from a new source of alternative energy, as defined in Section 59-12-102,
202	as designated in the tariff by the Public Service Commission[-of Utah].
203	(b) The exemption under Subsection (4)(a) applies to the portion of the tariff rate a
204	customer pays under the tariff described in Subsection (4)(a) that exceeds the tariff
205	rate under the tariff described in Subsection (4)(a) that the customer would have paid
206	absent the tariff.
207	(5)(a) A municipality may not levy a municipal energy sales and use tax:
208	(i) within any portion of the municipality that is within a project area described in a
209	project area plan adopted by the military authority under Title 63H, Chapter 1,
210	Military Installation Development Authority Act;
211	(ii) on or after July 1, 2022, within the point of the mountain state land, as defined in
212	Section 11-59-102;[-or]
213	(iii) on or after October 1, 2024, within the district sales tax area, as defined in
214	Section 11-70-101[.] <u>; or</u>
215	(iv) on or after January 1, 2026, within a major sporting event venue zone, as defined
216	in Section 63N-3-1701.
217	(b) Subsection (5)(a) does not apply to:
218	(i) the military authority's levy of a municipal energy sales and use tax;
219	(ii) the point of the mountain authority's levy of a municipal energy sales and use tax;[
220	Of]
221	(iii) the fairpark district's levy of a municipal energy sales and use tax[-]; or
222	(iv) a county legislative body's levy of a municipal energy sales and use tax within a
223	major sporting event venue zone.
224	(6) A tax levied under this part by the military authority, point of the mountain authority, [
225	or fairpark district, or county with a major sporting event venue zone shall be
226	administered and collected on behalf of and paid to the military authority, point of the
227	mountain authority, [or-]fairpark district, or county with a major sporting event venue
228	zone respectively, in the same way that a tax levied under this part by a municipality is
229	administered and collected on behalf of and paid to the municipality.
230	Section 3. Section 10-1-403 is amended to read:
231	10-1-403. Levy of telecommunications license tax Recovery from customers
232	Enactment reneal or change in rate of tax Anneyation

- 233 (1)(a)(i) Subject to the provisions of this section, beginning July 1, 2004, a
 234 municipality may levy on and provide that there is collected from a
 235 telecommunications provider a municipal telecommunications license tax on the
 236 telecommunications provider's gross receipts from telecommunications service
 237 that are attributed to the municipality in accordance with Section 10-1-407.
 238 (ii) Subject to Section 63H-1-203, the military installation development auth
 - (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.

267	(2) A telecommunications provider may recover the amounts paid in municipal
268	telecommunications license taxes from the customers of the telecommunications
269	provider within the municipality imposing the municipal telecommunications license tax
270	through a charge that is separately identified in the statement of the transaction with the
271	customer as the recovery of a tax.
272	(3)(a) For purposes of this Subsection (3):
273	(i) "Annexation" means an annexation to a municipality under[-Title 10], Chapter 2,
274	Part 4, Annexation.
275	(ii) "Annexing area" means an area that is annexed into a municipality.
276	(b)(i) If, on or after July 1, 2004, a municipality enacts or repeals a tax or changes the
277	rate of the tax under this part, the enactment, repeal, or change shall take effect:
278	(A) on the first day of a calendar quarter; and
279	(B) after a 90-day period beginning on the date the commission receives notice
280	meeting the requirements of Subsection (3)(b)(ii) from the municipality.
281	(ii) The notice described in Subsection (3)(b)(i)(B) shall state:
282	(A) that the municipality will enact or repeal a tax under this part or change the
283	rate of the tax;
284	(B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);
285	(C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and
286	(D) if the municipality enacts the municipal telecommunications license tax or
287	changes the rate of the tax, the new rate of the tax.
288	(c)(i) If, for an annexation that occurs on or after July 1, 2004, the annexation will
289	result in a change in the rate of the tax under this part for an annexing area, the
290	change shall take effect:
291	(A) on the first day of a calendar quarter; and
292	(B) after a 90-day period beginning on the date the commission receives notice
293	meeting the requirements of Subsection (3)(c)(ii) from the municipality that
294	annexes the annexing area.
295	(ii) The notice described in Subsection (3)(c)(i)(B) shall state:
296	(A) that the annexation described in Subsection (3)(c)(i) will result in a change in
297	the rate of a tax under this part for the annexing area;
298	(B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);
299	(C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and
300	(D) the new rate of the tax described in Subsection (3)(c)(ii)(A).

301	(4) Notwithstanding Subsection (3)(b), for purposes of a change in a municipal
302	telecommunications license tax rate that takes effect on July 1, 2007, a municipality is
303	not subject to the notice requirements of Subsection (3)(b) if:
304	(a) on June 30, 2007, the municipality has in effect an ordinance that levies a municipal
305	telecommunications license tax at a rate that exceeds 3.5%; and
306	(b) on July 1, 2007, the municipality has in effect an ordinance that levies a municipal
307	telecommunications license tax at a rate of 3.5%.
308	(5) Notwithstanding Subsection (3)(b), for purposes of a change in a municipal
309	telecommunications license tax rate that takes effect on July 1, 2007, the 90-day period
310	described in Subsection (3)(b)(i)(B) is considered to be a 30-day period if:
311	(a) on June 30, 2007, the municipality has in effect an ordinance that levies a municipal
312	telecommunications license tax at a rate that exceeds 3.5%; and
313	(b) on July 1, 2007, the municipality has in effect an ordinance that levies a municipal
314	telecommunications license tax at a rate that is less than 3.5%.
315	(6)(a)(i) A municipality may not levy or collect a municipal telecommunications
316	license tax for telecommunications service provided within any portion of the
317	municipality that is within a project area described in a project area plan adopted
318	by the military installation development authority under Title 63H, Chapter 1,
319	Military Installation Development Authority Act.
320	(ii) Beginning October 1, 2024, a municipality may not levy or collect a municipal
321	telecommunications license [fee] tax for telecommunications service provided
322	within any portion of the municipality that is within the district sales tax area, as
323	defined in Section 11-70-101.
324	(iii) Beginning January 1, 2026, a municipality may not levy or collect a municipal
325	telecommunications license tax within the sales and use tax boundary of a major
326	sporting event venue zone.
327	(b) Subsection (6)(a) does not apply to:
328	(i) the military installation development authority's levy of a municipal
329	telecommunications license tax;[-or]
330	(ii) the levy of a municipal telecommunications license tax by the Utah Fairpark Area
331	Investment and Restoration District, created in Section 11-70-201[-]; or
332	(iii) a county legislative body that levies a municipal telecommunications license tax
333	within a major sporting event venue zone.
334	(7)(a) The State Tax Commission shall provide to the military installation development

335	authority the collection data necessary to verify that revenue collected by the State
336	Tax Commission is distributed to the military installation development authority in
337	accordance with this part.
338	(b) The data described in Subsection (7)(a) shall include the State Tax Commission's
339	breakdown of military installation development authority revenue, including reports
340	of collections and distributions.
341	Section 4. Section 11-71-101 is enacted to read:
342	CHAPTER 71. MAJOR SPORTING EVENT VENUE ZONES
343	Part 1. General Provisions
344	<u>11-71-101</u> . Definitions.
345	As used in this chapter:
346	(1) "Accommodations and services" means an accommodation or service described in
347	Subsection 59-12-103(1)(i).
348	(2) "Agency" means a community reinvestment agency established by a creating entity
349	under Title 17C, Limited Purpose Local Government Entities - Community
350	Reinvestment Agencies.
351	(3) "Committee" means a major sporting event venue zone committee convened under Title
352	63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.
353	(4) "Creating entity" means:
354	(a) a municipality or county with an approved major sporting event venue zone in the
355	jurisdictional boundaries of the municipality or county, provided that the
356	jurisdictional boundaries of a county shall include incorporated areas within a county
357	if the county has an ownership interest in all or a portion of the major sporting event
358	venue; or
359	(b) one or more municipalities, one or more counties, or a municipality and a county that:
360	(i) have entered into an interlocal agreement to form a major sporting event venue
361	zone; and
362	(ii) have an approved major sporting event venue zone, as described in Title 63N,
363	Chapter 3, Part 17, Major Sporting Event Venue Zone Act.
364	(5) "Development" means:
365	(a) construction of a new major sporting event venue, including public infrastructure and
366	improvements;
367	(b) demolition, reconstruction, modification, upgrade, or expansion of an existing but

368	aging major sporting event venue, including new public infrastructure, public
369	infrastructure upgrades, or public infrastructure and improvements; and
370	(c) the planning of, arranging for, or participation in activities listed in Subsection (5)(a)
371	<u>or (b).</u>
372	(6) "Fiscal agent" means:
373	(a) an agency; or
374	(b) a public infrastructure financing district created under Title 17D, Chapter 4, Public
375	Infrastructure District Act.
376	(7) "Impacted primary area" means the same as that term is defined in Section 63N-3-1701.
377	(8) "Major sporting event venue zone" means the area within a municipality or county
378	approved by a major sporting event venue zone committee, as described in Title 63N,
379	Chapter 3, Part 17, Major Sporting Event Venue Zone Act.
380	(9) "Major sporting event venue zone revenue" means the same as that term is defined in
381	Section 63N-3-1701.
382	(10)(a) "Public infrastructure and improvements" means infrastructure, improvements,
383	facilities, or buildings that:
384	(i)(A) benefit the public and are owned by a public entity or a public utility; or
385	(B) benefit the public and are publicly maintained or operated by a public entity; or
386	(ii)(A) are privately owned;
387	(B) benefit the public;
388	(C) as determined by the legislative body of the creating entity, provide a
389	substantial benefit to the development and operation of a major sporting event
390	venue zone; and
391	(D) are built according to applicable county or municipal design and safety
392	standards.
393	(b) "Public infrastructure and improvements" includes:
394	(i) facilities, lines, or systems that provide water, sewer, storm drainage, natural gas,
395	electricity, energy storage, clean energy, microgrids, or telecommunications
396	service;
397	(ii) streets, roads, curbs, gutters, sidewalks, walkways, solid waste facilities, parking
398	facilities, rail lines, and multimodal facilities; and
399	(iii) a transportation system or components of a transportation system.
400	(11) "Qualified development zone" means the same as that term is defined in Section
401	63N-3-1701.

402	(12) "Secondary project area" means the same as that term is defined in Section 63N-3-1701.
403	(13) "Transportation system" means the same as the term is defined in Section 63N-3-1701.
404	Section 5. Section 11-71-201 is enacted to read:
405	11-71-201 . Taxes within and for the benefit of a major sporting event venue zone.
406	(1) The legislative body of a creating entity may, by ordinance, impose within a sales and
407	use boundary for a major sporting event venue zone:
408	(a)(i) a transient room tax, as described in Section 59-12-352;
409	(ii) a resort communities sales and use tax, as described in Section 59-12-401; and
410	(iii) an additional resort communities sales and use tax, as described in Section
411	<u>59-12-402; and</u>
412	(b) for a creating entity county:
413	(i) a municipal energy sales and use tax on the sale or use of taxable energy within
414	the part of the qualified development zone on the county's unincorporated land, as
415	described in Section 10-1-304; and
416	(ii) a municipal telecommunications license tax under this part for
417	telecommunications service provided within the part of the qualified development
418	zone on the county's unincorporated land, as described in Section 10-1-403.
419	(2) Revenue generated by a tax described in Subsection (1) is governed by Sections
420	11-71-202 and 11-71-203.
421	Section 6. Section 11-71-202 is enacted to read:
422	11-71-202. Major sporting event venue zone revenue.
423	(1) The following are approved revenue sources for a major sporting event venue zone:
424	(a) property tax increment for:
425	(i) the major sporting event venue zone, for at least 25 years but no more than 40, as
426	approved by the committee; and
427	(ii) if applicable, the secondary project area, for at least 25 years but no more than 40.
428	as approved by the committee;
429	(b) local sales and use tax increment for the major sporting event venue zone, for at least
430	25 years but no more than 40, as approved by the committee; and
431	(c) revenue generated by a tax described in Section 11-71-201.
432	(2) Revenue generated from a source described in Subsection (1):
433	(a) is major sporting event venue zone revenue; and
434	(b) shall be administered by the creating entity or a fiscal agent designated by the
435	creating entity.

436	(3) If a creating entity designates a fiscal agent to administer major sporting event venue
437	zone revenue, the creating entity and fiscal agent shall first enter into an interlocal
438	agreement:
439	(a) governing the administration, distribution, use, and management of major sporting
440	event zone revenue; and
441	(b) with terms that are consistent with this chapter and Title 63N, Chapter 3, Part 17,
442	Major Sporting Event Venue Zone Act.
443	Section 7. Section 11-71-203 is enacted to read:
444	11-71-203. Allowable uses of major sporting event venue zone revenue.
445	(1) A creating entity or fiscal agent shall use major sporting event venue zone revenue
446	within, or for the direct benefit of:
447	(a) the major sporting event venue zone;
448	(b) a secondary project area, if any; and
449	(c) an impacted primary area, if the creating entity finds that the use of the major
450	sporting event venue zone revenue will directly benefit the major sporting event
451	venue.
452	(2) A creating entity that receives major sporting event venue zone revenue shall allocate
453	the revenue to:
454	(a) development in the major sporting event venue zone, including:
455	(i) constructing, furnishing, maintaining, or operating a major sporting event venue;
456	(ii) demolishing or remodeling an existing major sporting event venue, or portions of
457	a major sporting event venue;
458	(iii) public infrastructure and improvements supporting the major sporting event
459	venue; and
460	(iv) realigning public infrastructure to better support the major sporting event venue;
461	(b) public infrastructure and improvements in a secondary project area, if any;
462	(c) public infrastructure and improvements in an impacted primary area; and
463	(d) make the annual payment of principal, interest, premiums, and necessary reserves for
464	any of the aggregate of bonds authorized under Subsection (3).
465	(3) A creating entity of a major sporting event venue zone may issue bonds, or cause bonds
466	to be issued, as permitted by law, to pay all or part of the costs incurred for the purposes
467	described in Subsections (2)(a) through (c), including the cost to issue and repay the
468	bonds including interest.
469	(4)(a) A creating entity or fiscal agent designated by a creating entity may create one or

470	more public infrastructure districts within the major sporting event venue zone under
471	Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the
472	major sporting event venue zone funds to guarantee the payment of public
473	infrastructure bonds issued by a public infrastructure district.
474	(b) A public infrastructure district created by a creating entity may be designated a fiscal
475	agent by the creating entity.
476	(5) In addition to the purposes described in Subsection (2), a creating entity or fiscal agent
477	may also allocate major sporting event venue zone funding:
478	(a) to promote the major sporting event venue;
479	(b) to mitigate the impacts of the major sporting event venue on local services, including
480	solid waste disposal operations, law enforcement, and road repair and road upgrades;
481	<u>and</u>
482	(c) as described in Subsection (7).
483	(6)(a) The creating entity may use major sporting event venue zone revenue to cover the
484	costs of the creating entity to administer the major sporting event venue zone, not to
485	exceed:
486	(i) 2% of the total annual major sporting event venue zone revenue collected by the
487	creating entity for the benefit of the major sporting event venue zone; or
488	(ii) if the creating entity provides some major sporting event venue zone revenue to a
489	fiscal agent, 2% of the total annual major sporting event zone revenue retained by
490	the creating entity for the benefit of the major sporting event venue zone.
491	(b) If the creating entity provides some or all of the major sporting event venue zone
492	revenue to a fiscal agent, the interlocal agreement described in Subsection
493	11-71-202(3) shall provide that the fiscal agent expends no more than 2% of the
494	major sporting event venue zone revenue allocated by the creating entity to the fiscal
495	agent on the fiscal agent's administrative costs.
496	(7) A creating entity may provide major sporting event venue zone revenue to a person
497	pursuant to a participation agreement or an agreement described in Section 11-71-301 or
498	<u>11-71-302.</u>
499	Section 8. Section 11-71-301 is enacted to read:
500	11-71-301 . Private-public partnerships for a major sporting event venue.
501	(1) A person that seeks to enter into a private-public partnership with a creating entity shall
502	provide the creating entity with an application that:
503	(a) demonstrates the applicant is qualified to operate, in whole or in part, a major

504	sporting event venue; and
505	(b) provides any additional information required by the creating entity.
506	(2) A creating entity may enter into a private-public partnership:
507	(a) if, after reviewing the application described in Subsection (1), the creating entity
508	determines a private-public partnership will promote the objectives of the major
509	sporting event venue zone; and
510	(b) through an agreement described in this section.
511	(3) An agreement to create a private-public partnership between a person and a creating
512	entity:
513	(a) may establish or recognize an ownership interest in the major sporting event venue
514	for the person, in consideration of the person's financial investment in the major
515	sporting event venue;
516	(b) may establish an ownership interest in the major sporting event venue for the
517	creating entity, in consideration of the creating entity's financial investment in the
518	major sporting event venue zone; and
519	(c) may create a lease interest for the person in the major sporting event venue.
520	Section 9. Section 59-2-924 is amended to read:
521	59-2-924 . Definitions Report of valuation of property to county auditor and
522	commission Transmittal by auditor to governing bodies Calculation of certified tax
523	rate Rulemaking authority Adoption of tentative budget Notice provided by the
524	commission.
525	(1) As used in this section:
526	(a)(i) "Ad valorem property tax revenue" means revenue collected in accordance with
527	this chapter.
528	(ii) "Ad valorem property tax revenue" does not include:
529	(A) interest;
530	(B) penalties;
531	(C) collections from redemptions; or
532	
	(D) revenue received by a taxing entity from personal property that is
533	(D) revenue received by a taxing entity from personal property that is semiconductor manufacturing equipment assessed by a county assessor in
533 534	semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment.
533 534 535	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
533 534 535 536	semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment.

538	(A) the aggregate taxable value of all real property a county assessor assesses in
539	accordance with Part 3, County Assessment, for the current year;
540	(B) the aggregate taxable value of all real and personal property the commission
541	assesses in accordance with Part 2, Assessment of Property, for the current
542	year; and
543	(C) the aggregate year end taxable value of all personal property a county assessor
544	assesses in accordance with Part 3, County Assessment, contained on the prior
545	year's tax rolls of the taxing entity.
546	(ii) "Aggregate taxable value of all property taxed" does not include the aggregate
547	year end taxable value of personal property that is:
548	(A) semiconductor manufacturing equipment assessed by a county assessor in
549	accordance with Part 3, County Assessment; and
550	(B) contained on the prior year's tax rolls of the taxing entity.
551	(d) "Base taxable value" means:
552	(i) for an authority created under Section 11-58-201, the same as that term is defined
553	in Section 11-58-102;
554	(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
555	the same as that term is defined in Section 11-59-207;
556	(iii) for the Utah Fairpark Area Investment and Restoration District created in Section
557	11-70-201, the same as that term is defined in Section 11-70-101;
558	(iv) for an agency created under Section 17C-1-201.5, the same as that term is
559	defined in Section 17C-1-102;
560	(v) for an authority created under Section 63H-1-201, the same as that term is defined
561	in Section 63H-1-102;
562	(vi) for a host local government, the same as that term is defined in Section
563	63N-2-502;
564	(vii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
565	Part 6, Housing and Transit Reinvestment Zone Act, a property's taxable value as
566	shown upon the assessment roll last equalized during the base year, as that term is
567	defined in Section 63N-3-602;
568	(viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
569	10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
570	27a, Part 12, Home Ownership Promotion Zone for Counties, a property's taxable
571	value as shown upon the assessment roll last equalized during the base year, as

572	that term is defined in Section 10-9a-1001 or Section 17-27a-1201;[-or]
573	(ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
574	First Home Investment Zone Act, a property's taxable value as shown upon the
575	assessment roll last equalized during the base year, as that term is defined in
576	Section 63N-3-1601[-] ; or
577	(x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
578	17, Major Sporting Event Venue Zone Act, a property's taxable value as shown
579	upon the assessment roll last equalized during the property tax base year, as that
580	term is defined in Section 63N-3-1701.
581	(e) "Centrally assessed benchmark value" means an amount equal to the average year
582	end taxable value of real and personal property the commission assesses in
583	accordance with Part 2, Assessment of Property, for the previous three calendar
584	years, adjusted for taxable value attributable to:
585	(i) an annexation to a taxing entity;
586	(ii) an incorrect allocation of taxable value of real or personal property the
587	commission assesses in accordance with Part 2, Assessment of Property; or
588	(iii) a change in value as a result of a change in the method of apportioning the value
589	prescribed by the Legislature, a court, or the commission in an administrative rule
590	or administrative order.
591	(f)(i) "Centrally assessed new growth" means the greater of:
592	(A) zero; or
593	(B) the amount calculated by subtracting the centrally assessed benchmark value
594	adjusted for prior year end incremental value from the taxable value of real and
595	personal property the commission assesses in accordance with Part 2,
596	Assessment of Property, for the current year, adjusted for current year
597	incremental value.
598	(ii) "Centrally assessed new growth" does not include a change in value as a result of
599	a change in the method of apportioning the value prescribed by the Legislature, a
600	court, or the commission in an administrative rule or administrative order.
601	(g) "Certified tax rate" means a tax rate that will provide the same ad valorem property
602	tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
603	(h) "Community reinvestment agency" means the same as that term is defined in Section
604	17C-1-102.
605	(i) "Eligible new growth" means the greater of:

606	(i) zero; or
607	(ii) the sum of:
608	(A) locally assessed new growth;
609	(B) centrally assessed new growth; and
610	(C) project area new growth or hotel property new growth.
611	(j) "Host local government" means the same as that term is defined in Section 63N-2-502.
612	(k) "Hotel property" means the same as that term is defined in Section 63N-2-502.
613	(l) "Hotel property new growth" means an amount equal to the incremental value that is
614	no longer provided to a host local government as incremental property tax revenue.
615	(m) "Incremental property tax revenue" means the same as that term is defined in
616	Section 63N-2-502.
617	(n) "Incremental value" means:
618	(i) for an authority created under Section 11-58-201, the amount calculated by
619	multiplying:
620	(A) the difference between the taxable value and the base taxable value of the
621	property that is located within a project area and on which property tax
622	differential is collected; and
623	(B) the number that represents the percentage of the property tax differential that
624	is paid to the authority;
625	(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
626	an amount calculated by multiplying:
627	(A) the difference between the current assessed value of the property and the base
628	taxable value; and
629	(B) the number that represents the percentage of the property tax augmentation, as
630	defined in Section 11-59-207, that is paid to the Point of the Mountain State
631	Land Authority;
632	(iii) for the Utah Fairpark Area Investment and Restoration District created in Section
633	11-70-201, the amount calculated by multiplying:
634	(A) the difference between the taxable value for the current year and the base
635	taxable value of the property that is located within a project area; and
636	(B) the number that represents the percentage of enhanced property tax revenue,
637	as defined in Section 11-70-101;
638	(iv) for an agency created under Section 17C-1-201.5, the amount calculated by
639	multiplying:

640	(A) the difference between the taxable value and the base taxable value of the
641	property located within a project area and on which tax increment is collected;
642	and
643	(B) the number that represents the adjusted tax increment from that project area
644	that is paid to the agency;
645	(v) for an authority created under Section 63H-1-201, the amount calculated by
646	multiplying:
647	(A) the difference between the taxable value and the base taxable value of the
648	property located within a project area and on which property tax allocation is
649	collected; and
650	(B) the number that represents the percentage of the property tax allocation from
651	that project area that is paid to the authority;
652	(vi) for a housing and transit reinvestment zone created pursuant to Title 63N,
653	Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount
654	calculated by multiplying:
655	(A) the difference between the taxable value and the base taxable value of the
656	property that is located within a housing and transit reinvestment zone and on
657	which tax increment is collected; and
658	(B) the number that represents the percentage of the tax increment that is paid to
659	the housing and transit reinvestment zone;
660	(vii) for a host local government, an amount calculated by multiplying:
661	(A) the difference between the taxable value and the base taxable value of the
662	hotel property on which incremental property tax revenue is collected; and
663	(B) the number that represents the percentage of the incremental property tax
664	revenue from that hotel property that is paid to the host local government;
665	(viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
666	10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
667	27a, Part 12, Home Ownership Promotion Zone for Counties, an amount
668	calculated by multiplying:
669	(A) the difference between the taxable value and the base taxable value of the
670	property that is located within a home ownership promotion zone and on which
671	tax increment is collected; and
672	(B) the number that represents the percentage of the tax increment that is paid to
673	the home ownership promotion zone: [-or]

674	(ix) for a first home investment zone created pursuant to Title 63N, Chapter 3, Part
675	16, First Home Investment Zone Act, an amount calculated by multiplying:
676	(A) the difference between the taxable value and the base taxable value of the
677	property that is located within a first home investment zone and on which tax
678	increment is collected; and
679	(B) the number that represents the percentage of the tax increment that is paid to
680	the first home investment zone[-] ; or
681	(x) for a major sporting event venue zone created pursuant to Title 63N, Chapter 3,
682	Part 17, Major Sporting Event Venue Zone Act, an amount calculated by
683	multiplying:
684	(A) the difference between the taxable value and the base taxable value of the
685	property located within a qualified development zone for a major sporting
686	event venue zone and upon which property tax increment is collected; and
687	(B) the number that represents the percentage of tax increment that is paid to the
688	major sporting event venue zone, as approved by a major sporting event venue
689	zone committee described in Section 63N-1a-1706.
690	(o)(i) "Locally assessed new growth" means the greater of:
691	(A) zero; or
692	(B) the amount calculated by subtracting the year end taxable value of real
693	property the county assessor assesses in accordance with Part 3, County
694	Assessment, for the previous year, adjusted for prior year end incremental
695	value from the taxable value of real property the county assessor assesses in
696	accordance with Part 3, County Assessment, for the current year, adjusted for
697	current year incremental value.
698	(ii) "Locally assessed new growth" does not include a change in:
699	(A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,
700	or another adjustment;
701	(B) assessed value based on whether a property is allowed a residential exemption
702	for a primary residence under Section 59-2-103;
703	(C) assessed value based on whether a property is assessed under Part 5, Farmland
704	Assessment Act; or
705	(D) assessed value based on whether a property is assessed under Part 17, Urban
706	Farming Assessment Act.
707	(p) "Project area" means:

708	(i) for an authority created under Section 11-58-201, the same as that term is defined
709	in Section 11-58-102;
710	(ii) for the Utah Fairpark Area Investment and Restoration District created in Section
711	11-70-201, the same as that term is defined in Section 11-70-101;
712	(iii) for an agency created under Section 17C-1-201.5, the same as that term is
713	defined in Section 17C-1-102;[-or]
714	(iv) for an authority created under Section 63H-1-201, the same as that term is
715	defined in Section 63H-1-102[-] ; or
716	(v) for a major sporting event venue zone established under Title 63N, Chapter 3,
717	Part 17, Major Sporting Event Venue Zone Act, the qualified development zone,
718	as defined in Section 63N-3-1701.
719	(q) "Project area new growth" means:
720	(i) for an authority created under Section 11-58-201, an amount equal to the
721	incremental value that is no longer provided to an authority as property tax
722	differential;
723	(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
724	an amount equal to the incremental value that is no longer provided to the Point of
725	the Mountain State Land Authority as property tax augmentation, as defined in
726	Section 11-59-207;
727	(iii) for the Utah Fairpark Area Investment and Restoration District created in Section
728	11-70-201, an amount equal to the incremental value that is no longer provided to
729	the Utah Fairpark Area Investment and Restoration District;
730	(iv) for an agency created under Section 17C-1-201.5, an amount equal to the
731	incremental value that is no longer provided to an agency as tax increment;
732	(v) for an authority created under Section 63H-1-201, an amount equal to the
733	incremental value that is no longer provided to an authority as property tax
734	allocation;
735	(vi) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
736	Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the
737	incremental value that is no longer provided to a housing and transit reinvestment
738	zone as tax increment;
739	(vii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
740	10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
741	27a, Part 12, Home Ownership Promotion Zone for Counties, an amount equal to

742	the incremental value that is no longer provided to a home ownership promotion
743	zone as tax increment;[-or]
744	(viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
745	First Home Investment Zone Act, an amount equal to the incremental value that is
746	no longer provided to a first home investment zone as tax increment[-]; or
747	(ix) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
748	17, Major Sporting Event Venue Zone Act, an amount equal to the incremental
749	value that is no longer provided to the creating entity of a major sporting event
750	venue zone as property tax increment.
751	(r) "Project area incremental revenue" means the same as that term is defined in Section
752	17C-1-1001.
753	(s) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
754	(t) "Property tax differential" means the same as that term is defined in Section
755	11-58-102.
756	(u) "Qualifying exempt revenue" means revenue received:
757	(i) for the previous calendar year;
758	(ii) by a taxing entity;
759	(iii) from tangible personal property contained on the prior year's tax rolls that is
760	exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year
761	beginning on January 1, 2022; and
762	(iv) on the aggregate 2021 year end taxable value of the tangible personal property
763	that exceeds \$15,300.
764	(v) "Tax increment" means:
765	(i) for a project created under Section 17C-1-201.5, the same as that term is defined
766	in Section 17C-1-102;
767	(ii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
768	Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is
769	defined in Section 63N-3-602;
770	(iii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
771	10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
772	27a, Part 12, Home Ownership Promotion Zone for Counties, the same as that
773	term is defined in Section 10-9a-1001 or Section 17-27a-1201;[-or]
774	(iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
775	First Home Investment Zone Act, the same as that term is defined in Section

776	63N-3-1601[.] ; or
777	(v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
778	17, Major Sporting Event Venue Zone Act, property tax increment, as that term is
779	defined in Section 63N-3-1701.
780	(2) Before June 1 of each year, the county assessor of each county shall deliver to the
781	county auditor and the commission the following statements:
782	(a) a statement containing the aggregate valuation of all taxable real property a county
783	assessor assesses in accordance with Part 3, County Assessment, for each taxing
784	entity; and
785	(b) a statement containing the taxable value of all personal property a county assessor
786	assesses in accordance with Part 3, County Assessment, from the prior year end
787	values.
788	(3) The county auditor shall, on or before June 8, transmit to the governing body of each
789	taxing entity:
790	(a) the statements described in Subsections (2)(a) and (b);
791	(b) an estimate of the revenue from personal property;
792	(c) the certified tax rate; and
793	(d) all forms necessary to submit a tax levy request.
794	(4)(a) Except as otherwise provided in this section, the certified tax rate shall be
795	calculated by dividing the ad valorem property tax revenue that a taxing entity
796	budgeted for the prior year minus the qualifying exempt revenue by the amount
797	calculated under Subsection (4)(b).
798	(b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
799	calculate an amount as follows:
800	(i) calculate for the taxing entity the difference between:
801	(A) the aggregate taxable value of all property taxed; and
802	(B) any adjustments for current year incremental value;
803	(ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
804	determined by increasing or decreasing the amount calculated under Subsection
805	(4)(b)(i) by the average of the percentage net change in the value of taxable
806	property for the equalization period for the three calendar years immediately
807	preceding the current calendar year;
808	(iii) after making the calculation required by Subsection (4)(b)(ii), calculate the
809	product of:

810	(A) the amount calculated under Subsection (4)(b)(ii); and
811	(B) the percentage of property taxes collected for the five calendar years
812	immediately preceding the current calendar year; and
813	(iv) after making the calculation required by Subsection (4)(b)(iii), calculate an
814	amount determined by:
815	(A) multiplying the percentage of property taxes collected for the five calendar
816	years immediately preceding the current calendar year by eligible new growth
817	and
818	(B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the
819	amount calculated under Subsection (4)(b)(iii).
820	(5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated
821	as follows:
822	(a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified
823	tax rate is zero;
824	(b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
825	(i) in a county of the first, second, or third class, the levy imposed for municipal-type
826	services under Sections 17-34-1 and 17-36-9; and
827	(ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
828	purposes and such other levies imposed solely for the municipal-type services
829	identified in Section 17-34-1 and Subsection 17-36-3(23);
830	(c) for a community reinvestment agency that received all or a portion of a taxing
831	entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,
832	Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in
833	Subsection (4) except that the commission shall treat the total revenue transferred to
834	the community reinvestment agency as ad valorem property tax revenue that the
835	taxing entity budgeted for the prior year; and
836	(d) for debt service voted on by the public, the certified tax rate is the actual levy
837	imposed by that section, except that a certified tax rate for the following levies shall
838	be calculated in accordance with Section 59-2-913 and this section:
839	(i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
840	(ii) a levy to pay for the costs of state legislative mandates or judicial or
841	administrative orders under Section 59-2-1602.
842	(6)(a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be imposed
843	at a rate that is sufficient to generate only the revenue required to satisfy one or more

844	eligible judgments.
845	(b) The ad valorem property tax revenue generated by a judgment levy described in
846	Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate
847	certified tax rate.
848	(7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:
849	(i) the taxable value of real property:
850	(A) the county assessor assesses in accordance with Part 3, County Assessment;
851	and
852	(B) contained on the assessment roll;
853	(ii) the year end taxable value of personal property:
854	(A) a county assessor assesses in accordance with Part 3, County Assessment; and
855	(B) contained on the prior year's assessment roll; and
856	(iii) the taxable value of real and personal property the commission assesses in
857	accordance with Part 2, Assessment of Property.
858	(b) For purposes of Subsection (7)(a), taxable value does not include eligible new
859	growth.
860	(8)(a) On or before June 30, a taxing entity shall annually adopt a tentative budget.
861	(b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
862	the county auditor of:
863	(i) the taxing entity's intent to exceed the certified tax rate; and
864	(ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
865	(c) The county auditor shall notify property owners of any intent to levy a tax rate that
866	exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
867	(9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through
868	electronic means on or before July 31, to a taxing entity and the Revenue and
869	Taxation Interim Committee if:
870	(i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
871	taxable value of the real and personal property the commission assesses in
872	accordance with Part 2, Assessment of Property, for the previous year, adjusted
873	for prior year end incremental value; and
874	(ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
875	end taxable value of the real and personal property of a taxpayer the commission
876	assesses in accordance with Part 2, Assessment of Property, for the previous year.
877	(b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by

878	subtracting the taxable value of real and personal property the commission assesses
879	in accordance with Part 2, Assessment of Property, for the current year, adjusted for
880	current year incremental value, from the year end taxable value of the real and
881	personal property the commission assesses in accordance with Part 2, Assessment of
882	Property, for the previous year, adjusted for prior year end incremental value.
883	(c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
884	subtracting the total taxable value of real and personal property of a taxpayer the
885	commission assesses in accordance with Part 2, Assessment of Property, for the
886	current year, from the total year end taxable value of the real and personal property of
887	a taxpayer the commission assesses in accordance with Part 2, Assessment of
888	Property, for the previous year.
889	(d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the
890	requirement under Subsection (9)(a)(ii).
891	Section 10. Section 59-12-104 is amended to read:
892	59-12-104 . Exemptions.
893	Exemptions from the taxes imposed by this chapter are as follows:
894	(1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
895	under Chapter 13, Motor and Special Fuel Tax Act;
896	(2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political
897	subdivisions; however, this exemption does not apply to sales of:
898	(a) construction materials except:
899	(i) construction materials purchased by or on behalf of institutions of the public
900	education system as defined in Utah Constitution, Article X, Section 2, provided
901	the construction materials are clearly identified and segregated and installed or
902	converted to real property which is owned by institutions of the public education
903	system; and
904	(ii) construction materials purchased by the state, its institutions, or its political
905	subdivisions which are installed or converted to real property by employees of the
906	state, its institutions, or its political subdivisions; or
907	(b) tangible personal property in connection with the construction, operation,
908	maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or
909	facilities providing additional project capacity, as defined in Section 11-13-103;
910	(3)(a) sales of an item described in Subsection (3)(b) from a vending machine if:
911	(i) the proceeds of each sale do not exceed \$1; and

912	(ii) the seller or operator of the vending machine reports an amount equal to 150% of
913	the cost of the item described in Subsection (3)(b) as goods consumed; and
914	(b) Subsection (3)(a) applies to:
915	(i) food and food ingredients; or
916	(ii) prepared food;
917	(4)(a) sales of the following to a commercial airline carrier for in-flight consumption:
918	(i) alcoholic beverages;
919	(ii) food and food ingredients; or
920	(iii) prepared food;
921	(b) sales of tangible personal property or a product transferred electronically:
922	(i) to a passenger;
923	(ii) by a commercial airline carrier; and
924	(iii) during a flight for in-flight consumption or in-flight use by the passenger; or
925	(c) services related to Subsection (4)(a) or (b);
926	(5) sales of parts and equipment for installation in an aircraft operated by a common carrier
927	in interstate or foreign commerce;
928	(6) sales of commercials, motion picture films, prerecorded audio program tapes or records,
929	and prerecorded video tapes by a producer, distributor, or studio to a motion picture
930	exhibitor, distributor, or commercial television or radio broadcaster;
931	(7)(a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of
932	cleaning or washing of tangible personal property if the cleaning or washing of the
933	tangible personal property is not assisted cleaning or washing of tangible personal
934	property;
935	(b) if a seller that sells at the same business location assisted cleaning or washing of
936	tangible personal property and cleaning or washing of tangible personal property that
937	is not assisted cleaning or washing of tangible personal property, the exemption
938	described in Subsection (7)(a) applies if the seller separately accounts for the sales of
939	the assisted cleaning or washing of the tangible personal property; and
940	(c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah
941	Administrative Rulemaking Act, the commission may make rules:
942	(i) governing the circumstances under which sales are at the same business location;
943	and
944	(ii) establishing the procedures and requirements for a seller to separately account for
945	sales of assisted cleaning or washing of tangible personal property;

946	(8) sales made to or by religious or charitable institutions in the conduct of their regular
947	religious or charitable functions and activities, if the requirements of Section 59-12-104.1
948	are fulfilled;
949	(9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this
950	state if:
951	(a) the sale is not from the vehicle's lessor to the vehicle's lessee;
952	(b) the vehicle is not registered in this state; and
953	(c)(i) the vehicle is not used in this state; or
954	(ii) the vehicle is used in this state:
955	(A) if the vehicle is not used to conduct business, for a time period that does not
956	exceed the longer of:
957	(I) 30 days in any calendar year; or
958	(II) the time period necessary to transport the vehicle to the borders of this
959	state; or
960	(B) if the vehicle is used to conduct business, for the time period necessary to
961	transport the vehicle to the borders of this state;
962	(10)(a) amounts paid for an item described in Subsection (10)(b) if:
963	(i) the item is intended for human use; and
964	(ii)(A) a prescription was issued for the item; or
965	(B) the item was purchased by a hospital or other medical facility; and
966	(b)(i) Subsection (10)(a) applies to:
967	(A) a drug;
968	(B) a syringe; or
969	(C) a stoma supply; and
970	(ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
971	the commission may by rule define the terms:
972	(A) "syringe"; or
973	(B) "stoma supply";
974	(11) purchases or leases exempt under Section 19-12-201;
975	(12)(a) sales of an item described in Subsection (12)(c) served by:
976	(i) the following if the item described in Subsection (12)(c) is not available to the
977	general public:
978	(A) a church; or
979	(B) a charitable institution; or

980	(ii) an institution of higher education if:
981	(A) the item described in Subsection (12)(c) is not available to the general public;
982	or
983	(B) the item described in Subsection (12)(c) is prepaid as part of a student meal
984	plan offered by the institution of higher education; [-or]
985	(b) sales of an item described in Subsection (12)(c) provided for a patient by:
986	(i) a medical facility; or
987	(ii) a nursing facility; and
988	(c) Subsections (12)(a) and (b) apply to:
989	(i) food and food ingredients;
990	(ii) prepared food; or
991	(iii) alcoholic beverages;
992	(13)(a) except as provided in Subsection (13)(b), the sale of tangible personal property
993	or a product transferred electronically by a person:
994	(i) regardless of the number of transactions involving the sale of that tangible
995	personal property or product transferred electronically by that person; and
996	(ii) not regularly engaged in the business of selling that type of tangible personal
997	property or product transferred electronically;
998	(b) this Subsection (13) does not apply if:
999	(i) the sale is one of a series of sales of a character to indicate that the person is
1000	regularly engaged in the business of selling that type of tangible personal property
1001	or product transferred electronically;
1002	(ii) the person holds that person out as regularly engaged in the business of selling
1003	that type of tangible personal property or product transferred electronically;
1004	(iii) the person sells an item of tangible personal property or product transferred
1005	electronically that the person purchased as a sale that is exempt under Subsection
1006	(25); or
1007	(iv) the sale is of a vehicle or vessel required to be titled or registered under the laws
1008	of this state in which case the tax is based upon:
1009	(A) the bill of sale, lease agreement, or other written evidence of value of the
1010	vehicle or vessel being sold; or
1011	(B) in the absence of a bill of sale, lease agreement, or other written evidence of
1012	value, the fair market value of the vehicle or vessel being sold at the time of the
1013	sale as determined by the commission; and

1014	(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1015	commission shall make rules establishing the circumstances under which:
1016	(i) a person is regularly engaged in the business of selling a type of tangible personal
1017	property or product transferred electronically;
1018	(ii) a sale of tangible personal property or a product transferred electronically is one
1019	of a series of sales of a character to indicate that a person is regularly engaged in
1020	the business of selling that type of tangible personal property or product
1021	transferred electronically; or
1022	(iii) a person holds that person out as regularly engaged in the business of selling a
1023	type of tangible personal property or product transferred electronically;
1024	(14) amounts paid or charged for a purchase or lease of machinery, equipment, normal
1025	operating repair or replacement parts, or materials, except for office equipment or office
1026	supplies, by:
1027	(a) a manufacturing facility that:
1028	(i) is located in the state; and
1029	(ii) uses or consumes the machinery, equipment, normal operating repair or
1030	replacement parts, or materials:
1031	(A) in the manufacturing process to manufacture an item sold as tangible personal
1032	property, as the commission may define that phrase in accordance with Title
1033	63G, Chapter 3, Utah Administrative Rulemaking Act; or
1034	(B) for a scrap recycler, to process an item sold as tangible personal property, as
1035	the commission may define that phrase in accordance with Title 63G, Chapter
1036	3, Utah Administrative Rulemaking Act;
1037	(b) an establishment, as the commission defines that term in accordance with Title 63G,
1038	Chapter 3, Utah Administrative Rulemaking Act, that:
1039	(i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
1040	Code 213113, Support Activities for Coal Mining, 213114, Support Activities for
1041	Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except
1042	Fuels) Mining, of the 2002 North American Industry Classification System of the
1043	federal Executive Office of the President, Office of Management and Budget;
1044	(ii) is located in the state; and
1045	(iii) uses or consumes the machinery, equipment, normal operating repair or
1046	replacement parts, or materials in:
1047	(A) the production process to produce an item sold as tangible personal property,

1048	as the commission may define that phrase in accordance with Title 63G,
1049	Chapter 3, Utah Administrative Rulemaking Act;
1050	(B) research and development, as the commission may define that phrase in
1051	accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
1052	(C) transporting, storing, or managing tailings, overburden, or similar waste
1053	materials produced from mining;
1054	(D) developing or maintaining a road, tunnel, excavation, or similar feature used
1055	in mining; or
1056	(E) preventing, controlling, or reducing dust or other pollutants from mining; or
1057	(c) an establishment, as the commission defines that term in accordance with Title 63G,
1058	Chapter 3, Utah Administrative Rulemaking Act, that:
1059	(i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
1060	American Industry Classification System of the federal Executive Office of the
1061	President, Office of Management and Budget;
1062	(ii) is located in the state; and
1063	(iii) uses or consumes the machinery, equipment, normal operating repair or
1064	replacement parts, or materials in the operation of the web search portal;
1065	(15)(a) sales of the following if the requirements of Subsection (15)(b) are met:
1066	(i) tooling;
1067	(ii) special tooling;
1068	(iii) support equipment;
1069	(iv) special test equipment; or
1070	(v) parts used in the repairs or renovations of tooling or equipment described in
1071	Subsections (15)(a)(i) through (iv); and
1072	(b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
1073	(i) the tooling, equipment, or parts are used or consumed exclusively in the
1074	performance of any aerospace or electronics industry contract with the United
1075	States government or any subcontract under that contract; and
1076	(ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
1077	title to the tooling, equipment, or parts is vested in the United States government
1078	as evidenced by:
1079	(A) a government identification tag placed on the tooling, equipment, or parts; or
1080	(B) listing on a government-approved property record if placing a government
1081	identification tag on the tooling, equipment, or parts is impractical;

1082	(16) sales of newspapers or newspaper subscriptions;
1083	(17)(a) except as provided in Subsection (17)(b), tangible personal property or a product
1084	transferred electronically traded in as full or part payment of the purchase price,
1085	except that for purposes of calculating sales or use tax upon vehicles not sold by a
1086	vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:
1087	(i) the bill of sale or other written evidence of value of the vehicle being sold and the
1088	vehicle being traded in; or
1089	(ii) in the absence of a bill of sale or other written evidence of value, the then existing
1090	fair market value of the vehicle being sold and the vehicle being traded in, as
1091	determined by the commission; and
1092	(b) Subsection (17)(a) does not apply to the following items of tangible personal
1093	property or products transferred electronically traded in as full or part payment of the
1094	purchase price:
1095	(i) money;
1096	(ii) electricity;
1097	(iii) water;
1098	(iv) gas; or
1099	(v) steam;
1100	(18)(a)(i) except as provided in Subsection (18)(b), sales of tangible personal
1101	property or a product transferred electronically used or consumed primarily and
1102	directly in farming operations, regardless of whether the tangible personal
1103	property or product transferred electronically:
1104	(A) becomes part of real estate; or
1105	(B) is installed by a farmer, contractor, or subcontractor; or
1106	(ii) sales of parts used in the repairs or renovations of tangible personal property or a
1107	product transferred electronically if the tangible personal property or product
1108	transferred electronically is exempt under Subsection (18)(a)(i); and
1109	(b) amounts paid or charged for the following are subject to the taxes imposed by this
1110	chapter:
1111	(i)(A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or
1112	supplies if used in a manner that is incidental to farming; and
1113	(B) tangible personal property that is considered to be used in a manner that is
1114	incidental to farming includes:
1115	(I) hand tools; or

1116	(II) maintenance and janitorial equipment and supplies;
1117	(ii)(A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product
1118	transferred electronically if the tangible personal property or product
1119	transferred electronically is used in an activity other than farming; and
1120	(B) tangible personal property or a product transferred electronically that is
1121	considered to be used in an activity other than farming includes:
1122	(I) office equipment and supplies; or
1123	(II) equipment and supplies used in:
1124	(Aa) the sale or distribution of farm products;
1125	(Bb) research; or
1126	(Cc) transportation; or
1127	(iii) a vehicle required to be registered by the laws of this state during the period
1128	ending two years after the date of the vehicle's purchase;
1129	(19) sales of hay;
1130	(20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden,
1131	farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
1132	garden, farm, or other agricultural produce is sold by:
1133	(a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
1134	agricultural produce;
1135	(b) an employee of the producer described in Subsection (20)(a); or
1136	(c) a member of the immediate family of the producer described in Subsection (20)(a);
1137	(21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under
1138	the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
1139	(22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
1140	nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
1141	wholesaler, or retailer for use in packaging tangible personal property to be sold by that
1142	manufacturer, processor, wholesaler, or retailer;
1143	(23) a product stored in the state for resale;
1144	(24)(a) purchases of a product if:
1145	(i) the product is:
1146	(A) purchased outside of this state;
1147	(B) brought into this state:
1148	(I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
1149	(II) by a nonresident person who is not living or working in this state at the

1150	time of the purchase;
1151	(C) used for the personal use or enjoyment of the nonresident person described in
1152	Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state;
1153	and
1154	(D) not used in conducting business in this state; and
1155	(ii) for:
1156	(A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use
1157	of the product for a purpose for which the product is designed occurs outside of
1158	this state;
1159	(B) a boat, the boat is registered outside of this state; or
1160	(C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
1161	registered outside of this state;
1162	(b) the exemption provided for in Subsection (24)(a) does not apply to:
1163	(i) a lease or rental of a product; or
1164	(ii) a sale of a vehicle exempt under Subsection (33); and
1165	(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
1166	purposes of Subsection (24)(a), the commission may by rule define what constitutes
1167	the following:
1168	(i) conducting business in this state if that phrase has the same meaning in this
1169	Subsection (24) as in Subsection (63);
1170	(ii) the first use of a product if that phrase has the same meaning in this Subsection
1171	(24) as in Subsection (63); or
1172	(iii) a purpose for which a product is designed if that phrase has the same meaning in
1173	this Subsection (24) as in Subsection (63);
1174	(25) a product purchased for resale in the regular course of business, either in its original
1175	form or as an ingredient or component part of a manufactured or compounded product;
1176	(26) a product upon which a sales or use tax was paid to some other state, or one of its
1177	subdivisions, except that the state shall be paid any difference between the tax paid and
1178	the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment
1179	is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local
1180	Sales and Use Tax Act;
1181	(27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person
1182	for use in compounding a service taxable under the subsections;
1183	(28) purchases made in accordance with the special supplemental nutrition program for

1184	women, infants, and children established in 42 U.S.C. Sec. 1786;
1185	(29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement
1186	parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of
1187	the 1987 Standard Industrial Classification Manual of the federal Executive Office of the
1188	President, Office of Management and Budget;
1189	(30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
1190	Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard
1191	motor is:
1192	(a) not registered in this state; and
1193	(b)(i) not used in this state; or
1194	(ii) used in this state:
1195	(A) if the boat, boat trailer, or outboard motor is not used to conduct business, for
1196	a time period that does not exceed the longer of:
1197	(I) 30 days in any calendar year; or
1198	(II) the time period necessary to transport the boat, boat trailer, or outboard
1199	motor to the borders of this state; or
1200	(B) if the boat, boat trailer, or outboard motor is used to conduct business, for the
1201	time period necessary to transport the boat, boat trailer, or outboard motor to
1202	the borders of this state;
1203	(31) sales of aircraft manufactured in Utah;
1204	(32) amounts paid for the purchase of telecommunications service for purposes of
1205	providing telecommunications service;
1206	(33) sales, leases, or uses of the following:
1207	(a) a vehicle by an authorized carrier; or
1208	(b) tangible personal property that is installed on a vehicle:
1209	(i) sold or leased to or used by an authorized carrier; and
1210	(ii) before the vehicle is placed in service for the first time;
1211	(34)(a) 45% of the sales price of any new manufactured home; and
1212	(b) 100% of the sales price of any used manufactured home;
1213	(35) sales relating to schools and fundraising sales;
1214	(36) sales or rentals of durable medical equipment if:
1215	(a) a person presents a prescription for the durable medical equipment; and
1216	(b) the durable medical equipment is used for home use only;
1217	(37)(a) sales to a ski resort of electricity to operate a passenger ropeway as defined in

1218	Section 72-11-102; and
1219	(b) the commission shall by rule determine the method for calculating sales exempt
1220	under Subsection (37)(a) that are not separately metered and accounted for in utility
1221	billings;
1222	(38) sales to a ski resort of:
1223	(a) snowmaking equipment;
1224	(b) ski slope grooming equipment;
1225	(c) passenger ropeways as defined in Section 72-11-102; or
1226	(d) parts used in the repairs or renovations of equipment or passenger ropeways
1227	described in Subsections (38)(a) through (c);
1228	(39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel
1229	oil, or other fuels for industrial use;
1230	(40)(a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
1231	amusement, entertainment, or recreation an unassisted amusement device as defined
1232	in Section 59-12-102;
1233	(b) if a seller that sells or rents at the same business location the right to use or operate
1234	for amusement, entertainment, or recreation one or more unassisted amusement
1235	devices and one or more assisted amusement devices, the exemption described in
1236	Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of
1237	the right to use or operate for amusement, entertainment, or recreation for the assisted
1238	amusement devices; and
1239	(c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah
1240	Administrative Rulemaking Act, the commission may make rules:
1241	(i) governing the circumstances under which sales are at the same business location;
1242	and
1243	(ii) establishing the procedures and requirements for a seller to separately account for
1244	the sales or rentals of the right to use or operate for amusement, entertainment, or
1245	recreation for assisted amusement devices;
1246	(41)(a) sales of photocopies by:
1247	(i) a governmental entity; or
1248	(ii) an entity within the state system of public education, including:
1249	(A) a school; or
1250	(B) the State Board of Education; or
1251	(b) sales of publications by a governmental entity:

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1252 (42) amounts paid for admission to an athletic event at an institution of higher education 1253 that is subject to the provisions of Title IX of the Education Amendments of 1972, 20 1254 U.S.C. Sec. 1681 et seq.; 1255 (43)(a) sales made to or by: 1256 (i) an area agency on aging; or 1257 (ii) a senior citizen center owned by a county, city, or town; or 1258 (b) sales made by a senior citizen center that contracts with an area agency on aging; 1259 (44) sales or leases of semiconductor fabricating, processing, research, or development 1260 materials regardless of whether the semiconductor fabricating, processing, research, or 1261 development materials: 1262 (a) actually come into contact with a semiconductor; or 1263 (b) ultimately become incorporated into real property; 1264 (45) an amount paid by or charged to a purchaser for accommodations and services 1265 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under 1266 Section 59-12-104.2; 1267 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in 1268 accordance with Section 41-3-306 for the event period specified on the temporary sports 1269 event registration certificate; 1270 (47)(a) sales or uses of electricity, if the sales or uses are made under a retail tariff 1271 adopted by the Public Service Commission only for purchase of electricity produced 1272 from a new alternative energy source built after January 1, 2016, as designated in the 1273 tariff by the Public Service Commission; and 1274 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies 1275 only to the portion of the tariff rate a customer pays under the tariff described in 1276 Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection 1277 (47)(a) that the customer would have paid absent the tariff; 1278 (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for the mobility enhancing equipment; 1279 1280 (49) sales of water in a: 1281 (a) pipe; 1282 (b) conduit; 1283 (c) ditch; or 1284 (d) reservoir;

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

1286	foreign nation;
1287	(51)(a) sales of an item described in Subsection (51)(b) if the item:
1288	(i) does not constitute legal tender of a state, the United States, or a foreign nation;
1289	and
1290	(ii) has a gold, silver, or platinum content of 50% or more; and
1291	(b) Subsection (51)(a) applies to a gold, silver, or platinum:
1292	(i) ingot;
1293	(ii) bar;
1294	(iii) medallion; or
1295	(iv) decorative coin;
1296	(52) amounts paid on a sale-leaseback transaction;
1297	(53) sales of a prosthetic device:
1298	(a) for use on or in a human; and
1299	(b)(i) for which a prescription is required; or
1300	(ii) if the prosthetic device is purchased by a hospital or other medical facility;
1301	(54)(a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
1302	machinery or equipment by an establishment described in Subsection (54)(c) if the
1303	machinery or equipment is primarily used in the production or postproduction of the
1304	following media for commercial distribution:
1305	(i) a motion picture;
1306	(ii) a television program;
1307	(iii) a movie made for television;
1308	(iv) a music video;
1309	(v) a commercial;
1310	(vi) a documentary; or
1311	(vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
1312	commission by administrative rule made in accordance with Subsection (54)(d);[
1313	or]
1314	(b) purchases, leases, or rentals of machinery or equipment by an establishment
1315	described in Subsection (54)(c) that is used for the production or postproduction of
1316	the following are subject to the taxes imposed by this chapter:
1317	(i) a live musical performance;
1318	(ii) a live news program; or
1319	(iii) a live sporting event;

1320	(c) the following establishments listed in the 1997 North American Industry
1321	Classification System of the federal Executive Office of the President, Office of
1322	Management and Budget, apply to Subsections (54)(a) and (b):
1323	(i) NAICS Code 512110; or
1324	(ii) NAICS Code 51219; and
1325	(d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1326	commission may by rule:
1327	(i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);
1328	or
1329	(ii) define:
1330	(A) "commercial distribution";
1331	(B) "live musical performance";
1332	(C) "live news program"; or
1333	(D) "live sporting event";
1334	(55)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on
1335	or before June 30, 2027, of tangible personal property that:
1336	(i) is leased or purchased for or by a facility that:
1337	(A) is an alternative energy electricity production facility;
1338	(B) is located in the state; and
1339	(C)(I) becomes operational on or after July 1, 2004; or
1340	(II) has its generation capacity increased by one or more megawatts on or after
1341	July 1, 2004, as a result of the use of the tangible personal property;
1342	(ii) has an economic life of five or more years; and
1343	(iii) is used to make the facility or the increase in capacity of the facility described in
1344	Subsection (55)(a)(i) operational up to the point of interconnection with an
1345	existing transmission grid including:
1346	(A) a wind turbine;
1347	(B) generating equipment;
1348	(C) a control and monitoring system;
1349	(D) a power line;
1350	(E) substation equipment;
1351	(F) lighting;
1352	(G) fencing;
1353	(H) pipes; or

1354	(I) other equipment used for locating a power line or pole; and
1355	(b) this Subsection (55) does not apply to:
1356	(i) tangible personal property used in construction of:
1357	(A) a new alternative energy electricity production facility; or
1358	(B) the increase in the capacity of an alternative energy electricity production
1359	facility;
1360	(ii) contracted services required for construction and routine maintenance activities;
1361	and
1362	(iii) unless the tangible personal property is used or acquired for an increase in
1363	capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal
1364	property used or acquired after:
1365	(A) the alternative energy electricity production facility described in Subsection
1366	(55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
1367	(B) the increased capacity described in Subsection (55)(a)(i) is operational as
1368	described in Subsection (55)(a)(iii);
1369	(56)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on
1370	or before June 30, 2027, of tangible personal property that:
1371	(i) is leased or purchased for or by a facility that:
1372	(A) is a waste energy production facility;
1373	(B) is located in the state; and
1374	(C)(I) becomes operational on or after July 1, 2004; or
1375	(II) has its generation capacity increased by one or more megawatts on or after
1376	July 1, 2004, as a result of the use of the tangible personal property;
1377	(ii) has an economic life of five or more years; and
1378	(iii) is used to make the facility or the increase in capacity of the facility described in
1379	Subsection (56)(a)(i) operational up to the point of interconnection with an
1380	existing transmission grid including:
1381	(A) generating equipment;
1382	(B) a control and monitoring system;
1383	(C) a power line;
1384	(D) substation equipment;
1385	(E) lighting;
1386	(F) fencing;
1387	(G) pipes; or

1388	(H) other equipment used for locating a power line or pole; and
1389	(b) this Subsection (56) does not apply to:
1390	(i) tangible personal property used in construction of:
1391	(A) a new waste energy facility; or
1392	(B) the increase in the capacity of a waste energy facility;
1393	(ii) contracted services required for construction and routine maintenance activities;
1394	and
1395	(iii) unless the tangible personal property is used or acquired for an increase in
1396	capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used
1397	or acquired after:
1398	(A) the waste energy facility described in Subsection (56)(a)(i) is operational as
1399	described in Subsection (56)(a)(iii); or
1400	(B) the increased capacity described in Subsection (56)(a)(i) is operational as
1401	described in Subsection (56)(a)(iii);
1402	(57)(a) leases of five or more years or purchases made on or after July 1, 2004, but on or
1403	before June 30, 2027, of tangible personal property that:
1404	(i) is leased or purchased for or by a facility that:
1405	(A) is located in the state;
1406	(B) produces fuel from alternative energy, including:
1407	(I) methanol; or
1408	(II) ethanol; and
1409	(C)(I) becomes operational on or after July 1, 2004; or
1410	(II) has its capacity to produce fuel increase by 25% or more on or after July 1,
1411	2004, as a result of the installation of the tangible personal property;
1412	(ii) has an economic life of five or more years; and
1413	(iii) is installed on the facility described in Subsection (57)(a)(i);
1414	(b) this Subsection (57) does not apply to:
1415	(i) tangible personal property used in construction of:
1416	(A) a new facility described in Subsection (57)(a)(i); or
1417	(B) the increase in capacity of the facility described in Subsection (57)(a)(i);[-or]
1418	(ii) contracted services required for construction and routine maintenance activities;
1419	and
1420	(iii) unless the tangible personal property is used or acquired for an increase in
1421	capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used

1422	or acquired after:
1423	(A) the facility described in Subsection (57)(a)(i) is operational; or
1424	(B) the increased capacity described in Subsection (57)(a)(i) is operational;
1425	(58)(a) subject to Subsection (58)(b), sales of tangible personal property or a product
1426	transferred electronically to a person within this state if that tangible personal
1427	property or product transferred electronically is subsequently shipped outside the
1428	state and incorporated pursuant to contract into and becomes a part of real property
1429	located outside of this state; and
1430	(b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
1431	state or political entity to which the tangible personal property is shipped imposes a
1432	sales, use, gross receipts, or other similar transaction excise tax on the transaction
1433	against which the other state or political entity allows a credit for sales and use taxes
1434	imposed by this chapter;
1435	(59) purchases:
1436	(a) of one or more of the following items in printed or electronic format:
1437	(i) a list containing information that includes one or more:
1438	(A) names; or
1439	(B) addresses; or
1440	(ii) a database containing information that includes one or more:
1441	(A) names; or
1442	(B) addresses; and
1443	(b) used to send direct mail;
1444	(60) redemptions or repurchases of a product by a person if that product was:
1445	(a) delivered to a pawnbroker as part of a pawn transaction; and
1446	(b) redeemed or repurchased within the time period established in a written agreement
1447	between the person and the pawnbroker for redeeming or repurchasing the product;
1448	(61)(a) purchases or leases of an item described in Subsection (61)(b) if the item:
1449	(i) is purchased or leased by, or on behalf of, a telecommunications service provider;
1450	and
1451	(ii) has a useful economic life of one or more years; and
1452	(b) the following apply to Subsection (61)(a):
1453	(i) telecommunications enabling or facilitating equipment, machinery, or software;
1454	(ii) telecommunications equipment, machinery, or software required for 911 service;
1455	(iii) telecommunications maintenance or repair equipment, machinery, or software;

1456	(iv) telecommunications switching or routing equipment, machinery, or software; or
1457	(v) telecommunications transmission equipment, machinery, or software;
1458	(62)(a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
1459	personal property or a product transferred electronically that are used in the research
1460	and development of alternative energy technology; and
1461	(b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1462	commission may, for purposes of Subsection (62)(a), make rules defining what
1463	constitutes purchases of tangible personal property or a product transferred
1464	electronically that are used in the research and development of alternative energy
1465	technology;
1466	(63)(a) purchases of tangible personal property or a product transferred electronically if:
1467	(i) the tangible personal property or product transferred electronically is:
1468	(A) purchased outside of this state;
1469	(B) brought into this state at any time after the purchase described in Subsection
1470	(63)(a)(i)(A); and
1471	(C) used in conducting business in this state; and
1472	(ii) for:
1473	(A) tangible personal property or a product transferred electronically other than
1474	the tangible personal property described in Subsection (63)(a)(ii)(B), the first
1475	use of the property for a purpose for which the property is designed occurs
1476	outside of this state; or
1477	(B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
1478	registered outside of this state and not required to be registered in this state
1479	under Section 41-1a-202 or 73-18-9 based on residency;
1480	(b) the exemption provided for in Subsection (63)(a) does not apply to:
1481	(i) a lease or rental of tangible personal property or a product transferred
1482	electronically; or
1483	(ii) a sale of a vehicle exempt under Subsection (33); and
1484	(c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
1485	purposes of Subsection (63)(a), the commission may by rule define what constitutes
1486	the following:
1487	(i) conducting business in this state if that phrase has the same meaning in this
1488	Subsection (63) as in Subsection (24);
1489	(ii) the first use of tangible personal property or a product transferred electronically if

1490	that phrase has the same meaning in this Subsection (63) as in Subsection (24); or
1491	(iii) a purpose for which tangible personal property or a product transferred
1492	electronically is designed if that phrase has the same meaning in this Subsection
1493	(63) as in Subsection (24);
1494	(64) sales of disposable home medical equipment or supplies if:
1495	(a) a person presents a prescription for the disposable home medical equipment or
1496	supplies;
1497	(b) the disposable home medical equipment or supplies are used exclusively by the
1498	person to whom the prescription described in Subsection (64)(a) is issued; and
1499	(c) the disposable home medical equipment and supplies are listed as eligible for
1500	payment under:
1501	(i) Title XVIII, federal Social Security Act; or
1502	(ii) the state plan for medical assistance under Title XIX, federal Social Security Act;
1503	(65) sales:
1504	(a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District
1505	Act; or
1506	(b) of tangible personal property to a subcontractor of a public transit district, if the
1507	tangible personal property is:
1508	(i) clearly identified; and
1509	(ii) installed or converted to real property owned by the public transit district;
1510	(66) sales of construction materials:
1511	(a) purchased on or after July 1, 2010;
1512	(b) purchased by, on behalf of, or for the benefit of an international airport:
1513	(i) located within a county of the first class; and
1514	(ii) that has a United States customs office on its premises; and
1515	(c) if the construction materials are:
1516	(i) clearly identified;
1517	(ii) segregated; and
1518	(iii) installed or converted to real property:
1519	(A) owned or operated by the international airport described in Subsection
1520	(66)(b); and
1521	(B) located at the international airport described in Subsection (66)(b);
1522	(67) sales of construction materials:
1523	(a) purchased on or after July 1, 2008;

1524	(b) purchased by, on behalf of, or for the benefit of a new airport:
1525	(i) located within a county of the second class; and
1526	(ii) that is owned or operated by a city in which an airline as defined in Section
1527	59-2-102 is headquartered; and
1528	(c) if the construction materials are:
1529	(i) clearly identified;
1530	(ii) segregated; and
1531	(iii) installed or converted to real property:
1532	(A) owned or operated by the new airport described in Subsection (67)(b);
1533	(B) located at the new airport described in Subsection (67)(b); and
1534	(C) as part of the construction of the new airport described in Subsection (67)(b)
1535	(68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common
1536	carrier that is a railroad for use in a locomotive engine;
1537	(69) purchases and sales described in Section 63H-4-111;
1538	(70)(a) sales of tangible personal property to an aircraft maintenance, repair, and
1539	overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in
1540	this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
1541	aircraft's registration lists a state or country other than this state as the location of
1542	registry of the fixed wing turbine powered aircraft; or
1543	(b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
1544	provider in connection with the maintenance, repair, overhaul, or refurbishment in
1545	this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
1546	aircraft's registration lists a state or country other than this state as the location of
1547	registry of the fixed wing turbine powered aircraft;
1548	(71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
1549	(a) to a person admitted to an institution of higher education; and
1550	(b) by a seller, other than a bookstore owned by an institution of higher education, if
1551	51% or more of that seller's sales revenue for the previous calendar quarter are sales
1552	of a textbook for a higher education course;
1553	(72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5)
1554	on a purchaser from a business for which the municipality provides an enhanced level of
1555	municipal services;
1556	(73) amounts paid or charged for construction materials used in the construction of a new or
1557	expanding life science research and development facility in the state, if the construction

1558	materials are:
1559	(a) clearly identified;
1560	(b) segregated; and
1561	(c) installed or converted to real property;
1562	(74) amounts paid or charged for:
1563	(a) a purchase or lease of machinery and equipment that:
1564	(i) are used in performing qualified research:
1565	(A) as defined in Section 41(d), Internal Revenue Code; and
1566	(B) in the state; and
1567	(ii) have an economic life of three or more years; and
1568	(b) normal operating repair or replacement parts:
1569	(i) for the machinery and equipment described in Subsection (74)(a); and
1570	(ii) that have an economic life of three or more years;
1571	(75) a sale or lease of tangible personal property used in the preparation of prepared food if:
1572	(a) for a sale:
1573	(i) the ownership of the seller and the ownership of the purchaser are identical; and
1574	(ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
1575	tangible personal property prior to making the sale; or
1576	(b) for a lease:
1577	(i) the ownership of the lessor and the ownership of the lessee are identical; and
1578	(ii) the lessor or the lessee paid a tax under this chapter on the purchase of that
1579	tangible personal property prior to making the lease;
1580	(76)(a) purchases of machinery or equipment if:
1581	(i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
1582	Gambling, and Recreation Industries, of the 2012 North American Industry
1583	Classification System of the federal Executive Office of the President, Office of
1584	Management and Budget;
1585	(ii) the machinery or equipment:
1586	(A) has an economic life of three or more years; and
1587	(B) is used by one or more persons who pay admission or user fees described in
1588	Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment;
1589	and
1590	(iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
1591	(A) amounts paid or charged as admission or user fees described in Subsection

1592	59-12-103(1)(f); and
1593	(B) subject to taxation under this chapter; and
1594	(b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1595	commission may make rules for verifying that 51% of a purchaser's sales revenue for
1596	the previous calendar quarter is:
1597	(i) amounts paid or charged as admission or user fees described in Subsection
1598	59-12-103(1)(f); and
1599	(ii) subject to taxation under this chapter;
1600	(77) purchases of a short-term lodging consumable by a business that provides
1601	accommodations and services described in Subsection 59-12-103(1)(i);
1602	(78) amounts paid or charged to access a database:
1603	(a) if the primary purpose for accessing the database is to view or retrieve information
1604	from the database; and
1605	(b) not including amounts paid or charged for a:
1606	(i) digital audio work;
1607	(ii) digital audio-visual work; or
1608	(iii) digital book;
1609	(79) amounts paid or charged for a purchase or lease made by an electronic financial
1610	payment service, of:
1611	(a) machinery and equipment that:
1612	(i) are used in the operation of the electronic financial payment service; and
1613	(ii) have an economic life of three or more years; and
1614	(b) normal operating repair or replacement parts that:
1615	(i) are used in the operation of the electronic financial payment service; and
1616	(ii) have an economic life of three or more years;
1617	(80) sales of a fuel cell as defined in Section 54-15-102;
1618	(81) amounts paid or charged for a purchase or lease of tangible personal property or a
1619	product transferred electronically if the tangible personal property or product transferred
1620	electronically:
1621	(a) is stored, used, or consumed in the state; and
1622	(b) is temporarily brought into the state from another state:
1623	(i) during a disaster period as defined in Section 53-2a-1202;
1624	(ii) by an out-of-state business as defined in Section 53-2a-1202;
1625	(iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and

1626	(iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
1627	(82) sales of goods and services at a morale, welfare, and recreation facility, as defined in
1628	Section 39A-7-102, made pursuant to Title 39A, Chapter 7, Morale, Welfare, and
1629	Recreation Program;
1630	(83) amounts paid or charged for a purchase or lease of molten magnesium;
1631	(84) amounts paid or charged for a purchase or lease made by a qualifying data center or an
1632	occupant of a qualifying data center of machinery, equipment, or normal operating
1633	repair or replacement parts, if the machinery, equipment, or normal operating repair or
1634	replacement parts:
1635	(a) are used in:
1636	(i) the operation of the qualifying data center; or
1637	(ii) the occupant's operations in the qualifying data center; and
1638	(b) have an economic life of one or more years;
1639	(85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle
1640	that includes cleaning or washing of the interior of the vehicle;
1641	(86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
1642	operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or
1643	supplies used or consumed:
1644	(a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
1645	in Section 79-6-701 located in the state;
1646	(b) if the machinery, equipment, normal operating repair or replacement parts, catalysts,
1647	chemicals, reagents, solutions, or supplies are used or consumed in:
1648	(i) the production process to produce gasoline or diesel fuel, or at which blendstock is
1649	added to gasoline or diesel fuel;
1650	(ii) research and development;
1651	(iii) transporting, storing, or managing raw materials, work in process, finished
1652	products, and waste materials produced from refining gasoline or diesel fuel, or
1653	adding blendstock to gasoline or diesel fuel;
1654	(iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
1655	refining; or
1656	(v) preventing, controlling, or reducing pollutants from refining; and
1657	(c) if the person holds a valid refiner tax exemption certification as defined in Section
1658	79-6-701;
1659	(87) amounts paid to or charged by a proprietor for accommodations and services, as

1693

Subsection (93)(a); and

1660 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations 1661 tax imposed under Section 63H-1-205; 1662 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal 1663 operating repair or replacement parts, or materials, except for office equipment or office 1664 supplies, by an establishment, as the commission defines that term in accordance with 1665 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that: 1666 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North 1667 American Industry Classification System of the federal Executive Office of the 1668 President, Office of Management and Budget; 1669 (b) is located in this state; and 1670 (c) uses the machinery, equipment, normal operating repair or replacement parts, or 1671 materials in the operation of the establishment; 1672 (89) amounts paid or charged for an item exempt under Section 59-12-104.10; 1673 (90) sales of a note, leaf, foil, or film, if the item: 1674 (a) is used as currency; 1675 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and 1676 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any 1677 transparent polymer holder, coating, or encasement; 1678 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or 1679 surfing facility, if a trained instructor: 1680 (a) is present with the participant, in person or by video, for the duration of the activity; 1681 and 1682 (b) actively instructs the participant, including providing observation or feedback; 1683 (92) amounts paid or charged in connection with the construction, operation, maintenance, 1684 repair, or replacement of facilities owned by or constructed for: 1685 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or 1686 (b) a wholesale electrical cooperative, as defined in Section 54-2-1; 1687 (93) amounts paid by the service provider for tangible personal property, other than 1688 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels, 1689 that: 1690 (a) is consumed in the performance of a service that is subject to tax under Subsection 1691 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 1692

1694	(c) will be consumed in the performance of the service described in Subsection (93)(a),
1695	to one or more customers, to the point that the tangible personal property disappears
1696	or cannot be used for any other purpose;
1697	(94) sales of rail rolling stock manufactured in Utah;
1698	(95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or
1699	construction materials between establishments, as the commission defines that term in
1700	accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:
1701	(a) the establishments are related directly or indirectly through 100% common
1702	ownership or control; and
1703	(b) each establishment is described in one of the following subsectors of the 2022 North
1704	American Industry Classification System of the federal Executive Office of the
1705	President, Office of Management and Budget:
1706	(i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or
1707	(ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing;
1708	(96) sales of construction materials used for the construction of a qualified stadium, as
1709	defined in Section 11-70-101;[-and]
1710	(97) amounts paid or charged for sales of a cannabinoid product as that term is defined in
1711	Section 4-41-102[-] ; and
1712	(98) sales of construction materials used for the construction, remodeling, or refurbishing of
1713	a major sporting event venue, as defined in Section 63N-3-1701, within an approved
1714	major sporting event venue zone.
1715	Section 11. Section 59-12-205 is amended to read:
1716	59-12-205. Ordinances to conform with statutory amendments Distribution of
1717	tax revenue Determination of population.
1718	(1) To maintain in effect sales and use tax ordinances adopted pursuant to Section
1719	59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or
1720	town's sales and use tax ordinances:
1721	(a) within 30 days of the day on which the state makes an amendment to an applicable
1722	provision of Part 1, Tax Collection; and
1723	(b) as required to conform to the amendments to Part 1, Tax Collection.
1724	(2)(a) Except as provided in Subsections (3) and (4) and subject to Subsection (5):
1725	(i) 50% of each dollar collected from the sales and use tax authorized by this part
1726	shall be distributed to each county, city, and town on the basis of the percentage
1727	that the population of the county, city, or town bears to the total population of all

1728	counties, cities, and towns in the state; and
1729	(ii)(A) except as provided in Subsections (2)(a)(ii)(B), (C), [and-](D), and (E),
1730	50% of each dollar collected from the sales and use tax authorized by this part
1731	shall be distributed to each county, city, and town on the basis of the location
1732	of the transaction as determined under Sections 59-12-211 through 59-12-215;
1733	(B) 50% of each dollar collected from the sales and use tax authorized by this part
1734	within a project area described in a project area plan adopted by the military
1735	installation development authority under Title 63H, Chapter 1, Military
1736	Installation Development Authority Act, shall be distributed to the military
1737	installation development authority created in Section 63H-1-201;
1738	(C) beginning July 1, 2024, 20% of each dollar collected from the sales and use
1739	tax authorized by this part within a project area under Title 11, Chapter 58,
1740	Utah Inland Port Authority Act, shall be distributed to the Utah Inland Port
1741	Authority, created in Section 11-58-201;[-and]
1742	(D) 50% of each dollar collected from the sales and use tax authorized by this part
1743	within the lake authority boundary, as defined in Section 11-65-101, shall be
1744	distributed to the Utah Lake Authority, created in Section 11-65-201,
1745	beginning the next full calendar quarter following the creation of the Utah
1746	Lake Authority[-] ; and
1747	(E) except as provided in Subsections (7) and (8), beginning the first day of a
1748	calendar quarter after the sales and use tax boundary for a major sporting event
1749	venue zone is established, the commission, at least annually, shall transfer an
1750	amount equal to 50% of the sales and use tax increment, as defined in Section
1751	63N-3-1701, from the sales and use tax imposed under this part on transactions
1752	occurring within a sales and use tax boundary, as Section 63N-3-1710, to the
1753	creating entity of the major sporting event venue zone.
1754	(b) Subsection (2)(a)(ii)(C) does not apply to sales and use tax revenue collected before
1755	July 1, 2022.
1756	(3)(a) As used in this Subsection (3):
1757	(i) "Eligible county, city, or town" means a county, city, or town that:
1758	(A) for fiscal year 2012-13, received a tax revenue distribution under Subsection
1759	(3)(b) equal to the amount described in Subsection (3)(b)(ii); and
1760	(B) does not impose a sales and use tax under Section 59-12-2103 on or before
1761	July 1, 2016.

1762	(ii) "Minimum tax revenue distribution" means the total amount of tax revenue
1763	distributions an eligible county, city, or town received from a tax imposed in
1764	accordance with this part for fiscal year 2004-05.
1765	(b) An eligible county, city, or town shall receive a tax revenue distribution for a tax
1766	imposed in accordance with this part equal to the greater of:
1767	(i) the payment required by Subsection (2); or
1768	(ii) the minimum tax revenue distribution.
1769	(4)(a) For purposes of this Subsection (4):
1770	(i) "Annual local contribution" means the lesser of \$275,000 or an amount equal to
1771	2.55% of the participating local government's tax revenue distribution amount
1772	under Subsection (2)(a)(i) for the previous fiscal year.
1773	(ii) "Participating local government" means a county or municipality, as defined in
1774	Section 10-1-104, that is not an eligible municipality certified in accordance with
1775	Section 35A-16-404.
1776	(b) For revenue collected from the tax authorized by this part that is distributed on or
1777	after January 1, 2019, the commission, before making a tax revenue distribution
1778	under Subsection (2)(a)(i) to a participating local government, shall:
1779	(i) adjust a participating local government's tax revenue distribution under Subsection
1780	(2)(a)(i) by:
1781	(A) subtracting an amount equal to one-twelfth of the annual local contribution for
1782	each participating local government from the participating local government's
1783	tax revenue distribution; and
1784	(B) if applicable, reducing the amount described in Subsection (4)(b)(i)(A) by an
1785	amount equal to one-twelfth of \$250 for each bed that is available at all
1786	homeless shelters located within the boundaries of the participating local
1787	government, as reported to the commission by the Office of Homeless Services
1788	in accordance with Section 35A-16-405; and
1789	(ii) deposit the resulting amount described in Subsection (4)(b)(i) into the Homeless
1790	Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.
1791	(c) For a participating local government that qualifies to receive a distribution described
1792	in Subsection (3), the commission shall apply the provisions of this Subsection (4)
1793	after the commission applies the provisions of Subsection (3).
1794	(5)(a) As used in this Subsection (5):
1795	(i) "Annual dedicated sand and gravel sales tax revenue" means an amount equal to

1796	the total revenue an establishment described in NAICS Code 327320, Ready-Mix
1797	Concrete Manufacturing, of the 2022 North American Industry Classification
1798	System of the federal Executive Office of the President, Office of Management
1799	and Budget, collects and remits under this part for a calendar year.
1800	(ii) "Sand and gravel" means sand, gravel, or a combination of sand and gravel.
1801	(iii) "Sand and gravel extraction site" means a pit, quarry, or deposit that:
1802	(A) contains sand and gravel; and
1803	(B) is assessed by the commission in accordance with Section 59-2-201.
1804	(iv) "Ton" means a short ton of 2,000 pounds.
1805	(v) "Tonnage ratio" means the ratio of:
1806	(A) the total amount of sand and gravel, measured in tons, sold during a calendar
1807	year from all sand and gravel extraction sites located within a county, city, or
1808	town; to
1809	(B) the total amount of sand and gravel, measured in tons, sold during the same
1810	calendar year from sand and gravel extraction sites statewide.
1811	(b) For purposes of calculating the ratio described in Subsection (5)(a)(v), the
1812	commission shall:
1813	(i) use the gross sales data provided to the commission as part of the commission's
1814	property tax valuation process; and
1815	(ii) if a sand and gravel extraction site operates as a unit across municipal or county
1816	lines, apportion the reported tonnage among the counties, cities, or towns based on
1817	the percentage of the sand and gravel extraction site located in each county, city,
1818	or town, as approximated by the commission.
1819	(c)(i) Beginning July 2023, and each July thereafter, the commission shall distribute
1820	from total collections under this part an amount equal to the annual dedicated sand
1821	and gravel sales tax revenue for the preceding calendar year to each county, city,
1822	or town in the same proportion as the county's, city's, or town's tonnage ratio for
1823	the preceding calendar year.
1824	(ii) The commission shall ensure that the revenue distributed under this Subsection
1825	(5)(c) is drawn from each jurisdiction's collections in proportion to the
1826	jurisdiction's share of total collections for the preceding 12-month period.
1827	(d) A county, city, or town shall use revenue described in Subsection (5)(c) for class B
1828	or class C roads.
1829	(6)(a) Population figures for purposes of this section shall be based on the most recent

1830	official census or census estimate of the United States Bureau of the Census.
1831	(b) If a needed population estimate is not available from the United States Bureau of the
1832	Census, population figures shall be derived from the estimate from the Utah
1833	Population Committee.
1834	(c) The population of a county for purposes of this section shall be determined only from
1835	the unincorporated area of the county.
1836	(7)(a) As used in this Subsection (7):
1837	(i) "Applicable percentage" means, for a major sporting event venue zone created
1838	under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, for
1839	sales occurring within the qualified development zone described in Subsection
1840	(7)(a)(ii):
1841	(A) 50% of the sales and use tax increment, as that term is defined in Section
1842	63N-3-601, from the sales and use tax imposed under this part;
1843	(B) 100% of the revenue from the sales and use tax imposed by the creating entity
1844	of a major sporting event venue zone under Section 59-12-401; and
1845	(C) 100% of the revenue from the sales and use tax imposed by the creating entity
1846	of a major sporting event venue zone under Section 59-12-402.
1847	(ii) "Qualified development zone" means the sales and use tax boundary, as described
1848	in Section 63N-3-1710, of a major sporting event venue zone created under Title
1849	63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.
1850	(iii) "Qualifying construction materials" means construction materials that are:
1851	(A) delivered to a delivery outlet within a qualified development zone; and
1852	(B) intended to be permanently attached to real property within the qualified
1853	<u>development zone.</u>
1854	(b) For a sale of qualifying construction materials, the commission shall distribute the
1855	product calculated in Subsection (7)(c) to the creating entity of a qualified
1856	development zone if the seller of the construction materials:
1857	(i) establishes a delivery outlet with the commission within the qualified development
1858	zone;
1859	(ii) reports the sales of the construction materials to the delivery outlet described in
1860	Subsection $(7)(b)(i)$; and
1861	(iii) does not report the sales of the construction materials on a simplified electronic
1862	<u>return.</u>
1863	(c) For the purposes of Subsection (7)(b), the product is equal to:

1864	(i) the sales price or purchase price of the qualifying construction materials; and
1865	(ii) the applicable percentage.
1866	(8)(a) As used in this Subsection (8):
1867	(i) "Applicable percentage" means the same as that term is defined in Subsection (7)
1868	(ii) "Qualified development zone" means the same as that term is defined in
1869	Subsection (7).
1870	(iii) "Schedule J sale" means a sale reported on State Tax Commission Form
1871	TC-62M, Schedule J or a substantially similar form as designated by the
1872	commission.
1873	(b) Revenue generated from the applicable percentage by a Schedule J sale within a
1874	qualified development zone shall be distributed to the jurisdiction that would have
1875	received the revenue in the absence of the qualified development zone.
1876	Section 12. Section 59-12-352 is amended to read:
1877	59-12-352. Transient room tax authority for municipalities and certain
1878	authorities Purposes for which revenues may be used.
1879	(1)(a) Except as provided in Subsection (5), the governing body of a municipality may
1880	impose a tax of not to exceed 1% on charges for the accommodations and services
1881	described in Subsection 59-12-103(1)(i).
1882	(b) Subject to Section 63H-1-203, the military installation development authority created
1883	in Section 63H-1-201 may impose a tax under this section for accommodations and
1884	services described in Subsection 59-12-103(1)(i) within a project area described in a
1885	project area plan adopted by the authority under Title 63H, Chapter 1, Military
1886	Installation Development Authority Act, as though the authority were a municipality
1887	(c) Beginning October 1, 2024, the Utah Fairpark Area Investment and Restoration
1888	District, created in Section 11-70-201, may impose a tax under this section for
1889	accommodations and services described in Subsection 59-12-103(1)(i) within the
1890	district sales tax area, as defined in Section 11-70-101, to the same extent and in the
1891	same manner as a municipality may impose a tax under this section.
1892	(d) Beginning October 1, 2025, the creating entity of a major sporting event venue zone
1893	approved pursuant to Title 63N, Chapter 3, Part 17, Major Sporting Event Venue
1894	Zone Act, may impose a tax under this section for accommodations and services
1895	described in Subsection 59-12-103(1)(i) within the sales and use tax boundary, as
1896	defined in Section 63N-3-1701:
1897	(i) to the same extent and in the same manner as a municipality may impose a tax

1898	under this section; and
1899	(ii) as described in Subsection (7).
1900	(2) Subject to the limitations of Subsection (1), a governing body of a municipality may, by
1901	ordinance, increase or decrease the tax under this part.
1902	(3) A governing body of a municipality shall regulate the tax under this part by ordinance.
1903	(4) A municipality may use revenues generated by the tax under this part for general fund
1904	purposes.
1905	(5)(a) A municipality may not impose a tax under this section for accommodations and
1906	services described in Subsection 59-12-103(1)(i) within a project area described in a
1907	project area plan adopted by[-]:
1908	(i) the military installation development authority under Title 63H, Chapter 1,
1909	Military Installation Development Authority Act; or
1910	(ii) the Utah Fairpark Area Investment and Restoration District under Title 11,
1911	Chapter 70, Utah Fairpark Area Investment and Restoration District.
1912	(b) Subsection (5)(a) does not apply to the military installation development authority's
1913	imposition of a tax under this section.
1914	(c) A municipality may not impose a tax under this section for accommodations and
1915	services described in Subsection 59-12-103(1)(i) within a qualified development zone
1916	of a major sporting event venue zone if the creating entity of the major sporting event
1917	venue zone imposes a tax as described in Subsection (7).
1918	(6)(a) As used in this Subsection (6):
1919	(i) "Authority" means the Point of the Mountain State Land Authority, created in
1920	Section 11-59-201.
1921	(ii) "Authority board" means the board referred to in Section 11-59-301.
1922	(b) The authority may, by a resolution adopted by the authority board, impose a tax of
1923	not to exceed 5% on charges for the accommodations and services described in
1924	Subsection 59-12-103(1)(i) for transactions that occur on point of the mountain state
1925	land, as defined in Section 11-59-102.
1926	(c) The authority board, by resolution, shall regulate the tax under this Subsection (6).
1927	(d) The authority shall use all revenue from a tax imposed under this Subsection (6) to
1928	provide affordable housing, consistent with the manner that a community
1929	reinvestment agency uses funds for income targeted housing under Section 17C-1-412.
1930	(e) A tax under this Subsection (6) is in addition to any other tax that may be imposed
1931	under this part.

1932	(7)(a) As used in this Subsection (7), "creating entity" means the same as that term is
1933	defined in Section 11-71-101.
1934	(b) A creating entity may, by ordinance, impose a tax not to exceed 5% on charges for
1935	the accommodations and services described in Subsection 59-12-103(1)(i) for
1936	transactions that occur within the sales and use tax boundary, as defined in Section
1937	63N-3-1701, of a major sporting event venue zone.
1938	(c) A creating entity shall use all revenue from a tax imposed under this Subsection (7)
1939	as described in Sections 11-71-202 and 11-71-203.
1940	(d) A tax under this Subsection (7) is in addition to any other tax that may be imposed
1941	under this part.
1942	Section 13. Section 59-12-354 is amended to read:
1943	59-12-354. Collection of tax Administrative charge.
1944	(1) Except as provided in Subsections (2) and (3), the tax authorized under this part shall be
1945	administered, collected, and enforced in accordance with:
1946	(a) the same procedures used to administer, collect, and enforce the tax under:
1947	(i) Part 1, Tax Collection; or
1948	(ii) Part 2, Local Sales and Use Tax Act; and
1949	(b) Chapter 1, General Taxation Policies.
1950	(2)(a) The location of a transaction shall be determined in accordance with Sections
1951	59-12-211 through 59-12-215.
1952	(b) Except as provided in Subsection (2)(c), the commission_shall distribute the revenue
1953	collected from the tax to:
1954	(i)(A) the municipality within which the revenue was collected, for a tax imposed
1955	under this part by a municipality; or
1956	(B) the Utah Fairpark Area Investment and Restoration District, for a tax imposed
1957	under this part by the Utah Fairpark Area Investment and Restoration District;[
1958	and]
1959	(ii) the Point of the Mountain State Land Authority, for a tax imposed under
1960	Subsection 59-12-352(6)[-] : and
1961	(iii) the creating entity of a major sporting event venue zone, for a tax imposed under
1962	Subsection 59-12-352(7).
1963	(c) The commission shall retain and deposit an administrative charge in accordance with
1964	Section 59-1-306 from the revenue the commission collects from a tax under this part.
1965	(3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections

1966	59-12-205(2) through (5).
1967	Section 14. Section 59-12-401 is amended to read:
1968	59-12-401. Resort communities tax authority for cities, towns, and certain
1969	authorities and certain counties Base Rate Collection fees.
1970	(1)(a) In addition to other sales and use taxes, a city or town in which the transient room
1971	capacity as defined in Section 59-12-405 is greater than or equal to 66% of the
1972	municipality's permanent census population may impose a sales and use tax of up to
1973	1.1% on the transactions described in Subsection 59-12-103(1) located within the city
1974	or town.
1975	(b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this
1976	section on:
1977	(i)(A) the sale of_a motor vehicle, an aircraft, a watercraft, a modular home, a
1978	manufactured home, or a mobile home;
1979	(B) the sales and uses described in Section 59-12-104 to the extent the sales and
1980	uses are exempt from taxation under Section 59-12-104; and
1981	(C) except as provided in Subsection (1)(d), amounts paid or charged for food and
1982	food ingredients;[-or]
1983	(ii) transactions that occur in the district sales tax area, as defined in Subsection (4), if
1984	the fairpark district, as defined in Subsection (4), has imposed a tax under
1985	Subsection (4)[-];
1986	(iii) transactions that occur within a project area described in a project area plan
1987	adopted by the military installation development authority under Title 63H,
1988	Chapter 1, Military Development Authority Act, if the military installation
1989	development authority has imposed a tax under Subsection (3); or
1990	(iv) transactions that occur within the sales and use tax boundary of a major sporting
1991	event venue zone under Title 63N, Chapter 3, Part 17, Major Sporting Event
1992	Venue Zone Act, if the creating entity of the major sporting event venue zone has
1993	imposed a tax under Subsection (5).
1994	(c) For purposes of this Subsection (1), the location of a transaction shall be determined
1995	in accordance with Sections 59-12-211 through 59-12-215.
1996	(d) A city or town imposing a tax under this section shall impose the tax on the purchase
1997	price or the sales price for amounts paid or charged for food and food ingredients if
1998	the food and food ingredients are sold as part of a bundled transaction attributable to
1999	food and food ingredients and tangible personal property other than food and food

2000	ingredients.
2001	(2)(a) An amount equal to the total of any costs incurred by the state in connection with
2002	the implementation of Subsection (1) which exceed, in any year, the revenues
2003	received by the state from its collection fees received in connection with the
2004	implementation of Subsection (1) shall be paid over to the state General Fund by the
2005	cities and towns which impose the tax provided for in Subsection (1).
2006	(b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among those
2007	cities and towns according to the amount of revenue the respective cities and towns
2008	generate in that year through imposition of that tax.
2009	(3)(a) Subject to Section 63H-1-203, the military installation development authority
2010	created in Section 63H-1-201 may impose a tax under this section on the transactions
2011	described in Subsection 59-12-103(1) located within a project area described in a
2012	project area plan adopted by the authority under Title 63H, Chapter 1, Military
2013	Installation Development Authority Act, as though the authority were a city or a town.
2014	(b) For purposes of calculating the permanent census population within a project area,
2015	the board, as defined in Section 63H-1-102, shall:
2016	(i) use the actual number of permanent residents within the project area as determined
2017	by the board;
2018	(ii) include in the calculation of transient room capacity the number, as determined
2019	by the board, of approved high-occupancy lodging units, recreational lodging
2020	units, special lodging units, and standard lodging units, even if the units are not
2021	constructed;
2022	(iii) adopt a resolution verifying the population number; and
2023	(iv) provide the commission any information required in Section 59-12-405.
2024	(c) Notwithstanding Subsection (1)(a), a board as defined in Section 63H-1-102 may
2025	impose the sales and use tax under this section if there are no permanent residents.
2026	(4)(a) As used in this Subsection (4):
2027	(i) "District sales tax area" means the same as that term is defined in Section
2028	11-70-101.
2029	(ii) "Fairpark district" means the Utah Fairpark Area Investment and Restoration
2030	District, created in Section 11-70-201.
2031	(iii) "Fairpark district board" means the board of the fairpark district.
2032	(b) [The] On or after October 1, 2024, the fairpark district, by resolution of the fairpark
2033	district hoard, may impose a tax under this section, as though the fairnark district

2034	were a city or town, on transactions described in Subsection 59-12-103(1)[:]
2035	[(i)] located within the district sales tax area[; and] .
2036	[(ii) that occur on or after October 1, 2024.]
2037	(c) For purposes of calculating the permanent census population within the district sales
2038	tax area, the fairpark district board shall:
2039	(i) use the actual number of permanent residents within the district sales tax area as
2040	determined by the fairpark district board;
2041	(ii) include in the calculation of transient room capacity the number, as determined
2042	by the fairpark district board, of approved high-occupancy lodging units,
2043	recreational lodging units, special lodging units, and standard lodging units, even
2044	if the units are not constructed;
2045	(iii) adopt a resolution verifying the population number; and
2046	(iv) provide the commission any information required in Section 59-12-405.
2047	(d) Notwithstanding Subsection (1)(a), the fairpark district may impose the sales and use
2048	tax under this section if there are no permanent residents within the district sales tax
2049	area.
2050	(5)(a) As used in this Subsection (5):
2051	(i) "Creating entity" means the same as that term is defined in Section 11-71-101.
2052	(ii) "Major sporting event venue zone" means an area approved to be a major sporting
2053	event venue zone under Title 63N, Chapter 3, Part 17, Major Sporting Event
2054	Venue Zone Act.
2055	(iii) "Sales and use tax boundary" means the same as that term is defined in Section
2056	63N-3-1701.
2057	(b) Beginning October 1, 2025, the creating entity of a major sporting event venue zone,
2058	established under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone
2059	Act, may by ordinance impose a tax under this section on transactions that occur
2060	within the sales and use boundary of a major sporting event venue zone as those
2061	terms are defined in Section 63N-3-1701 to the same extent and in the same manner
2062	as a city or town may impose a tax under this section.
2063	(6)(a) As used in this Subsection (6), "major sporting event venue" means a venue that
2064	has been or is proposed to be used for the Olympic Games, as confirmed by the Salt
2065	Lake City-Utah Committee for the Games, a site, arena, or facility along with
2066	supporting or adjacent structures.
2067	(b) Beginning October 1, 2025, a county of the third class with at least three major

2068	sporting event venues within the jurisdiction of the county may, by ordinance,
2069	impose a tax under this section on transactions occurring within the unincorporated
2070	areas of the county to the same extent and in the same manner as a city or town may
2071	impose a tax under this section.
2072	(c) Revenue generated by a tax imposed under this Subsection (6) may only be used by
2073	the county of the third class on public infrastructure and infrastructure improvements,
2074	including transportation infrastructure and improvements, and transit projects.
2075	Section 15. Section 59-12-402 is amended to read:
2076	59-12-402 . Additional resort communities sales and use tax Base Rate
2077	Collection fees Resolution and voter approval requirements Election requirements
2078	Notice requirements Ordinance requirements Certain authorities and zones
2079	implementing additional resort communities sales and use tax.
2080	(1)(a) Subject to Subsections (2) through (6), the governing body of a municipality in
2081	which the transient room capacity as defined in Section 59-12-405 is greater than or
2082	equal to 66% of the municipality's permanent census population may, in addition to
2083	the sales tax authorized under Section 59-12-401, impose an additional resort
2084	communities sales tax in an amount that is less than or equal to .5% on the
2085	transactions described in Subsection 59-12-103(1) located within the municipality.
2086	(b) Notwithstanding Subsection (1)(a), the governing body of a municipality may not
2087	impose a tax under this section on:
2088	(i)(A) the sale of a motor vehicle, an aircraft, a watercraft, a modular home, a
2089	manufactured home, or a mobile home;
2090	(B) the sales and uses described in Section 59-12-104 to the extent the sales and
2091	uses are exempt from taxation under Section 59-12-104; and
2092	(C) except as provided in Subsection (1)(d), amounts paid or charged for food and
2093	food ingredients;[or]
2094	(ii) transactions that occur in the district sales tax area, as defined in Subsection
2095	59-12-401(4), if the Utah Fairpark Area Investment and Restoration District,
2096	created in Section 11-70-201, has imposed a tax under Subsection (8)[-];
2097	(iii) transactions that occur within a project area described in a project area plan
2098	adopted by the military installation development authority under Title 63H,
2099	Chapter 1, Military Development Authority Act, if the military installation
2100	development authority has imposed a tax under Subsection (7); or
2101	(iv) transactions that occur within the sales and use tay boundary of a major sporting

2102	event venue zone under Title 63N, Chapter 3, Part 17, Major Sporting Event
2103	Venue Zone Act, if the creating entity of the major sporting event venue zone has
2104	imposed a tax under Subsection (9).
2105	(c) For purposes of this Subsection (1), the location of a transaction shall be determined
2106	in accordance with Sections 59-12-211 through 59-12-215.
2107	(d) A municipality imposing a tax under this section shall impose the tax on the
2108	purchase price or sales price for amounts paid or charged for food and food
2109	ingredients if the food and food ingredients are sold as part of a bundled transaction
2110	attributable to food and food ingredients and tangible personal property other than
2111	food and food ingredients.
2112	(2)(a) An amount equal to the total of any costs incurred by the state in connection with
2113	the implementation of Subsection (1) which exceed, in any year, the revenues
2114	received by the state from its collection fees received in connection with the
2115	implementation of Subsection (1) shall be paid over to the state General Fund by the
2116	cities and towns which impose the tax provided for in Subsection (1).
2117	(b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among those
2118	cities and towns according to the amount of revenue the respective cities and towns
2119	generate in that year through imposition of that tax.
2120	(3) To impose an additional resort communities sales tax under this section, the governing
2121	body of the municipality shall:
2122	(a) pass a resolution approving the tax; and
2123	(b) except as provided in Subsection (6), obtain voter approval for the tax as provided in
2124	Subsection (4).
2125	(4) To obtain voter approval for an additional resort communities sales tax under
2126	Subsection (3)(b), a municipality shall:
2127	(a) hold the additional resort communities sales tax election during:
2128	(i) a regular general election; or
2129	(ii) a municipal general election; and
2130	(b) post notice of the election for the municipality, as a class A notice under Section
2131	63G-30-102, for at least 15 days before the day on which the election is held.
2132	(5) An ordinance approving an additional resort communities sales tax under this section
2133	shall provide an effective date for the tax as provided in Section 59-12-403.
2134	(6)(a) Except as provided in Subsection (6)(b), a municipality is not subject to the voter
2135	approval requirements of Subsection (3)(b) if, on or before January 1, 1996, the

2136	municipality imposed a license fee or tax on businesses based on gross receipts
2137	pursuant to Section 10-1-203.
2138	(b) The exception from the voter approval requirements in Subsection (6)(a) does not
2139	apply to a municipality that, on or before January 1, 1996, imposed a license fee or
2140	tax on only one class of businesses based on gross receipts pursuant to Section
2141	10-1-203.
2142	(7) Subject to Subsection 63H-1-203(1), a military installation development authority
2143	authorized to impose a resort communities tax under Section 59-12-401 may impose an
2144	additional resort communities sales tax under this section as if the military installation
2145	development authority were a municipality.
2146	(8) [The-] On or after October 1, 2024, the Utah Fairpark Area Investment and Restoration
2147	District, created in Section 11-70-201, may impose an additional resort communities tax
2148	under this section on transactions that occur[÷]
2149	[(a)] within the district sales tax area, as defined in Subsection 59-12-401(4)[; and], as if
2150	the district were a municipality.
2151	[(b) that occur on or after October 1, 2024.]
2152	(9) Beginning October 1, 2025, the creating entity of a major sporting event venue zone,
2153	established under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act,
2154	may by ordinance impose a tax under this section on transactions that occur within the
2155	sales and use tax boundary of a major sporting event venue zone as those terms are
2156	defined in Section 63N-3-1701 to the same extent and in the same manner as a
2157	municipality may impose a tax under this section.
2158	Section 16. Section 59-12-405 is amended to read:
2159	59-12-405. Definitions Municipality filing requirements for lodging unit
2160	capacity Failure to meet eligibility requirements Notice to municipality
2161	Municipality authority to impose tax.
2162	(1) As used in this section:
2163	(a) "High-occupancy lodging unit" means each bedroom in a:
2164	(i) hostel; or
2165	(ii) a unit similar to a hostel as determined by the commission by rule.
2166	(b) "High-occupancy lodging unit capacity of a municipality" means the product of:
2167	(i) the total number of high-occupancy lodging units within the incorporated
2168	boundaries of a municipality on the first day of the calendar quarter during which
2169	the municipality files the form described in Subsection (3); and

2170	(ii) four.
2171	(c) "Recreational lodging unit" means each site in a:
2172	(i) campground that:
2173	(A) is issued a business license by the municipality in which the campground i
2174	located; and
2175	(B) provides the following hookups:
2176	(I) water;
2177	(II) sewer; and
2178	(III) electricity;[-or]
2179	(ii) recreational vehicle park that provides the following hookups:
2180	(A) water;
2181	(B) sewer; and
2182	(C) electricity; or
2183	(iii) unit similar to Subsection (1)(c)(i) or (ii) as determined by the commission by
2184	rule.
2185	(d) "Recreational lodging unit capacity of a municipality" means the product of:
2186	(i) the total number of recreational lodging units within the incorporated boundarie
2187	of a municipality on the first day of the calendar quarter during which the
2188	municipality files the form described in Subsection (3); and
2189	(ii) four.
2190	(e) "Special lodging unit" means a lodging unit:
2191	(i) that is a:
2192	(A) high-occupancy lodging unit;
2193	(B) recreational lodging unit; or
2194	(C) standard lodging unit;
2195	(ii) for which the commission finds that in determining the capacity of the lodging
2196	unit the lodging unit should be multiplied by a number other than a number
2197	described in:
2198	(A) for a high-occupancy lodging unit, Subsection (1)(b)(ii);
2199	(B) for a recreational lodging unit, Subsection (1)(d)(ii); or
2200	(C) for a standard lodging unit, Subsection (1)(i)(ii); and
2201	(iii) for which the municipality in which the lodging unit is located files a written
2202	request with the commission for the finding described in Subsection (1)(e)(ii).
2203	(f) "Special lodging unit capacity of a municipality" means the sum of the special

2204		lodging unit numbers for all of the special lodging units within the incorporated
2205		boundaries of a municipality on the first day of the calendar quarter during which the
2206		municipality files the form described in Subsection (3).
2207	(g)	"Special lodging unit number" means the number by which the commission finds
2208		that a special lodging unit should be multiplied in determining the capacity of the
2209		special lodging unit.
2210	(h)	"Standard lodging unit" means each bedroom in:
2211		(i) a hotel;
2212		(ii) a motel;
2213		(iii) a bed and breakfast establishment;
2214		(iv) an inn;
2215		(v) a condominium that is:
2216		(A) part of a rental pool; or
2217		(B) regularly rented out for a time period of less than 30 consecutive days;
2218		(vi) a property used as a residence that is:
2219		(A) part of a rental pool; or
2220		(B) regularly rented out for a time period of less than 30 consecutive days; or
2221		(vii) a unit similar to Subsections (1)(h)(i) through (vi) as determined by the
2222		commission by rule.
2223	(i)	"Standard lodging unit capacity of a municipality" means the product of:
2224		(i) the total number of standard lodging units within the incorporated boundaries of a
2225		municipality on the first day of the calendar quarter during which the municipality
2226		files the form described in Subsection (3); and
2227		(ii) three.
2228	(j)	"Transient room capacity" means the sum of:
2229		(i) the high-occupancy lodging unit capacity of a municipality;
2230		(ii) the recreational lodging unit capacity of a municipality;
2231		(iii) the special lodging unit capacity of a municipality; and
2232		(iv) the standard lodging unit capacity of a municipality.
2233	(2) A r	nunicipality that imposes a tax under this part shall provide the commission the
2234	foll	owing information as provided in this section:
2235	(a)	the high-occupancy lodging unit capacity of the municipality;
2236	(b)	the recreational lodging unit capacity of the municipality;
2237	(c)	the special lodging unit capacity of the municipality; and

2238	(d) the standard lodging unit capacity of the municipality.
2239	(3) A municipality shall file with the commission the information required by Subsection (2):
2240	(a) on a form provided by the commission; and
2241	(b) on or before:
2242	(i) for a municipality that is required by Section 59-12-403 to provide notice to the
2243	commission, the day on which the municipality provides the notice required by
2244	Section 59-12-403 to the commission; or
2245	(ii) for a municipality that is not required by Section 59-12-403 to provide notice to
2246	the commission, July 1 of each year.
2247	(4) If the commission determines that a municipality that files the form described in
2248	Subsection (3) has a transient room capacity that is less than 66% of the municipality's
2249	permanent census population, the commission shall notify the municipality in writing:
2250	(a) that the municipality's transient room capacity is less than 66% of the municipality's
2251	permanent census population; and
2252	(b)(i) for a municipality that is required by Section 59-12-403 to provide notice to the
2253	commission, within 30 days after the day on which the municipality provides the
2254	notice to the commission; or
2255	(ii) for a municipality that is not required by Section 59-12-403 to provide notice to
2256	the commission, on or before September 1.
2257	(5)(a) For a municipality that does not impose a tax under Section 59-12-401 on the day
2258	on which the municipality files the form described in Subsection (3), if the
2259	commission provides written notice described in Subsection (4) to the municipality,
2260	the municipality may not impose a tax under this part until the municipality meets the
2261	requirements of this part to enact the tax.
2262	(b) For a municipality that is not required by Section 59-12-403 to provide notice to the
2263	commission, if the commission provides written notice described in Subsection (4) to
2264	the municipality for three consecutive calendar years, the municipality may not
2265	impose a tax under this part:
2266	(i) beginning on July 1 of the year after the year during which the commission
2267	provided written notice described in Subsection (4):
2268	(A) to the municipality; and
2269	(B) for the third consecutive calendar year; and
2270	(ii) until the municipality meets the requirements of this part to enact the tax.
2271	(6) The requirements of this section do not apply to a municipality that:

2272	(a) is a creating entity of a major sporting event venue zone; and
2273	(b) only imposes a tax authorized under this part on transactions that occur within the
2274	sales and use tax boundary of a major sporting event venue zone.
2275	Section 17. Section 63N-3-1701 is enacted to read:
2276	Part 17. Major Sporting Event Venue Zone Act
2277	63N-3-1701 . Definitions.
2278	As used in this part:
2279	(1) "Base taxable value" means the taxable value of land within a qualified development
2280	zone as shown upon the assessment roll last equalized during the property tax base year.
2281	(2) "Committee" means a major sporting event venue zone committee described in Section
2282	63N-1a-1706.
2283	(3) "Creating entity" means a municipality or a county.
2284	(4) "Impacted primary area" means the land outside a major sporting event venue zone but
2285	within one mile of the boundary of the major sporting event venue zone.
2286	(5)(a) "Major sporting event venue" means:
2287	(i) for a venue that has been or is proposed to be used for the Olympic Games, as
2288	confirmed by the Salt Lake City-Utah Committee for the Games, a site, arena, or
2289	facility along with supporting or adjacent structures so long as the expected
2290	expenditures to construct, demolish, reconstruct, modify, upgrade, or expand the
2291	site, arena, or facility exceeds \$100,000,000; or
2292	(ii) for a venue that has been or is proposed to host international or professional
2293	sports competitions, a site, arena, golf course, playing field, stadium, or facility
2294	along with supporting or adjacent structures so long as:
2295	(A) the expected expenditures to construct, demolish, reconstruct, modify,
2296	upgrade, or expand the site, arena, golf course, playing field, stadium, or
2297	facility exceeds \$100,000,000;
2298	(B) the total area for the venue is at least 500 acres in size; and
2299	(C) the site, arena, golf course, playing field, stadium, or facility is not used
2300	primarily as the home location for a professional sports league franchise.
2301	(b) "Major sporting event venue" includes structures where an international competition
2302	or professional athletic event is not taking place directly but where media, athletes,
2303	spectators, organizers, and officials associated with the international competition or
2304	professional athletic event are hosted in direct connection with the international
2305	competition or professional athletic event taking place at a location described in

2306	Subsection $(5)(a)$.
2307	(6) "Major sporting event venue zone" means the land, as described in a proposal to create a
2308	major sporting event venue zone or a proposal to amend a major sporting event venue
2309	zone, or as approved by a committee for a major sporting event venue zone, upon which
2310	there are one or more major sporting event venues.
2311	(7) "Major sporting event venue zone revenue" means all the revenue captured by a creating
2312	entity for an area described in a major sporting event venue zone and if applicable the
2313	secondary project area, including:
2314	(a) property tax increment;
2315	(b) if applicable, local sales and use tax increment;
2316	(c) if applicable, municipal energy sales and use tax;
2317	(d) if applicable, municipal telecommunications license tax;
2318	(e) if applicable, accommodations tax;
2319	(f) if applicable, transient room tax; and
2320	(g) if applicable, resort communities sales and use tax and additional resort communities
2321	sales and use tax.
2322	(8) "Property tax base year" means, for each property tax increment collection period
2323	triggered within a qualified development zone or a proposed qualified development
2324	zone, the calendar year before the calendar year in which the property tax increment
2325	begins to be collected for the parcels triggered for that collection period.
2326	(9)(a) "Property tax increment" means the difference between:
2327	(i) the amount of property tax revenue generated each tax year by a taxing entity
2328	within a qualified development zone, or proposed qualified development zone,
2329	from which property tax increment is to be collected, using the current assessed
2330	value and each taxing entity's current certified tax rate as defined in Section
2331	<u>59-2-924; and</u>
2332	(ii) the amount of property tax revenue that would be generated from the area
2333	described in Subsection (9)(a)(i) using the base taxable value and each taxing
2334	entity's current certified tax rate as defined in Section 59-2-924.
2335	(b) "Property tax increment" does not include property tax revenue from:
2336	(i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2):
2337	<u>or</u>
2338	(ii) a county additional property tax described in Subsection 59-2-1602(4).
2339	(10) "Proposal" means a document physical or electronic developed by a creating entity:

2340	(a) outlining the need for a major sporting event venue zone;
2341	(b) describing the impacted primary area of a proposed major sporting event venue zone
2342	(c) describing the proposed secondary project area of a proposed major sporting event
2343	venue zone, if any; and
2344	(d) submitted to a major sporting event venue zone committee.
2345	(11) "Qualified development zone" means the property within a major sporting event venue
2346	zone, and, if applicable, the secondary project area, as approved by the committee as
2347	described in this part.
2348	(12) "Sales and use tax base year" means a sales and use tax year determined by the first
2349	year pertaining to the tax imposed in Section 59-12-103 after the sales and use tax
2350	boundary for a major sporting event venue zone is established.
2351	(13)(a) "Sales and use tax boundary" means a boundary established as described in
2352	Sections 63N-3-1707 and 63N-3-1710, based on sales and use tax collection that
2353	corresponds as closely as reasonably practicable to the boundary of the major
2354	sporting event venue zone.
2355	(b) "Sales and use tax boundary" does not include land described in a secondary project
2356	area.
2357	(14) "Sales and use tax increment" means the difference between:
2358	(a) the amount of local sales and use tax revenue generated each year following the sales
2359	and use tax base year by the local sales and use tax from the area within a sales and
2360	use tax boundary from which local sales and use tax increment is to be collected; and
2361	(b) the amount of local sales and use tax revenue that was generated from within the
2362	sales and use tax boundary during the sales and use tax base year.
2363	(15)(a) "Secondary project area" means land, as described in a proposal to create a major
2364	sporting event venue zone or a proposal to amend a major sporting event venue zone,
2365	or as approved by a committee for a major sporting event venue zone:
2366	(i) located in the same jurisdiction as the creating entity for the major sporting event
2367	venue zone;
2368	(ii) located no more than two miles from the boundary of the major sporting event
2369	venue zone;
2370	(iii) connected to a major sporting event venue zone by a transportation system; and
2371	(iv) not exceeding 50 acres.
2372	(b) "Secondary project area" may include:
2373	(i) land that is not contiguous to the major sporting event venue zone, if the land

2374	designated in the secondary project area is the only or primary point of transit by
2375	which an individual may begin to access the major sporting event venue zone; and
2376	(ii) the land on which a connecting transportation system sits if the transportation
2377	system requires infrastructure that is permanently affixed to the land.
2378	(16) "Transportation system" means:
2379	(a) a street, alley, road, highway, pathway, or thoroughfares of any kind, including
2380	connected structures;
2381	(b) an airport or aerial transit infrastructure;
2382	(c) a public transit facility; or
2383	(d) any other modes or form of conveyance used by the public.
2384	Section 18. Section 63N-3-1702 is enacted to read:
2385	63N-3-1702 . Applicability, requirements, and limitations on a major sporting
2386	event venue zone.
2387	(1) A major sporting event venue zone created pursuant to this part shall promote the
2388	following objectives:
2389	(a) redevelopment of existing but aging major sporting event venues;
2390	(b) development of new major sporting event venues;
2391	(c) development of infrastructure supporting a major sporting event venue;
2392	(d) increased utilization of public transportation when accessing a major sporting event
2393	venue;
2394	(e) improved efficiencies in parking and transportation with the goal of increasing
2395	walkability between a major sporting event venue and a public transit station;
2396	(f) improved commercial development, or mixed commercial-residential development,
2397	in areas near a major sporting event venue;
2398	(g) improving air quality by reducing fuel consumption and motor vehicle trips; and
2399	(h) increasing tourism activity.
2400	(2) In order to accomplish the objectives described in this section, a creating entity that
2401	initiates the process to create a major sporting event venue zone shall ensure that a
2402	proposal for a major sporting event venue zone includes information demonstrating how
2403	the proposed major sporting event venue zone shall achieve the objectives described in
2404	Subsection (1).
2405	(3) Notice of commencement of collection of property tax increment shall be sent by mail
2406	or electronically to the following entities no later than January 1 of the year for which
2407	the property tax increment collection is proposed to commence:

2408	(a) the State Tax Commission;
2409	(b) the State Board of Education;
2410	(c) the state auditor;
2411	(d) the auditor of the county in which the major sporting event venue zone is proposed to
2412	be created;
2413	(e) each taxing entity to be affected by collection of property tax increment in the
2414	proposed major sporting event venue zone;
2415	(f) the assessor of the county in which the major sporting event venue zone is proposed
2416	to be created; and
2417	(g) the Governor's Office of Economic Opportunity.
2418	(4) A major sporting event venue zone proposal may include:
2419	(a) a proposal to capture property tax increment;
2420	(b) a proposal to capture local sales and use tax increment; and
2421	(c) a proposal to implement a tax described in Section 11-71-201, either immediately
2422	upon creation of the major sporting event venue zone or on a specified timeline
2423	following the creation of the major sporting event venue zone.
2424	Section 19. Section 63N-3-1703 is enacted to read:
2425	63N-3-1703 . Process for proposing a major sporting event venue zone.
2426	(1)(a) A creating entity may propose a major sporting event venue zone as provided in
2427	this section.
2428	(b) One or more creating entities may jointly propose a major sporting event venue zone
2429	<u>if:</u>
2430	(i) the creating entities first enter an interlocal agreement governing how the creating
2431	entities shall manage the major sporting event venue zone, if approved; or
2432	(ii) the creating entities include a proposed interlocal agreement the creating entities
2433	will enter upon approval of the major sporting event venue zone.
2434	(c) A creating entity may not propose a major sporting event venue zone unless the
2435	owner of a major sporting event venue consents to the creation of the major sporting
2436	event venue zone through a participation agreement with the creating entity.
2437	(2) A proposal for a major sporting event venue zone shall:
2438	(a) identify if the proposal is to redevelop an existing but aging major sporting event
2439	venue, develop a new major sporting event venue, or both redevelop an existing but
2440	aging major sporting event venue and develop a new major sporting event venue;
2441	(b) demonstrate that the major sporting event venue zone will meet the objectives

2442	described in Subsection 63N-3-1702(1);
2443	(c) explain how the creating entity will achieve the requirements of Subsection
2444	<u>63N-3-1702(2);</u>
2445	(d) include the consent described in Subsection (1)(c);
2446	(e) define specific infrastructure needs, if any, and proposed improvements to:
2447	(i) the major sporting event venue zone; and
2448	(ii) if applicable, the secondary project area;
2449	(f) demonstrate how the major sporting event venue zone will:
2450	(i) ensure sufficient traffic control;
2451	(ii) provide multiple avenues for spectators or participants to access the major
2452	sporting event venue zone, including public transit; and
2453	(iii) promote increased visitation to and recreation in the major sporting event venue
2454	zone;
2455	(g) define the boundaries of the major sporting event venue zone;
2456	(h) define the boundaries of the secondary project area, if any;
2457	(i) identify any impediments to the development of a new major sporting event venue, or
2458	impediments to refurbishing an existing major sporting event venue, in the major
2459	sporting event venue zone and proposed strategies for addressing each one;
2460	(j) describe the proposed development or refurbishment to a sporting event venue in the
2461	major sporting event venue zone, including estimated costs;
2462	(k) subject to Subsection (3):
2463	(i) propose the collection period or periods for property tax increment;
2464	(ii) propose the collection period for local sales and use tax increment;
2465	(iii) propose the collection period or periods for property tax increment in the
2466	secondary project area, if any;
2467	(iv) propose the sales tax increment to be collected for the benefit of the major
2468	sporting event venue zone; and
2469	(v) propose the qualified development zone boundaries for purposes of the property
2470	tax increment boundary, as described in Section 63N-3-1709, and the sales and
2471	use tax boundary, as described in Section 63N-3-1710;
2472	(l) establish the timeline to levy additional taxes authorized under Title 11, Chapter 71,
2473	Major Sporting Event Venue Zones, if any, within the major sporting event venue
2474	zone;
2475	(m) describe projected maximum revenues generated within the major sporting event

2476	venue zone by each permitted source of revenue described in Section 11-71-201;
2477	(n) describe proposed expenditures of revenue generated within the major sporting event
2478	venue zone;
2479	(o) include an analysis of other applicable or eligible incentives, grants, or sources of
2480	revenue that can be used to reduce any finance gap between generated revenue and
2481	estimated costs;
2482	(p)(i) describe any known opportunities for private-public partnership in developing.
2483	refurbishing, operating, or managing a major sporting event venue, as described in
2484	Section 11-71-301; or
2485	(ii) describe a strategy to pursue private-public partnership in developing or
2486	refurbishing a major sporting event venue;
2487	(q) propose a finance schedule to align expected revenue with required financing costs
2488	and payments;
2489	(r) evaluate possible benefits to active transportation, public transportation availability
2490	and utilization, street connectivity, and air quality; and
2491	(s) provides a pro forma for the planned development that:
2492	(i) satisfies the requirements described in Section 63N-3-1702; and
2493	(ii) includes data showing the cost difference between what type of redevelopment of
2494	development could feasibly occur without major sporting event venue zone
2495	revenue, and the type of redevelopment or development that is proposed to occur
2496	with major sporting event venue zone revenue.
2497	(3)(a) Property tax increment may be collected from a qualified development zone for no
2498	less than 25 years and no more than 40 years.
2499	(b) A proposal for a major sporting event venue zone may not propose or include
2500	triggering more than three property tax increment collection periods for the qualified
2501	development zone.
2502	(c) Local sales and use tax increment may be collected for an area in a sales and use tax
2503	boundary for no more than 40 years.
2504	(d) The percentage of property tax increment collected for the benefit of a major
2505	sporting event venue zone is 75%.
2506	(e) The committee established under Section 63N-3-1706 shall determine the percentage
2507	of local sales and use tax increment to be collected for the benefit of a major sporting
2508	event venue zone.
2509	(4) A creating entity shall submit a proposal described in Subsection (2) to a relevant school

2510	district to discuss the requirements of the proposal.
2511	(5) No earlier than 30 days after the day on which the creating entity submits the proposal
2512	to a relevant school district under Subsection (4), the creating entity shall provide the
2513	proposal described in Subsection (2) and any response or feedback to the proposal from
2514	a relevant school district to the office for consideration.
2515	(6)(a) Within 14 days after the date on which the office receives the proposal described
2516	in Subsection (5), the office shall provide notice of the proposal to all affected taxing
2517	entities, including the State Tax Commission, cities, counties, school districts,
2518	metropolitan planning organizations, and the county assessor and county auditor of
2519	the county in which the major sporting event venue zone would be located.
2520	(b) The office, in consultation with the county assessor, county auditor, and the State
2521	Tax Commission, shall evaluate the feasibility of administering the tax implications
2522	of the proposal, and provide findings to the creating entity proposing the major
2523	sporting event venue zone.
2524	(7) After receiving the findings described in Subsection (6)(b), the creating entity proposing
2525	the major sporting event venue zone may:
2526	(a) amend the proposal and request that the office submit the amended proposal to the
2527	committee; or
2528	(b) request that the office submit the original major sporting event venue zone proposal
2529	to the committee.
2530	Section 20. Section 63N-3-1704 is enacted to read:
2531	$\underline{63N-3-1704}$. Consideration of proposals by the major sporting event venue zone
2532	committee.
2533	(1) A major sporting event venue zone proposed under this part is subject to approval by
2534	the major sporting event venue zone committee.
2535	(2)(a) The proposing creating entity shall present the proposal to the major sporting
2536	event venue zone committee described in Section 63N-3-1706 in a public meeting.
2537	(b) The committee shall evaluate and verify whether the objectives and elements of a
2538	major sporting event venue zone described in Section 63N-3-1702 have been met.
2539	(3) In considering a proposal under this part, a committee may request any information
2540	from a creating entity needed to make a determination about whether to approve or deny
2541	a proposal, or approve a proposal with modifications, including a description of the
2542	proposed uses of funds and how funds will be used to support public projects related to
2543	the major sporting event venue zone, including transit.

2544	(4)(a) Subject to Subsection (4)(b), the committee may:
2545	(i) request changes to the proposal based on the analysis, characteristics, and criteria
2546	described in Section 63N-3-1703; or
2547	(ii) vote to approve or deny the proposal.
2548	(b) Before the committee may approve the major sporting event venue zone proposal,
2549	the creating entity proposing the major sporting event venue zone shall:
2550	(i) for a creating entity that is made up of more than one municipality or county,
2551	ensure the requirement described in Subsection 63N-3-1703(1)(b) has been met;
2552	<u>and</u>
2553	(ii) ensure that the area of the proposed major sporting event venue zone is zoned in
2554	such a manner to accommodate the requirements of a major sporting event venue
2555	zone described in this section and the proposed development.
2556	Section 21. Section 63N-3-1705 is enacted to read:
2557	63N-3-1705. Notice requirements for the creating entity.
2558	(1) In approving a proposal, the committee shall follow the hearing and notice requirements
2559	for proposing a major sporting event venue zone as described in this section.
2560	(2) Within 30 days after the committee approves a proposed major sporting event venue
2561	zone as described in Section 63N-3-1707, the creating entity shall:
2562	(a) record with the recorder of the county in which the major sporting event venue zone
2563	is located a document containing:
2564	(i) a description of the land within the major sporting event venue zone, primary
2565	project area, and if applicable, the secondary project area;
2566	(ii) a statement that the proposed major sporting event venue zone has been approved
2567	(iii) the date of adoption; and
2568	(iv) the effective date of the major sporting event venue zone, as described in Section
2569	63N-3-1707;
2570	(b) transmit a copy of the description of the land within the major sporting event venue
2571	zone and an accurate map or plat indicating the boundaries of the major sporting
2572	event venue zone, and if applicable, secondary project area to the Utah Geospatial
2573	Resource Center created under Section 63A-16-505; and
2574	(c) transmit a copy of the approved major sporting event venue zone proposal, map, and
2575	legal description of the major sporting event venue zone, and if applicable, secondary
2576	project area, to:
2577	(i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any

2578	part of the major sporting event venue zone is located;
2579	(ii) the officer or officers performing the function of auditor or assessor for each
2580	taxing entity that does not use the county assessment roll or collect the taxing
2581	entity's taxes through the county;
2582	(iii) the legislative body or governing board of each taxing entity;
2583	(iv) the State Tax Commission; and
2584	(v) the State Board of Education.
2585	Section 22. Section 63N-3-1706 is enacted to read:
2586	63N-3-1706. Major sporting event venue zone committee Creation.
2587	(1) For any major sporting event venue zone proposed under this part, there is created a
2588	major sporting event venue zone committee with membership described in Subsection
2589	<u>(2).</u>
2590	(2) Each major sporting event venue zone committee shall consist of the following
2591	members:
2592	(a) one representative from the office, designated by the executive director of the office:
2593	(b) one representative from the creating entity;
2594	(c)(i) if a proposal addresses a major sporting event venue that will be used during an
2595	Olympic Games, one member of the executive committee for the Salt Lake
2596	City-Utah Committee for the Games; or
2597	(ii) if a proposal does not address a major sporting event venue that will be used
2598	during an Olympic Games, one individual with expertise in a professional sports
2599	industry, appointed by the governor;
2600	(d) one individual from the Office of the State Treasurer, designated by the state
2601	treasurer;
2602	(e) two members designated by the president of the Senate;
2603	(f) two members designated by the speaker of the House of Representatives;
2604	(g) two representatives designated by the school superintendent from the school district
2605	affected by the major sporting event venue zone; and
2606	(h) one representative, representing the largest participating local taxing entity, after the
2607	creating entity and school district, in the proposed major sporting event venue zone.
2608	(3) After the office has received a request from the submitting creating entity to submit the
2609	proposal to the committee, as described in Subsection 63N-3-1703(7), the office shall
2610	notify each of the entities described in Subsection (2) of the formation of the major
2611	sporting event venue zone committee.

2612	(4) The individual designated by the office as described in Subsection (2)(a) shall serve as
2613	chair of the committee.
2614	(5)(a) A majority of the members of the committee constitutes a quorum.
2615	(b) An action by a majority of a quorum of the committee is an action of the committee.
2616	(6)(a) The chair of the committee shall convene a public meeting to consider the
2617	proposed major sporting event venue zone.
2618	(b) A meeting of the committee is subject to Title 52, Chapter 4, Open and Public
2619	Meetings Act.
2620	(7) The committee may:
2621	(a) request changes to the proposal based on the analysis, characteristics, and criteria
2622	described in Section 63N-3-1702 or 63N-3-1703; or
2623	(b) vote to approve or deny the proposal.
2624	(8) If a major sporting event venue zone is approved as described in Section 63N-3-1707:
2625	(a) the proposed major sporting event venue zone is established:
2626	(i) according to the terms of the proposal; or
2627	(ii) according to the modified terms of the proposal, as established by the committee
2628	in the committee's vote to approve the major sporting event venue zone;
2629	(b) affected local taxing entities are required to participate according to the terms
2630	approved by the committee; and
2631	(c) each affected taxing entity is required to participate at the same rate.
2632	(9)(a) Except as provided in Subsection (9)(b), any aspect of a major sporting event
2633	venue zone, including the approved use of major sporting event venue zone revenue
2634	or the boundary of the qualified development zone or sales and use tax boundary,
2635	may be amended by following the same procedure as approving a major sporting
2636	event venue zone proposal.
2637	(b) A boundary adjustment described in Section 63N-3-1711 does not require an
2638	amendment described in Subsection (9)(a).
2639	Section 23. Section 63N-3-1707 is enacted to read:
2640	63N-3-1707. Approval of a major sporting event venue zone Effective date of a
2641	major sporting event venue zone Establishment of qualified development zone
2642	boundary Base taxable value year.
2643	(1) A major sporting event venue zone proposal may be approved, with or without
2644	modifications, by a majority vote of the committee.
2645	(2)(a) The effective date of a major sporting event venue zone is January 1 following the

2646	approval of a proposal by the committee, as described in Subsection (1).
2647	(b) The collection of property tax increment or local sales and use tax increment may not
2648	be triggered before the effective date.
2649	(3)(a) The base taxable value of land within an approved major sporting event venue
2650	zone is determined as of January 1 of the year in which the committee approves a
2651	major sporting event venue zone proposal.
2652	(b) In approving the major sporting event venue zone, the committee shall establish:
2653	(i) the qualified development zone area for the purpose of calculating property tax
2654	increment;
2655	(ii) the sales and use tax boundary for the purpose of calculating local sales and use
2656	tax increment;
2657	(iii) the percent of property tax increment that may be captured in the major sporting
2658	event venue zone;
2659	(iv) the percent of local sales and use tax increment that may be captured in the major
2660	sporting event venue zone;
2661	(v) the amount of time that property tax increment, local sales and use tax increment,
2662	or both may be captured in the major sporting event venue zone; and
2663	(vi) the maximum amount of revenue from property tax increment, local sales and
2664	use tax increment, or both may be captured in the major sporting event venue zone
2665	(4) The creating entity of a major sporting event venue zone is responsible for tracking the
2666	revenue received from property tax increment, local sales and use tax increment, or both,
2667	and reporting to the county auditor and State Tax Commission if the creating entity
2668	reaches the maximum described in Subsection (3)(b)(vi) before the relevant time period
2669	described in Subsection $(3)(b)(v)$.
2670	Section 24. Section 63N-3-1708 is enacted to read:
2671	63N-3-1708 . Major sporting venue event zone boundaries Reporting
2672	requirements.
2673	(1) After a major sporting event venue zone is approved by the committee, as described in
2674	Section 63N-3-1706, the committee shall provide notice to the State Tax Commission,
2675	no later than 90 days after the day on which the committee approves the proposal:
2676	(a) of the creation of the major sporting event venue zone, including the information
2677	described in Subsection (2);
2678	(b) if the committee approves the creating entity to receive local sales and use tax
2679	increment, the information described in Subsection (3); and

2680	(c) any information to the State Tax Commission required by the State Tax
2681	Commission; and
2682	(2) The notice described in Subsection (1)(a) shall include:
2683	(a) a statement that the major sporting event venue zone will be established under this
2684	part;
2685	(b) the approval date and effective date of the major sporting event venue zone;
2686	(c) the boundary of the qualified development zone;
2687	(d) the sales and use tax base year, if applicable; and
2688	(e) the sales and use tax boundary, if applicable.
2689	(3) After the effective date of a major sporting event venue zone, as described in Section
2690	63N-3-1707, the creating entity shall provide a written report, no later than August 1, on
2691	the creating entity's activities to implement the objectives of the major sporting event
2692	venue zone to the executive director.
2693	(4)(a) The executive director shall annually provide a written report, no later than
2694	October 1, summarizing all reports received by the executive director under
2695	Subsection (3), to the:
2696	(i) Revenue and Taxation Interim Committee;
2697	(ii) Political Subdivisions Interim Committee; and
2698	(iii) Economic Development and Workforce Services Interim Committee.
2699	(b) The executive director shall include with the written report described in Subsection
2700	(4)(a) any recommendations to the Legislature for statutory changes to this chapter or
2701	Title 11, Chapter 71, Major Sporting Event Venue Zones.
2702	Section 25. Section 63N-3-1709 is enacted to read:
2703	63N-3-1709. Allowable property tax increment within a major sporting event
2704	venue zone.
2705	(1) A creating entity may receive and use property tax increment in accordance with this
2706	section and as described in Title 11, Chapter 71, Major Sporting Event Venue Zones.
2707	(2)(a) A county that collects property tax on property located within a qualified
2708	development zone shall, in accordance with Section 59-2-1365, distribute to the
2709	creating entity the percentage of property tax increment approved by the committee
2710	pursuant to Section 63N-3-1707, not to exceed 75%.
2711	(b) Property tax increment distributed to a creating entity in accordance with Subsection
2712	(2)(a):
2713	(i) is not revenue of the taxing entity or the creating entity; and

2714	(ii) constitutes major sporting event venue zone funds and shall be administered as
2715	described in Title 11, Chapter 71, Major Sporting Event Venue Zones.
2716	(3)(a) A creating entity may designate another local government entity to be the fiscal
2717	agent for property tax increment paid to the creating entity.
2718	(b) Before a fiscal agent may receive major sporting event venue zone funds from the
2719	creating entity, the creating entity and the fiscal agent shall enter into an agreement
2720	governing the use of the funds, consistent with this part and Title 11, Chapter 71,
2721	Major Sporting Event Venue Zones.
2722	(4) Once the maximum amount of property tax increment has been distributed to the
2723	creating entity, as approved by the committee pursuant to Section 63N-3-1707, the
2724	county that collects property tax on property located within a qualified development
2725	zone is no longer obligated to distribute property tax increment to the creating entity.
2726	(5) A creating entity and a creating entity's fiscal agent shall use major sporting event venue
2727	zone funds:
2728	(a) to achieve the purposes described in Subsections 63N-3-1702(1) and (2)
2729	(b) within, or for the direct benefit of, the major sporting event venue zone; and
2730	(c) as described in Section 11-71-204.
2731	Section 26. Section 63N-3-1710 is enacted to read:
2732	$\underline{63N-3-1710}$. Allowable local sales and use tax increment within a major sporting
2733	event venue zone.
2734	(1)(a) A major sporting event venue zone proposal may, in consultation with the State
2735	Tax Commission:
2736	(i) propose a sales and use tax boundary as described in Subsection (2);
2737	(ii) propose a local sales and use tax base year and collection period to calculate and
2738	transfer the local sales and use tax increment within the major sporting event
2739	venue zone, which sales and use tax base year is established prospectively, 90
2740	days after the date of the notice described in Subsection (5); and
2741	(iii) propose the percentage of local sales and use tax increment to be captured by the
2742	<u>creating entity.</u>
2743	(b) A creating entity may only propose one local sales and use tax increment period for a
2744	major sporting event venue zone established under this section.
2745	(2)(a) The creating entity, in consultation with the State Tax Commission, shall propose
2746	a sales and use tax boundary that:
2747	(i) is based on sales and use tax collection boundaries, which are determined using

2/48	the ZIP Code as defined in Section 59-12-102, including the four digit delivery
2749	route extension;
2750	(ii) follows as closely as reasonably practicable the boundary of the major sporting
2751	event venue zone; and
2752	(iii) is one contiguous area that includes at least the entire boundary of the major
2753	sporting event venue zone.
2754	(b) If a sales and use tax boundary is bisected by the boundary of the major sporting
2755	event venue zone, the major sporting event venue zone may include the entire sales
2756	and use tax boundary.
2757	(3) Subject to the requirements of Subsection (2), the committee may modify a proposed
2758	sales and use tax boundary before approving a major sporting event venue zone proposal.
2759	(4) A major sporting event venue zone sales and use tax boundary, as approved by the
2760	committee, is the qualified development zone for purposes of the calculations in
2761	Sections 59-12-103 and 59-12-205.
2762	(5) Once a creating entity notifies the State Tax Commission that the maximum amount of
2763	local sales and use tax increment has been distributed to the creating entity, as approved
2764	by the committee pursuant to Section 63N-3-1707, the State Tax Commission is no
2765	longer obligated to distribute local sales and use tax increment to the creating entity.
2766	(6) The establishment of a sales and use tax base year and the requirement to transfer
2767	incremental sales tax revenue shall take effect:
2768	(a) on the first day of a calendar quarter; and
2769	(b) after a 90-day waiting period, beginning on the date the State Tax Commission
2770	receives notice.
2771	Section 27. Section 63N-3-1711 is enacted to read:
2772	63N-3-1711 . Boundary adjustments.
2773	If the relevant county assessor or county auditor adjusts parcel or lot boundaries relevant
2774	to a major sporting event venue zone, the creating entity administering the property tax
2775	increment or local sales and use tax increment collected in the major sporting event zone may:
2776	(1) make corresponding adjustments to the qualified development zone of the major
2777	sporting event venue zone; and
2778	(2) in consultation with the State Tax Commission, and with the approval of the State Tax
2779	Commission, make corresponding adjustments to the local sales and use tax boundary.
2780	Section 28. Section 63N-3-1712 is enacted to read:
2781	63N-3-1712 . Applicability to an existing project.

2782	(1) If a major sporting event venue zone overlaps an area that is part of a project area, as
2783	that term is defined in Section 17C-1-102, and created under Title 17C, Chapter 1,
2784	Agency Operations, that parcel may not be triggered for collection unless the project
2785	area funds collection period, as that term is defined in Section 17C-1-102, has expired.
2786	(2) If a major sporting event venue zone overlaps any portion of an existing inactive
2787	industrial site community reinvestment project area plan created pursuant to Title 17C,
2788	Limited Purpose Local Government Entities - Community Reinvestment Agency Act:
2789	(a) if the community reinvestment project area plan captures less than 80% of the
2790	property tax increment from a taxing entity, or if a taxing entity is not participating in
2791	the community reinvestment project area plan, the major sporting event venue zone
2792	may capture the difference between:
2793	(i) 80%; and
2794	(ii) the percentage of property tax increment captured pursuant to the community
2795	reinvestment project area plan; and
2796	(b) if a community reinvestment project area plan expires before the major sporting
2797	event venue zone, the major sporting event venue zone may capture the property tax
2798	increment allocated to the community reinvestment project area plan for any
2799	remaining portion of the term of the major sporting event venue zone.
2800	(3)(a) Except as provided in Subsection (3)(b), a major sporting event venue zone may
2801	not overlap a housing and transit reinvestment zone or a first home investment zone.
2802	(b) A major sporting event venue zone may overlap a housing and transit reinvestment
2803	zone or a first home investment zone if:
2804	(i)(A) the major sporting event venue zone does not collect property tax increment
2805	for the area overlapping with the housing and transit reinvestment zone or the
2806	first home investment zone; or
2807	(B) the major sporting event venue zone does not collect property tax increment
2808	for the area overlapping with the housing and transit reinvestment zone or the
2809	first home investment zone until the collection period for the housing and
2810	transit reinvestment zone's collection of property tax increment or the first
2811	home investment zone's collection of property tax increment has ended; and
2812	(ii)(A) the major sporting event venue zone does not collect sales and use tax
2813	increment for the area overlapping with the housing and transit reinvestment
2814	zone or first home investment zone, if the housing and transit reinvestment
2815	zone or the first home investment zone collects sales and use tax increment; or

2816	(B) the major sporting event venue zone does not collect local sales and use tax
2817	increment for the area overlapping with the housing and transit reinvestment
2818	zone or the first home investment zone until the collection period for the
2819	housing and transit reinvestment zone's collection of sales and use tax
2820	increment or the first home investment zone's collection of sales and use tax
2821	increment has ended.
2822	Section 29. Effective Date.
2823	This bill takes effect on January 1, 2026.