

1 **UTAH FAIRPARK AREA INVESTMENT AND RESTORATION DISTRICT**

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ryan D. Wilcox

Senate Sponsor: Lincoln Fillmore

Cosponsor:	Matthew H. Gwynn	Jefferson Moss
Carl R. Albrecht	Sahara Hayes	Val L. Peterson
Melissa G. Ballard	Sandra Hollins	Judy Weeks Rohner
Stewart E. Barlow	Rosemary T. Lesser	Angela Romero
Jefferson S. Burton	Karianne Lisonbee	Andrew Stoddard
Tyler Clancy	Steven J. Lund	

3 **LONG TITLE**

4 **General Description:**

5 This bill enacts and modifies provisions relating to the Utah Fairpark Area Investment and
6 Restoration District.

7 **Highlighted Provisions:**

8 This bill:

- 9 ▶ creates the Utah Fairpark Area Investment and Restoration District;
- 10 ▶ provides for the district's powers and duties;
- 11 ▶ defines the district boundary;
- 12 ▶ creates a board to govern the district and provides for board membership;
- 13 ▶ authorizes the district to levy:
 - 14 • an energy sales and use tax;
 - 15 • a telecommunications license tax;
 - 16 • a transient room tax;
 - 17 • a resort communities sales and use tax;
 - 18 • an additional resort communities sales and use tax; and
 - 19 • an accommodations and services tax;

- 20 ▶ provides for an increase in a car rental tax and provides for how the additional revenue is
- 21 to be spent;
- 22 ▶ provides for state-owned land within the district boundary to be subject to a privilege tax;
- 23 ▶ expands a prohibition on the imposition of certain impact fees;
- 24 ▶ provides for enhanced property tax revenue to be paid to the district and to the host
- 25 municipality;
- 26 ▶ specifies the use of district funds;
- 27 ▶ authorizes the district to adopt one or more project area plans, including a project area,
- 28 with the consent of the property owner, for the development and construction of a qualified
- 29 stadium;
- 30 ▶ provides for the district to own the land on which a qualified stadium is [~~built~~] built and
- 31 to own the qualified stadium;
- 32 ▶ provides a maximum for district contributions for the development and construction of a
- 33 qualified stadium;
- 34 ▶ provides for the district to receive certain state sales tax revenues generated from
- 35 transactions within the district sales tax area;
- 36 ▶ provides a sales tax exemption for construction materials used for the construction of a
- 37 qualified stadium;
- 38 ▶ modifies provisions relating to the State Fair Park Authority;
- 39 ▶ authorizes the district board to approve loans from an infrastructure loan fund;
- 40 ▶ makes technical and conforming changes; and
- 41 ▶ encourages the use of a jail facility.

42 **Utah Fairpark Area Investment and Restoration District Boundary Information:**

43 The boundary information for the Utah Fairpark Area Investment and Restoration
44 District boundary:

- 45 ▶ is delineated in a shapefile that:
 - 46 • is enacted as part of this bill in electronic form;
 - 47 • may be found at: https://le.utah.gov/~2024/documents/HB0562_shapefile.zip; and
 - 48 • has the following electronic file security code:
- 49 cf4d4953297c3ea4c936028b7c89e3c0; and
- 50 ▶ is also depicted in a format that:
 - 51 • is intended to be more accessible to the general public and is provided for
 - 52 informational purposes only;
 - 53 • shows the boundary as delineated in the shapefile, but is not enacted as part of this

54 bill; and

55 • may be found at:

56 https://www.google.com/maps/d/edit?mid=140hCtPp_tbgfo4lm2PFBCipH5bJmFTs.

57 **Money Appropriated in this Bill:**

58 None

59 **Other Special Clauses:**

60 This bill provides a special effective date.

61 **Utah Code Sections Affected:**

62 AMENDS:

63 **10-1-203 (Effective 05/01/24)**, as last amended by Laws of Utah 2022, Chapter 306

64 **10-1-303 (Effective 05/01/24)**, as last amended by Laws of Utah 2021, Chapter 210

65 **10-1-304 (Effective 05/01/24)**, as last amended by Laws of Utah 2022, Chapter 237

66 **10-1-310 (Effective 05/01/24)**, as enacted by Laws of Utah 1996, Chapter 280

67 **10-1-403 (Effective 05/01/24)**, as last amended by Laws of Utah 2021, Chapter 414

68 **11-36a-202 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapter 502

69 **11-68-201 (Effective 05/01/24)**, as renumbered and amended by Laws of Utah 2023,
70 Chapter 502

71 **11-68-202 (Effective 05/01/24)**, as renumbered and amended by Laws of Utah 2023,
72 Chapter 502

73 **11-68-403 (Effective 05/01/24)**, as renumbered and amended by Laws of Utah 2023,
74 Chapter 502

75 **11-68-502 (Effective 05/01/24)**, as enacted by Laws of Utah 2023, Chapter 502

76 **17-22-5.5 (Effective 05/01/24)**, as last amended by Laws of Utah 2022, Chapter 115

77 **17D-4-102 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapter 15

78 **59-2-924 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapter 502

79 **59-4-101 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapter 502

80 **59-12-103 (Effective 05/01/24) (Contingently Superseded 01/01/25)**, as last amended by
81 Laws of Utah 2023, Chapters 22, 213, 329, 361, and 471

82 **59-12-103 (Contingently Effective 01/01/25)**, as last amended by Laws of Utah 2023,
83 Chapters 22, 213, 329, 361, 459, and 471

84 **59-12-104 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapters 213,
85 518

86 **59-12-352 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapter 263

87 **59-12-354 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapters 263,

88 471
89 **59-12-401 (Effective 05/01/24)**, as last amended by Laws of Utah 2021, Chapter 414
90 **59-12-402 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapter 435
91 **59-12-1201 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapters 361,
92 471
93 **63A-3-401.5 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapter 259
94 **63A-3-402 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapter 259
95 **63A-5b-902 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapter 263
96 **63C-25-101 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapters 91,
97 139 and 502
98 **63C-25-202 (Effective 05/01/24)**, as last amended by Laws of Utah 2023, Chapter 91
99 ENACTS:
100 **11-70-101 (Effective 05/01/24)**, Utah Code Annotated 1953
101 **11-70-102 (Effective 05/01/24)**, Utah Code Annotated 1953
102 **11-70-103 (Effective 05/01/24)**, Utah Code Annotated 1953
103 **11-70-104 (Effective 05/01/24)**, Utah Code Annotated 1953
104 **11-70-201 (Effective 05/01/24)**, Utah Code Annotated 1953
105 **11-70-202 (Effective 05/01/24)**, Utah Code Annotated 1953
106 **11-70-203 (Effective 05/01/24)**, Utah Code Annotated 1953
107 **11-70-204 (Effective 05/01/24)**, Utah Code Annotated 1953
108 **11-70-205 (Effective 05/01/24)**, Utah Code Annotated 1953
109 **11-70-206 (Effective 05/01/24)**, Utah Code Annotated 1953
110 **11-70-207 (Effective 05/01/24)**, Utah Code Annotated 1953
111 **11-70-301 (Effective 05/01/24)**, Utah Code Annotated 1953
112 **11-70-302 (Effective 05/01/24)**, Utah Code Annotated 1953
113 **11-70-303 (Effective 05/01/24)**, Utah Code Annotated 1953
114 **11-70-304 (Effective 05/01/24)**, Utah Code Annotated 1953
115 **11-70-305 (Effective 05/01/24)**, Utah Code Annotated 1953
116 **11-70-401 (Effective 05/01/24)**, Utah Code Annotated 1953
117 **11-70-402 (Effective 05/01/24)**, Utah Code Annotated 1953
118 **11-70-403 (Effective 05/01/24)**, Utah Code Annotated 1953
119 **11-70-501 (Effective 05/01/24)**, Utah Code Annotated 1953
120 **11-70-502 (Effective 05/01/24)**, Utah Code Annotated 1953
121 **11-70-503 (Effective 05/01/24)**, Utah Code Annotated 1953

11-70-504 (Effective 05/01/24), Utah Code Annotated 1953
11-70-505 (Effective 05/01/24), Utah Code Annotated 1953
11-70-506 (Effective 05/01/24), Utah Code Annotated 1953
11-70-601 (Effective 05/01/24), Utah Code Annotated 1953
11-70-602 (Effective 05/01/24), Utah Code Annotated 1953
11-70-603 (Effective 05/01/24), Utah Code Annotated 1953
11-70-604 (Effective 05/01/24), Utah Code Annotated 1953
11-70-605 (Effective 05/01/24), Utah Code Annotated 1953
11-70-701 (Effective 05/01/24), Utah Code Annotated 1953
11-70-702 (Effective 05/01/24), Utah Code Annotated 1953
11-70-703 (Effective 05/01/24), Utah Code Annotated 1953
11-70-704 (Effective 05/01/24), Utah Code Annotated 1953
11-70-801 (Effective 05/01/24), Utah Code Annotated 1953

REPEALS:

11-68-401 (Effective 05/01/24), as enacted by Laws of Utah 2023, Chapter 502
11-68-402 (Effective 05/01/24), as renumbered and amended by Laws of Utah 2023,
Chapter 502
59-12-2301 (Effective 05/01/24), as enacted by Laws of Utah 2023, Chapter 502
59-12-2302 (Effective 05/01/24), as enacted by Laws of Utah 2023, Chapter 502
59-12-2303 (Effective 05/01/24), as enacted by Laws of Utah 2023, Chapter 502
59-12-2304 (Effective 05/01/24), as enacted by Laws of Utah 2023, Chapter 502
59-12-2305 (Effective 05/01/24), as enacted by Laws of Utah 2023, Chapter 502

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

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

**10-1-203 (Effective 05/01/24). License fees and taxes -- Application information
to be transmitted to the county assessor.**

(1) As used in this section:

(a) "Business" means any enterprise carried on for the purpose of gain or economic
profit, except that the acts of employees rendering services to employers are not
included in this definition.

(b) "Telecommunications provider" means the same as that term is defined in Section
10-1-402.

(c) "Telecommunications tax or fee" means the same as that term is defined in Section

10-1-402.

- (2) Except as provided in Subsections (3) through (5) and Subsection (7), the legislative body of a municipality may license for the purpose of regulation any business within the limits of the municipality, may regulate that business by ordinance, and may impose fees on businesses to recover the municipality's costs of regulation.
- (3) (a) The legislative body of a municipality may raise revenue by levying and collecting a municipal energy sales or use tax as provided in Part 3, Municipal Energy Sales and Use Tax Act, except a municipality may not levy or collect a franchise tax or fee on an energy supplier other than the municipal energy sales and use tax provided in Part 3, Municipal Energy Sales and Use Tax Act.
- (b) (i) Subsection (3)(a) does not affect the validity of a franchise agreement as defined in Subsection [~~10-1-303(6)~~] 10-1-303(7), that is in effect on July 1, 1997, or a future franchise.
- (ii) A franchise agreement as defined in Subsection [~~10-1-303(6)~~] 10-1-303(7) in effect on January 1, 1997, or a future franchise shall remain in full force and effect.
- (c) A municipality that collects a contractual franchise fee pursuant to a franchise agreement as defined in Subsection [~~10-1-303(6)~~] 10-1-303(7) with an energy supplier that is in effect on July 1, 1997, may continue to collect that fee as provided in Subsection 10-1-310(2).
- (d) (i) Subject to the requirements of Subsection (3)(d)(ii), a franchise agreement as defined in Subsection [~~10-1-303(6)~~] 10-1-303(7) between a municipality and an energy supplier may contain a provision that:
- (A) requires the energy supplier by agreement to pay a contractual franchise fee that is otherwise prohibited under Part 3, Municipal Energy Sales and Use Tax Act; and
- (B) imposes the contractual franchise fee on or after the day on which Part 3, Municipal Energy Sales and Use Tax Act is:
- (I) repealed, invalidated, or the maximum allowable rate provided in Section 10-1-305 is reduced; and
- (II) not superseded by a law imposing a substantially equivalent tax.
- (ii) A municipality may not charge a contractual franchise fee under the provisions permitted by Subsection (3)(b)(i) unless the municipality charges an equal contractual franchise fee or a tax on all energy suppliers.
- (4) (a) Subject to Subsection (4)(b), beginning July 1, 2004, the legislative body of a

municipality may raise revenue by levying and providing for the collection of a municipal telecommunications license tax as provided in Part 4, Municipal Telecommunications License Tax Act.

(b) A municipality may not levy or collect a telecommunications tax or fee on a telecommunications provider except as provided in Part 4, Municipal Telecommunications License Tax Act.

(5) (a) (i) The legislative body of a municipality may by ordinance raise revenue by levying and collecting a license fee or tax on:

(A) a parking service business in an amount that is less than or equal to:

(I) \$1 per vehicle that parks at the parking service business; or

(II) 2% of the gross receipts of the parking service business;

(B) a public assembly or other related facility in an amount that is less than or equal to \$5 per ticket purchased from the public assembly or other related facility; and

(C) subject to the limitations of Subsections (5)(c) and (d):

(I) a business that causes disproportionate costs of municipal services; or

(II) a purchaser from a business for which the municipality provides an enhanced level of municipal services.

(ii) Nothing in this Subsection (5)(a) may be construed to authorize a municipality to levy or collect a license fee or tax on a public assembly or other related facility owned and operated by another political subdivision other than a community reinvestment agency without the written consent of the other political subdivision.

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

(i) "Municipal services" includes:

(A) public utilities; and

(B) services for:

(I) police;

(II) fire;

(III) storm water runoff;

(IV) traffic control;

(V) parking;

(VI) transportation;

(VII) beautification; or

(VIII) snow removal.

- 224 (ii) "Parking service business" means a business:
- 225 (A) that primarily provides off-street parking services for a public facility that is
- 226 wholly or partially funded by public money;
- 227 (B) that provides parking for one or more vehicles; and
- 228 (C) that charges a fee for parking.
- 229 (iii) "Public assembly or other related facility" means an assembly facility that:
- 230 (A) is wholly or partially funded by public money;
- 231 (B) is operated by a business; and
- 232 (C) requires a person attending an event at the assembly facility to purchase a
- 233 ticket.
- 234 (c) (i) Before the legislative body of a municipality imposes a license fee on a
- 235 business that causes disproportionate costs of municipal services under Subsection
- 236 (5)(a)(i)(C)(I), the legislative body of the municipality shall adopt an ordinance
- 237 defining for purposes of the tax under Subsection (5)(a)(i)(C)(I):
- 238 (A) the costs that constitute disproportionate costs; and
- 239 (B) the amounts that are reasonably related to the costs of the municipal services
- 240 provided by the municipality.
- 241 (ii) The amount of a fee under Subsection (5)(a)(i)(C)(I) shall be reasonably related
- 242 to the costs of the municipal services provided by the municipality.
- 243 (d) (i) Before the legislative body of a municipality imposes a license fee on a
- 244 purchaser from a business for which it provides an enhanced level of municipal
- 245 services under Subsection (5)(a)(i)(C)(II), the legislative body of the municipality
- 246 shall adopt an ordinance defining for purposes of the fee under Subsection
- 247 (5)(a)(i)(C)(II):
- 248 (A) the level of municipal services that constitutes the basic level of municipal
- 249 services in the municipality; and
- 250 (B) the amounts that are reasonably related to the costs of providing an enhanced
- 251 level of municipal services in the municipality.
- 252 (ii) The amount of a fee under Subsection (5)(a)(i)(C)(II) shall be reasonably related
- 253 to the costs of providing an enhanced level of the municipal services.
- 254 (6) All license fees and taxes shall be uniform in respect to the class upon which they are
- 255 imposed.
- 256 (7) A municipality may not:
- 257 (a) require a license or permit for a business that is operated:

- 258 (i) only occasionally; and
259 (ii) by an individual who is under 18 years old;
- 260 (b) charge any fee for a resident of the municipality to operate a home-based business,
261 unless the combined offsite impact of the home-based business and the primary
262 residential use materially exceeds the offsite impact of the primary residential use
263 alone;
- 264 (c) require, as a condition of obtaining or maintaining a license or permit for a business:
- 265 (i) that an employee or agent of a business complete education, continuing education,
266 or training that is in addition to requirements under state law or state licensing
267 requirements; or
- 268 (ii) that a business disclose financial information, inventory amounts, or proprietary
269 business information, except as specifically authorized under state or federal law.
- 270 (8) (a) Notwithstanding Subsection (7)(b), a municipality may charge an administrative
271 fee for a license to a home-based business owner who is otherwise exempt under
272 Subsection (7)(b) but who requests a license from the municipality.
- 273 (b) A municipality shall notify the owner of each home-based business of the exemption
274 described in Subsection (7)(b) in any communication with the owner.
- 275 (9) The municipality shall transmit the information from each approved business license
276 application to the county assessor within 60 days following the approval of the
277 application.
- 278 (10) If challenged in court, an ordinance enacted by a municipality before January 1, 1994,
279 imposing a business license fee on rental dwellings under this section shall be upheld
280 unless the business license fee is found to impose an unreasonable burden on the fee
281 payer.

282 Section 2. Section **10-1-303** is amended to read:

283 **10-1-303 (Effective 05/01/24). Definitions.**

284 As used in this part:

- 285 (1) "Commission" means the State Tax Commission.
- 286 (2) "Contractual franchise fee" means:
- 287 (a) a fee:
- 288 (i) provided for in a franchise agreement; and
- 289 (ii) that is consideration for the franchise agreement; or
- 290 (b) (i) a fee similar to Subsection (2)(a); or
- 291 (ii) any combination of Subsections (2)(a) and (b).

- (3) (a) "Delivered value" means the fair market value of the taxable energy delivered for sale or use in the municipality and includes:
- (i) the value of the energy itself; and
 - (ii) any transportation, freight, customer demand charges, services charges, or other costs typically incurred in providing taxable energy in usable form to each class of customer in the municipality.
- (b) "Delivered value" does not include the amount of a tax paid under:
- (i) Title 59, Chapter 12, Sales and Use Tax Act; or
 - (ii) this part.
- (4) "De minimis amount" means an amount of taxable energy that does not exceed the greater of:
- (a) 5% of the energy supplier's estimated total Utah gross receipts from sales of property or services; or
 - (b) \$10,000.
- (5) "Energy supplier" means a person supplying taxable energy, except that the commission may by rule exclude from this definition a person supplying a de minimis amount of taxable energy.
- (6) "Fairpark district" means the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.
- ~~[(6)]~~ (7) "Franchise agreement" means a franchise or an ordinance, contract, or agreement granting a franchise.
- ~~[(7)]~~ (8) "Franchise tax" means:
- (a) a franchise tax;
 - (b) a tax similar to a franchise tax; or
 - (c) any combination of Subsections ~~[(7)(a)]~~ (8)(a) and (b).
- (9) "Military authority" means the Military Installation Development Authority, created in Section 63H-1-201.
- ~~[(8)]~~ (10) "Municipality" means a city, town, or metro township.
- ~~[(9)]~~ (11) "Person" is as defined in Section 59-12-102.
- (12) "Point of the mountain authority" means the Point of the Mountain State Land Authority, created in Section 11-59-201.
- ~~[(10)]~~ (13) "Taxable energy" means gas and electricity.
- Section 3. Section **10-1-304** is amended to read:
- 10-1-304 (Effective 05/01/24). Energy sales and use tax -- Rate -- Imposition or**

326 **repeal of tax -- Tax rate change -- Effective date -- Notice requirements --**

327 **Exemptions.**

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

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

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

333 (b) Subject to Section 63H-1-203, the military~~[installation development]~~ authority~~[~~
334 ~~created in Section 63H-1-201]~~ may levy a municipal energy sales and use tax under
335 this part within a project area described in a project area plan adopted by the military
336 authority under Title 63H, Chapter 1, Military Installation Development Authority
337 Act, as though the military authority were a municipality.

338 (c) (i) Beginning July 1, 2022, the ~~[Point of the Mountain State Land Authority,~~
339 ~~created in Section 11-59-201,]~~ point of the mountain authority may by resolution
340 levy a municipal energy sales and use tax under this part within the area that
341 constitutes the point of the mountain state land, as defined in Section 11-59-102,
342 as though the ~~[Point of the Mountain State Land Authority]~~ point of the mountain
343 authority were a municipality.

344 (ii) The ~~[Point of the Mountain State Land Authority's]~~ point of the mountain
345 authority's adoption of a resolution under Subsection (1)(c)(i) that otherwise
346 complies with the requirements under this part applicable to an ordinance is
347 considered the equivalent of adopting an ordinance under this part.

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

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

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

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

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

- 360 Annexation.
- 361 (ii) "Annexing area" means an area that is annexed into a municipality.
- 362 (b) (i) If, on or after May 1, 2000, a city or town enacts or repeals a tax or changes
- 363 the rate of a tax under this part, the enactment, repeal, or change shall take effect:
- 364 (A) on the first day of a calendar quarter; and
- 365 (B) after a 90-day period beginning on the date the commission receives notice
- 366 meeting the requirements of Subsection (3)(b)(ii) from the municipality.
- 367 (ii) The notice described in Subsection (3)(b)(i)(B) shall state:
- 368 (A) that the city or town will enact or repeal a tax or change the rate of a tax under
- 369 this part;
- 370 (B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);
- 371 (C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and
- 372 (D) if the city or town enacts the tax or changes the rate of the tax described in
- 373 Subsection (3)(b)(ii)(A), the new rate of the tax.
- 374 (c) (i) If, for an annexation that occurs on or after May 1, 2000, the annexation will
- 375 result in a change in the rate of a tax under this part for an annexing area, the
- 376 change shall take effect:
- 377 (A) on the first day of a calendar quarter; and
- 378 (B) after a 90-day period beginning on the date the commission receives notice
- 379 meeting the requirements of Subsection (3)(c)(ii) from the municipality that
- 380 annexes the annexing area.
- 381 (ii) The notice described in Subsection (3)(c)(i)(B) shall state:
- 382 (A) that the annexation described in Subsection (3)(c)(i) will result in a change in
- 383 the rate of a tax under this part for the annexing area;
- 384 (B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);
- 385 (C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and
- 386 (D) the new rate of the tax described in Subsection (3)(c)(ii)(A).
- 387 (4) (a) Subject to Subsection (4)(b), a sale or use of electricity within a municipality is
- 388 exempt from the tax authorized by this section if the sale or use is made under a tariff
- 389 adopted by the Public Service Commission of Utah only for purchase of electricity
- 390 produced from a new source of alternative energy, as defined in Section 59-12-102,
- 391 as designated in the tariff by the Public Service Commission of Utah.
- 392 (b) The exemption under Subsection (4)(a) applies to the portion of the tariff rate a
- 393 customer pays under the tariff described in Subsection (4)(a) that exceeds the tariff

rate under the tariff described in Subsection (4)(a) that the customer would have paid absent the tariff.

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

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

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

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

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

(i) the military~~[-installation development]~~ authority's levy of a municipal energy sales and use tax; ~~[or]~~

(ii) the ~~[Point of the Mountain State Land Authority's]~~ point of the mountain authority's levy of a municipal energy sales and use tax~~[-]~~ ; or

(iii) the fairpark district's levy of a municipal energy sales and use tax.

(6) A tax levied under this part by the military authority, point of the mountain authority, or fairpark district shall be administered and collected on behalf of and paid to the military authority, point of the mountain authority, or fairpark district, respectively, in the same way that a tax levied under this part by a municipality is administered and collected on behalf of and paid to the municipality.

Section 4. Section **10-1-310** is amended to read:

10-1-310 (Effective 05/01/24). Existing energy franchise taxes or contractual franchise fees.

(1) Except as authorized in Subsection (2), Section 59-12-203, or Section 10-1-304, a municipality may not:

(a) impose on, charge, or collect a franchise tax or contractual a franchise fee from an energy supplier; or

(b) collect a franchise tax or contractual franchise fee pursuant to a franchise agreement in effect on July 1, 1997.

(2) A municipality that collects a contractual franchise fee from an energy supplier pursuant to a franchise agreement in effect on July 1, 1997, may continue to collect that fee at the same rate for the remaining term of the franchise agreement, except the municipality shall provide a credit against the municipal energy sales and use tax in the amount of the

contractual franchise fee paid by the energy supplier pursuant to Subsection 10-1-305(5).

- (3) (a) Subject to the requirements of Subsection (3)(b), a franchise agreement as defined in Subsection ~~[10-1-303(6)]~~ 10-1-303(7) between a municipality and an energy supplier may contain a provision that:

(i) requires the energy supplier by agreement to pay a contractual franchise fee that is otherwise prohibited under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act; and

(ii) imposes the contractual franchise fee on or after the day on which Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act is:

(A) repealed, invalidated, or the maximum allowable rate provided in Section 10-1-304 is reduced; and

(B) is not superseded by a law imposing a substantially equivalent tax.

- (b) A municipality may not charge a contractual franchise fee under the provisions permitted by Subsection (3)(a) unless the municipality charges an equal contractual franchise fee or a tax on all energy suppliers.

- (4) This section may not affect the validity of any existing or future franchise agreement and any franchise agreement effective on July 1, 1997, shall remain in full force and effect, unless otherwise terminated or altered by agreement or applicable law.

Section 5. Section **10-1-403** is amended to read:

10-1-403 (Effective 05/01/24). Levy of telecommunications license tax --

Recovery from customers -- Enactment, repeal, or change in rate of tax --

Annexation.

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

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

(iii) Beginning October 1, 2024, the Utah Fairpark Area Investment and Restoration

District, created in Section 11-70-201, may levy and collect a municipal telecommunications license tax under this part for telecommunications service provided within the district sales tax area, as defined in Section 11-70-101, to the same extent and in the same manner that a municipality is authorized to levy and collect a municipal telecommunications license tax under this part.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) (i) If, for an annexation that occurs on or after July 1, 2004, the annexation will

result in a change in the rate of the tax under this part for an annexing area, the change shall take effect:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) Beginning October 1, 2024, a municipality may not levy or collect a municipal telecommunications license fee for telecommunications service provided within any portion of the municipality that is within the district sales tax area, as defined

- 530 in Section 11-70-101.
- 531 (b) Subsection (6)(a) does not apply to:
- 532 (i) the military installation development authority's levy of a municipal
- 533 telecommunications license tax[-] ; or
- 534 (ii) the levy of a municipal telecommunications license tax by the Utah Fairpark Area
- 535 Investment and Restoration District, created in Section 11-70-201.
- 536 (7) (a) The State Tax Commission shall provide to the military installation development
- 537 authority the collection data necessary to verify that revenue collected by the State
- 538 Tax Commission is distributed to the military installation development authority in
- 539 accordance with this part.
- 540 (b) The data described in Subsection (7)(a) shall include the State Tax Commission's
- 541 breakdown of military installation development authority revenue, including reports
- 542 of collections and distributions.
- 543 Section 6. Section **11-36a-202** is amended to read:
- 544 **11-36a-202 (Effective 05/01/24). Prohibitions on impact fees.**
- 545 (1) A local political subdivision or private entity may not:
- 546 (a) impose an impact fee to:
- 547 (i) cure deficiencies in a public facility serving existing development;
- 548 (ii) raise the established level of service of a public facility serving existing
- 549 development; or
- 550 (iii) recoup more than the local political subdivision's or private entity's costs actually
- 551 incurred for excess capacity in an existing system improvement;
- 552 (b) delay the construction of a school or charter school because of a dispute with the
- 553 school or charter school over impact fees; or
- 554 (c) impose or charge any other fees as a condition of development approval unless those
- 555 fees are a reasonable charge for the service provided.
- 556 (2) (a) Notwithstanding any other provision of this chapter, a political subdivision or
- 557 private entity may not impose an impact fee:
- 558 (i) on residential components of development to pay for a public safety facility that is
- 559 a fire suppression vehicle;
- 560 (ii) on a school district or charter school for a park, recreation facility, open space, or
- 561 trail;
- 562 (iii) on a school district or charter school unless:
- 563 (A) the development resulting from the school district's or charter school's

- 564 development activity directly results in a need for additional system
565 improvements for which the impact fee is imposed; and
- 566 (B) the impact fee is calculated to cover only the school district's or charter
567 school's proportionate share of the cost of those additional system
568 improvements;
- 569 (iv) to the extent that the impact fee includes a component for a law enforcement
570 facility, on development activity for:
- 571 (A) the Utah National Guard;
- 572 (B) the Utah Highway Patrol; or
- 573 (C) a state institution of higher education that has its own police force;
- 574 (v) on development activity on ~~[fair park]~~ state-owned land, as defined in Section [
- 575 ~~11-68-101~~] 11-70-101; or
- 576 (vi) on development activity that consists of the construction of an internal accessory
577 dwelling unit, as defined in Section 10-9a-530, within an existing primary
578 dwelling.
- 579 (b) (i) Notwithstanding any other provision of this chapter, a political subdivision or
580 private entity may not impose an impact fee on development activity that consists
581 of the construction of a school, whether by a school district or a charter school, if:
- 582 (A) the school is intended to replace another school, whether on the same or a
583 different parcel;
- 584 (B) the new school creates no greater demand or need for public facilities than the
585 school or school facilities, including any portable or modular classrooms that
586 are on the site of the replaced school at the time that the new school is
587 proposed; and
- 588 (C) the new school and the school being replaced are both within the boundary of
589 the local political subdivision or the jurisdiction of the private entity.
- 590 (ii) If the imposition of an impact fee on a new school is not prohibited under
591 Subsection (2)(b)(i) because the new school creates a greater demand or need for
592 public facilities than the school being replaced, the impact fee shall be based only
593 on the demand or need that the new school creates for public facilities that
594 exceeds the demand or need that the school being replaced creates for those public
595 facilities.
- 596 (c) Notwithstanding any other provision of this chapter, a political subdivision or private
597 entity may impose an impact fee for a road facility on the state only if and to the

598 extent that:

599 (i) the state's development causes an impact on the road facility; and

600 (ii) the portion of the road facility related to an impact fee is not funded by the state
601 or by the federal government.

602 (3) Notwithstanding any other provision of this chapter, a local political subdivision may
603 impose and collect impact fees on behalf of a school district if authorized by Section
604 11-36a-206.

605 Section 7. Section **11-68-201** is amended to read:

606 **11-68-201 (Effective 05/01/24). State Fair Park Authority -- Legal status --**
607 **Powers.**

608 (1) There is created the State Fair Park Authority.

609 (2) The authority is:

610 (a) an independent, nonprofit, separate body corporate and politic, with perpetual
611 succession;

612 (b) a political subdivision of the state; and

613 (c) a public corporation, as defined in Section 63E-1-102.

614 (3) (a) The fair corporation is dissolved and ceases to exist, subject to any winding down
615 and other actions necessary for a transition to the authority.

616 (b) The authority:

617 (i) replaces and is the successor to the fair corporation;

618 (ii) succeeds to all rights, obligations, privileges, immunities, and assets of the fair
619 corporation; and

620 (iii) shall fulfill and perform all contractual and other obligations of the fair
621 corporation.

622 (c) The board shall take all actions necessary and appropriate to wind down the affairs of
623 the fair corporation as quickly as practicable and to make a transition from the fair
624 corporation to the authority.

625 (4) The authority shall:

626 (a) manage, supervise, and control:

627 (i) all activities relating to the annual exhibition described in Subsection (4)(j); and

628 (ii) except as otherwise provided by statute, all state expositions, including setting the
629 time, place, and purpose of any state exposition;

630 (b) for public entertainment, displays, and exhibits or similar events held [~~at the state~~] on
631 fair park land:

- 632 (i) provide, sponsor, or arrange the events;
- 633 (ii) publicize and promote the events; and
- 634 (iii) secure funds to cover the cost of the exhibits from:
 - 635 (A) private contributions;
 - 636 (B) public appropriations;
 - 637 (C) admission charges; and
 - 638 (D) other lawful means;
- 639 (c) acquire and designate exposition sites;
- 640 (d) use generally accepted accounting principles in accounting for the authority's assets,
- 641 liabilities, and operations;
- 642 (e) seek corporate sponsorships for the state fair park or for individual buildings or
- 643 facilities on fair park land;
- 644 (f) work with county and municipal governments, the Salt Lake Convention and
- 645 Visitor's Bureau, the Utah Office of Tourism, and other entities to develop and
- 646 promote expositions and the use of fair park land;
- 647 (g) develop and maintain a marketing program to promote expositions and the use of fair
- 648 park land;
- 649 (h) in accordance with provisions of this chapter, operate and maintain state-owned
- 650 buildings and facilities on fair park land, including the physical appearance and
- 651 structural integrity of those buildings and facilities;
- 652 (i) prepare an economic development plan for the fair park land;
- 653 (j) hold an annual exhibition on fair park land that:
 - 654 (i) is called the state fair or a similar name;
 - 655 (ii) promotes and highlights agriculture throughout the state;
 - 656 (iii) includes expositions of livestock, poultry, agricultural, domestic science,
 - 657 horticultural, floricultural, mineral and industrial products, manufactured articles,
 - 658 and domestic animals that, in the board's opinion, will best stimulate agricultural,
 - 659 industrial, artistic, and educational pursuits and the sharing of talents among the
 - 660 people of the state;
 - 661 (iv) includes the award of premiums for the best specimens of the exhibited articles
 - 662 and animals;
 - 663 (v) permits competition by livestock exhibited by citizens of other states and
 - 664 territories of the United States; and
 - 665 (vi) is arranged according to plans approved by the board;

- (k) fix the conditions of entry to the annual exhibition described in Subsection (4)(j); and
- (l) publish a list of premiums that will be awarded at the annual exhibition described in Subsection (4)(j) for the best specimens of exhibited articles and animals.

(5) In addition to the annual exhibition described in Subsection (4)(j), the authority may hold other exhibitions of livestock, poultry, agricultural, domestic science, horticultural, floricultural, mineral and industrial products, manufactured articles, and domestic animals that, in the ~~[corporation's]~~ authority's opinion, will best stimulate agricultural, industrial, artistic, and educational pursuits and the sharing of talents among the people of the state.

(6) The authority may:

- (a) employ advisers, consultants, and agents, including financial experts and independent legal counsel, and fix their compensation;
- (b) (i) participate in the state's Risk Management Fund created under Section 63A-4-201 or any captive insurance company created by the risk manager; or
(ii) procure insurance against any loss in connection with the authority's property and other assets;
- (c) receive and accept aid or contributions of money, property, labor, or other things of value from any source, including any grants or appropriations from any department, agency, or instrumentality of the United States or the state;
- (d) hold, use, loan, grant, and apply that aid and those contributions to carry out the purposes of the authority, subject to the conditions, if any, upon which the aid and contributions are made;
- (e) enter into management agreements with any person or entity for the performance of the authority's functions or powers;
- (f) establish accounts and procedures that are necessary to budget, receive, disburse, account for, and audit all funds received, appropriated, or generated;
- (g) subject to Subsection (8) and subject to the powers and responsibilities of the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, lease any of the state-owned buildings or facilities located on fair park land;
- (h) sponsor events as approved by the board;
- (i) subject to Subsection (11), acquire any interest in real property that the board considers necessary or advisable to further a purpose of the authority or facilitate the authority's fulfillment of a duty under this chapter; and
- (j) in accordance with Title 11, Chapter 42a, Commercial Property Assessed Clean

Energy Act, provide for or finance an energy efficiency upgrade, a renewable energy system, or electric vehicle charging infrastructure, as those terms are defined in Section 11-42a-102; and

- (k) enter into one or more agreements ~~[to develop the fair park land]~~ with the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.

(7) The authority shall comply with:

- (a) Title 51, Chapter 5, Funds Consolidation Act;
- (b) Title 51, Chapter 7, State Money Management Act;
- (c) Title 52, Chapter 4, Open and Public Meetings Act;
- (d) Title 63G, Chapter 2, Government Records Access and Management Act;
- (e) the provisions of Section 67-3-12;
- (f) Title 63G, Chapter 6a, Utah Procurement Code, except for a procurement for:
 - (i) entertainment provided at the state fair park;
 - (ii) judges for competitive exhibits; or
 - (iii) sponsorship of an event on fair park land; and
- (g) the legislative approval requirements for capital development projects established in Section 63A-5b-404.

(8) (a) (i) Before the authority executes a lease described in Subsection (6)(g) with a term of 10 or more years and subject to the powers and responsibilities of the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201,
the authority shall:

~~[(i)]~~ (A) submit the proposed lease to the division for the division's approval or rejection; and

~~[(ii)]~~ (B) if the division approves the proposed lease, submit the proposed lease to the Executive Appropriations Committee for the Executive Appropriation Committee's review and recommendation in accordance with Subsection (8)(b).

(ii) The authority may not execute a lease under Subsection (6)(g) for any part of fair park land on or after May 1, 2024 unless the lease relates to the agricultural and related exhibit facilities on fair park land.

(b) The Executive Appropriations Committee shall review a proposed lease submitted in accordance with Subsection (8)(a) and recommend to the authority that the authority:

- (i) execute the proposed lease, either as proposed or with changes recommended by the Executive Appropriations Committee; or
- (ii) reject the proposed lease.

- (9) (a) Subject to Subsection (9)(b), a department, division, or other instrumentality of the state and a political subdivision of the state shall cooperate with the authority to the fullest extent possible to provide whatever support, information, or other assistance the authority requests that is reasonably necessary to help the authority fulfill the authority's duties and responsibilities under this chapter.
- (b) The division shall provide assistance and resources to the authority as the division director determines is appropriate.
- (10) The authority may share authority revenue with a municipality in which the fair park land is located, as provided in an agreement between the authority and the municipality, to pay for municipal services provided by the municipality.
- (11) (a) As used in this Subsection (11), "new land" means land that, if acquired by the authority, would result in the authority having acquired over three acres of land more than the land described in Subsection 11-68-101(9)(a).
- (b) In conjunction with the authority's acquisition of new land, the authority shall enter an agreement with the municipality in which the new land is located.
- (c) To provide funds for the cost of increased municipal services that the municipality will provide to the new land, an agreement under Subsection (11)(b) shall:
- (i) provide for:
- (A) the payment of impact fees to the municipality for development activity on the new land; and
- (B) the authority's sharing with the municipality tax revenue generated from the new land; and
- (ii) be structured in a way that recognizes the needs of the authority and furthers mutual goals of the authority and the municipality.
- Section 8. Section **11-68-202** is amended to read:
- 11-68-202 (Effective 05/01/24). Operation of the state-owned buildings and facilities on fair park land -- New construction and modification of existing facilities -- Liability insurance -- Obligations of the authority.**
- (1) The authority shall:
- (a) operate and maintain state-owned buildings and facilities on fair park land in accordance with the facility maintenance standards approved by the division;
- (b) pay for all costs associated with operating and maintaining state-owned buildings and facilities on fair park land;
- (c) obtain approval from the division before making any alteration or addition to the

768 water system, heating system, plumbing system, air conditioning system, or electrical
769 system of a state-owned building or facility on fair park land;

770 (d) keep the fair park land and all state-owned buildings and facilities on fair park land
771 fully insured to protect against loss or damage by fire, vandalism, or malicious
772 mischief;

773 (e) in accordance with Subsection (3), at the authority's expense, and for the mutual
774 benefit of the division, maintain general public liability insurance in an amount equal
775 to at least \$1,000,000 through one or more companies that are:

776 (i) licensed to do business in the state;

777 (ii) selected by the authority; and

778 (iii) approved by the division and the Division of Risk Management;

779 (f) ensure that the division is an additional insured with primary coverage on each
780 insurance policy that the authority obtains in accordance with this section;

781 (g) give the division notice at least 30 days before the day on which the authority cancels
782 any insurance policy that the authority obtains in accordance with this section; and

783 (h) if any lien that is not invalid under Section 38-1a-103 is recorded or filed against the
784 state fair park as a result of an act or omission of the authority, cause the lien to be
785 satisfied or released within 10 days after the day on which the authority receives
786 notice of the lien.

787 (2) (a) As used in this Subsection (2):

788 (i) "Existing facility modification" means an alteration, repair, or improvement to an
789 existing state-owned building or facility on fair park land.

790 (ii) "Major project" means new construction or an existing facility modification that
791 costs, regardless of the funding source, over \$100,000.

792 (iii) "Minor project" means new construction or an existing facility modification that
793 costs, regardless of the funding source, \$100,000 or less.

794 (iv) "New construction" means the design and construction of a new state-owned or
795 privately owned building or facility on fair park land.

796 (b) (i) The director of the division shall exercise direct supervision over a major
797 project.

798 (ii) Notwithstanding Subsection (2)(b)(i), the director of the division may delegate
799 control over a major project to the authority on a project-by-project basis.

800 (iii) With respect to a delegation of control under Subsection (2)(b)(ii), the director of
801 the division may:

- 802 (A) impose terms and conditions on the delegation that the director considers
803 necessary or advisable to protect the interests of the state; and
- 804 (B) revoke the delegation and assume control of the design, construction, or other
805 aspect of a delegated project if the director considers the revocation and
806 assumption of control to be necessary to protect the interests of the state.
- 807 (iv) If a major project over which the division exercises direct supervision includes
808 the demolition of a building or other facility on fair park land, the division shall, at
809 least 90 days before demolition work begins, notify the State Historic Preservation
810 Office of the division's demolition plan.
- 811 (c) Subject to Subsection (2)(d), the authority may exercise direct supervision over a
812 minor project.
- 813 (d) With respect to a minor project over which the authority exercises direct supervision,
814 the authority shall:
- 815 (i) obtain the division's approval before commencing the new construction or existing
816 facility modification;
- 817 (ii) obtain a building permit from the division before commencing the new
818 construction or existing facility modification, if a building permit is required;
- 819 (iii) comply with the division's forms and contracts and the division's design,
820 construction, alteration, repair, improvement, and code inspection standards;
- 821 (iv) notify the division before commencing the new construction or existing facility
822 modification;
- 823 (v) coordinate with the division regarding the review of design plans and
824 management of the new construction or existing facility modification project; and
- 825 (vi) at least 90 days before the beginning of any demolition of a building or facility
826 on the fair park land, notify the division and the State Historic Preservation Office
827 of the proposed demolition.
- 828 (3) The general public liability insurance described in Subsection (1)(e) shall:
- 829 (a) insure against any claim for personal injury, death, or property damage that occurs on
830 fair park land; and
- 831 (b) be a blanket policy that covers all activities of the authority.
- 832 (4) Upon 24 hours notice to the board, the division may enter the fair park land to inspect
833 any facility on fair park land and make any repairs that the division determines
834 necessary.
- 835 (5) (a) A debt or obligation contracted by the authority is a debt or obligation of the

836 authority and not of the state.

837 (b) The state is not liable and assumes no responsibility for any debt or obligation of the
838 authority.

839 (6) The powers and responsibilities of the authority under this section with regard to the
840 issuance of bonds for capital development projects on fair park land are subject to the
841 powers and responsibilities of the Utah Fairpark Area Investment and Restoration
842 District, created in Section 11-70-201.

843 Section 9. Section **11-68-403** is amended to read:

844 **11-68-403 (Effective 05/01/24). Enterprise fund -- Creation -- Revenue -- Uses.**

845 (1) (a) There is created an enterprise fund entitled the Utah State Fair Fund.

846 (b) The executive director shall administer the fund under the direction of the board.

847 (2) The fund consists of money generated from the following revenue sources:

848 (a) ~~[lease payments from person or entities leasing any part of the fair park land or any~~
849 ~~other facilities owned by the authority]~~ money the authority receives under Section
850 11-70-203;

851 (b) money the authority receives under a lease agreement for the lease of any part of fair
852 park land;

853 ~~[(b)]~~ (c) revenue received from any expositions or other events wholly or partially
854 sponsored by the authority;

855 ~~[(c)]~~ (d) aid or contributions of money, property, labor, or other things of value from any
856 source, including any grants or appropriations from any department, agency, or
857 instrumentality of the United States or the state;

858 ~~[(d)]~~ (e) appropriations made to the fund by the Legislature; and

859 ~~[(e) revenue received under a privilege tax or a tax on personal property; and]~~

860 (f) any other income obtained by the authority.

861 (3) (a) The fund shall earn interest.

862 (b) All interest earned on fund money shall be deposited into the fund.

863 (4) The executive director may use fund money to operate, maintain, and support the Utah
864 State Fair, the fair park land, and other expositions sponsored by the authority.

865 Section 10. Section **11-68-502** is amended to read:

866 **11-68-502 (Effective 05/01/24). Sources from which bonds may be made payable**
867 **-- Authority powers regarding bonds.**

868 (1) The principal and interest on bonds issued by the authority may be made payable from:

869 (a) the income and revenues of the development projects financed with the proceeds of

- the bonds;
- (b) the income and revenues of certain designated development projects whether or not they were financed in whole or in part with the proceeds of the bonds;
- (c) the income, revenues, proceeds, and funds the authority derives from or holds in connection with the authority undertaking and carrying out development;
- ~~[(d) privilege tax and property tax revenue under Section 11-68-402;]~~
- ~~[(e)]~~ (d) revenue from a special event tax under Title 59, Chapter 12, Part 23, Fair Park Special Event Tax;
- ~~[(f)]~~ (e) authority revenues generally;
- ~~[(g)]~~ (f) a contribution, loan, grant, or other financial assistance from the federal government or a public entity in aid of the development; or
- ~~[(h)]~~ (g) funds derived from any combination of the sources listed in Subsections (1)(a) through (g).
- (2) (a) In connection with the issuance of authority bonds, the authority may:
- (i) pledge all or any part of the authority's gross or net rents, fees, or revenues to which the authority's right then exists or may thereafter come into existence; and
- (ii) make the covenants and take the action that may be necessary, convenient, or desirable to secure the authority's bonds, or, except as otherwise provided in this chapter, that will tend to make the bonds more marketable, even though such covenants or actions are not specifically enumerated in this chapter.
- (b) The authority may not use all or any portion of the fair park land as collateral for any bonds or encumber the fair park land by mortgage, deed of trust, or otherwise as collateral for any bonds.

Section 11. Section **11-70-101** is enacted to read:

CHAPTER 70. UTAH FAIRPARK AREA INVESTMENT AND RESTORATION DISTRICT

Part 1. General Provisions

11-70-101 (Effective 05/01/24). Definitions.

As used in this chapter:

- (1) "Base taxable value" means the taxable value of land within the fairpark district boundary as of January 1, 2024, as determined under Subsection 11-70-206(9).
- (2) "Board" means the fairpark district's governing body, created in Section 11-70-301.
- (3) "Designated parcel" means a parcel of land specified in a designation resolution.
- (4) "Designation resolution" means a resolution adopted by the board that designates a

904 transition date for the parcel specified in the resolution.

905 (5) "Development" means:

906 (a) the demolition, construction, reconstruction, modification, expansion, or
907 improvement of a building, utility, infrastructure, landscape, parking lot, park, trail,
908 recreational amenity, or other facility, including public infrastructure and
909 improvements; and

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

912 (6) "Development project" means a project for the development of land within a project
913 area.

914 (7) "District sales tax area" means an area described in and established as provided in
915 Subsection 11-70-206(10).

916 (8) "Enhanced property tax revenue":

917 (a) means the amount of money that is equal to the difference between:

918 (i) the amount of property tax revenues generated in a tax year by all taxing entities
919 from privately owned land, using the current assessed value of the property; and

920 (ii) the amount of property tax revenues that would be generated in the same tax year
921 by all taxing entities from that same area using the base taxable value of the
922 property; and

923 (b) does not include property tax revenue from:

924 (i) a county additional property tax or multicounty assessing and collecting levy
925 imposed in accordance with Section 59-2-1602;

926 (ii) a judgment levy imposed by a taxing entity under Section 59-2-1328 or 59-2-1330;
927 or

928 (iii) a levy imposed by a taxing entity under Section 11-14-310 to pay for a general
929 obligation bond.

930 (9) "Facilities division" means the Division of Facilities Construction and Management,
931 created in Section 63A-5b-301.

932 (10) "Fair park authority" means the State Fair Park Authority created in Section 11-68-201.

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

935 (12) "Fairpark district boundary" means a line or set of lines that:

936 (a) defines the geographic boundary of the fairpark district, consisting of the interior
937 space within each polygon described by the line or set of lines; and

(b) is delineated in the electronic shapefile that is the electronic component of H.B. 562, Utah Fairpark Area Investment and Restoration District, 2024 General Session.

(13) "Fairpark district funds" means money the fairpark district receives from any source, including money the fairpark district receives under:

(a) Sections 10-1-304 and 11-70-205;

(b) Section 10-1-403;

(c) Section 11-70-203;

(d) Section 11-70-204;

(e) Sections 59-12-352 and 59-12-354;

(f) Section 59-12-401;

(g) Section 59-12-402; and

(h) Section 59-12-1201.

(14) "Fair park land" means the same as that term is defined in Section 11-68-101.

(15) "Franchise agreement" means a legally binding and valid agreement under which:

(a) a franchise is confirmed for a major league sports team that before January 1, 2024 had not been located in the state; and

(b) the major league sports team agrees to play home games in a stadium to be constructed within the fairpark district boundary.

(16) "Franchise agreement date" means the date that a franchise agreement is fully executed and in effect.

(17) "Host municipality" means the municipality whose boundary includes the land within the fairpark district boundary.

(18) "Major league sports team" means a team:

(a) consisting of professional athletes;

(b) that is part of a professional sports league; and

(c) that is engaged in the business of presenting live sporting events before primarily a paying audience.

(19) "Other state land" means:

(a) land within the fairpark district boundary, other than fair park land, that is owned by the state on January 1, 2024; and

(b) land acquired by the fairpark district or the state on or after May 1, 2024. within the fairpark district boundary.

(20) "Payment period" means a period of up to 35 years, as specified in a designation

resolution, beginning on the transition date, during which enhanced property tax revenue

under Section 11-70-401 is to be paid.

(21) "Post-designation parcel" means a parcel within a project area after the transition date for that parcel.

(22) "Pre-designation parcel" means a parcel within a project area before the transition date for that parcel.

(23) "Professional sports league" means a group of major league sports teams that have formed a league:

(a) for the major league sports teams to compete against one another; and

(b) in which the combined average annual payroll for the major league sports teams in the league on the franchise agreement date is not less than \$100,000,000.

(24) "Project area" means land described in a project area plan or draft project area plan, where the development project set forth in the project area plan or draft project area plan takes place or is proposed to take place.

(25) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to the project area.

(26) "Project area plan" means a written plan that, after its effective date, guides and controls the development within a project area.

(27) "Property tax" includes each levy on an ad valorem basis on tangible or intangible personal or real property.

(28) "Public entity" means:

(a) the state, including each department, division, or other agency of the state; or

(b) a county, city, town, school district, special district, special service district, interlocal cooperation entity, community reinvestment agency, or other political subdivision of the state, including the fairpark district.

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

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

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

(ii) (A) are privately owned;

(B) benefit the public;

(C) as determined by the board, provide a substantial benefit to the development and operation of a project area; and

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

(b) "Public infrastructure and improvements" includes:

- 1006 (i) facilities, lines, or systems that provide:
1007 (A) water, chilled water, or steam; or
1008 (B) sewer, storm drainage, natural gas, electricity, energy storage, renewable
1009 energy, microgrids, or telecommunications service;
1010 (ii) streets, roads, curbs, gutters, sidewalks, walkways, solid waste facilities, parking
1011 facilities, rail lines, intermodal facilities, multimodal facilities, and public
1012 transportation facilities;
1013 (iii) a qualified stadium;
1014 (iv) public trails and pathways associated with and rehabilitation of and
1015 improvements to the Jordan River; and
1016 (v) agricultural and related exhibit facilities on fair park land.
1017 (30) "Qualified owner" means an owner of at least 65 contiguous acres of privately owned
1018 land within the fairpark district boundary, or the owner's affiliate.
1019 (31) (a) "Qualified stadium" means a stadium:
1020 (i) within the fairpark district boundary;
1021 (ii) with a minimum capacity of 30,000 spectators; and
1022 (iii) that will primarily be used as the home of a major league sports team.
1023 (b) "Qualified stadium" includes parking structures or facilities, lighting facilities,
1024 plazas, and open space associated with a stadium described in Subsection (31)(a).
1025 (32) "Shapefile" means the digital vector storage format for storing geometric location and
1026 associated attribute information.
1027 (33) "Stadium contribution" means the principal amount of bonds that the district issues to
1028 pay for the development and construction of a qualified stadium, plus any other amount
1029 the district pays toward the development and construction of a qualified stadium.
1030 (34) "State fair purposes" means the purposes for the use of fair park land related to the fair
1031 park authority's management, supervision, and control over a state fair and related events
1032 and activities.
1033 (35) "State-owned land" means:
1034 (a) fair park land; and
1035 (b) other state land.
1036 (36) "Taxable value" means the value of property as shown on the last equalized assessment
1037 roll.
1038 (37) "Taxing entity" means the same as that term is defined in Section 59-2-102, excluding
1039 a public infrastructure district that the fairpark district creates under Title 17D, Chapter

1040 4. Public Infrastructure District Act.

1041 (38) "Transition date" means the date indicated in a designation resolution after which the
1042 parcel that is the subject of the designation resolution becomes a post-designation parcel.

1043 Section 12. Section **11-70-102** is enacted to read:

1044 **11-70-102 (Effective 05/01/24). Severability.**

1045 If a court determines that any provision of this chapter, or the application of any
1046 provision of this chapter, is invalid, the remainder of this chapter shall be given effect
1047 without the invalid provision or application.

1048 Section 13. Section **11-70-103** is enacted to read:

1049 **11-70-103 (Effective 05/01/24). Nonlapsing funds.**

1050 Money the fairpark district receives from legislative appropriations is nonlapsing.

1051 Section 14. Section **11-70-104** is enacted to read:

1052 **11-70-104 (Effective 05/01/24). Loan approval committee -- Approval of**
1053 **infrastructure loans**

1054 (1) As used in this section:

1055 (a) "Borrower" means the same as that term is defined in Section 63A-3-401.5.

1056 (b) "Fairpark district development fund" means the same as that term is defined in
1057 Section 63A-3-401.5.

1058 (c) "Infrastructure loan" means the same as that term is defined in Section 63A-3-401.5.

1059 (d) "Infrastructure project" means the same as that term is defined in Section
1060 63A-3-401.5.

1061 (e) "Loan approval committee" means a committee established under Subsection (2).

1062 (2) (a) The fairpark district shall establish a loan committee consisting of:

1063 (i) two individuals with expertise in public finance or infrastructure development,
1064 appointed by the governor;

1065 (ii) one individual with expertise in public finance or infrastructure development,
1066 appointed by the president of the Senate;

1067 (iii) one individual with expertise in public finance or infrastructure development,
1068 appointed by the speaker of the House of Representatives; and

1069 (iv) one individual with expertise in public finance or infrastructure development,
1070 appointed jointly by the president of the Senate and the speaker of the House of
1071 Representatives.

1072 (b) A board member may not be appointed to or serve as a member of the loan
1073 committee.

- 1074 (3) (a) The loan committee may recommend for board approval an infrastructure loan
1075 from the fairpark district development fund to a borrower for an infrastructure project
1076 undertaken by the borrower.
- 1077 (b) An infrastructure loan from the fairpark district development fund may not be made
1078 unless:
- 1079 (i) the infrastructure loan is recommended by the loan committee; and
1080 (ii) the board approves the infrastructure loan.
- 1081 (4) (a) If the loan committee recommends an infrastructure loan, the loan committee
1082 shall recommend the terms of an infrastructure loan in accordance with Section
1083 63A-3-404.
- 1084 (b) The board shall require the terms of an infrastructure loan secured by enhanced
1085 property tax revenue to include a requirement that money from the infrastructure loan
1086 be used only for an infrastructure project within the project area that generates the
1087 enhanced property tax revenue.
- 1088 (5) The board may establish policies and guidelines with respect to prioritizing requests for
1089 infrastructure loans and approving infrastructure loans.
- 1090 (6) Within 60 days after the execution of an infrastructure loan, the board shall report the
1091 infrastructure loan, including the loan amount, terms, interest rate, and security, to:
- 1092 (a) the Executive Appropriations Committee; and
1093 (b) the State Finance Review Commission created in Section 63C-25-201.
- 1094 (7) (a) Salaries and expenses of committee members who are legislators shall be paid in
1095 accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3,
1096 Legislator Compensation.
- 1097 (b) A committee member who is not a legislator may not receive compensation or
1098 benefits for the member's service on the committee, but may receive per diem and
1099 reimbursement for travel expenses incurred as a committee member at the rates
1100 established by the Division of Finance under:
- 1101 (i) Sections 63A-3-106 and 63A-3-107; and
1102 (ii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
1103 63A-3-107.

1104 Section 15. Section **11-70-201** is enacted to read:

1105 **Part 2. Creation and Powers of Utah Fairpark Area Investment and Restoration District**

1107 **11-70-201 (Effective 05/01/24). Creation of Utah Fairpark Area Investment and**

1108 **Restoration District -- Status and purposes.**

1109 (1) Under the authority of Utah Constitution, Article XI, Section 8, there is created the Utah
1110 Fairpark Area Investment and Restoration District.

1111 (2) The fairpark district is:

1112 (a) an independent, nonprofit, separate body corporate and politic, with perpetual
1113 succession;

1114 (b) a political subdivision of the state; and

1115 (c) a public corporation, as defined in Section 63E-1-102.

1116 (3) (a) The purpose of the fairpark district is to fulfill the statewide public purpose of
1117 encouraging and facilitating development within the fairpark district boundary to
1118 provide economic and other benefits to the area within the fairpark district boundary,
1119 surrounding areas, the region, and the state, including:

1120 (i) the development and construction of a qualified stadium and related facilities for a
1121 major league sports team;

1122 (ii) the development and construction of infrastructure to support a qualified stadium,
1123 associated uses, and recreational uses on land within the fairpark district boundary;

1124 (iii) the improvement and restoration of areas along the Jordan River within the
1125 fairpark district boundary for aesthetic and recreational purposes;

1126 (iv) coordinating with and supporting the fair park authority in the fair park
1127 authority's use of fair park land; and

1128 (v) other development on land within the fairpark district boundary.

1129 (b) The duties and responsibilities of the fairpark district under this chapter are matters
1130 of regional and statewide concern, importance, interest, and impact.

1131 (c) The fairpark district is the mechanism the state chooses to focus resources and efforts
1132 on behalf of the state, to oversee and manage development activities within the
1133 fairpark district boundary, and to ensure that the regional and statewide interests,
1134 concerns, and purposes described in this Subsection (3) are properly addressed from
1135 more of a statewide perspective than any municipality can provide.

1136 Section 16. Section **11-70-202** is enacted to read:

1137 **11-70-202 (Effective 05/01/24). Fairpark district powers and duties.**

1138 (1) The fairpark district may:

1139 (a) facilitate and bring about the development of land within the fairpark district
1140 boundary, including the development of a qualified stadium to house a major league
1141 sports team;

- (b) enter into a lease agreement with a major league sports team to lease a qualified stadium to a major league sports team and receive lease payments on behalf of the state;
- (c) facilitate and provide funding for the development of land in a project area, including the development of public infrastructure and improvements and other infrastructure and improvements on or related to land in a project area;
- (d) engage in marketing and business recruitment activities and efforts to encourage and facilitate development of land within the fairpark district boundary;
- (e) as the fairpark district considers necessary or advisable to carry out any of the fairpark district's duties or responsibilities under this chapter:
- (i) buy, obtain an option upon, or otherwise acquire any interest in real or personal property;
- (ii) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or personal property; or
- (iii) enter into a lease agreement on real or personal property, as lessee or lessor;
- (f) sue and be sued;
- (g) enter into contracts generally;
- (h) exercise powers and perform functions under a contract, as authorized in the contract;
- (i) receive and spend enhanced property tax revenue, as provided in this chapter;
- (j) accept financial or other assistance from any public or private source for the fairpark district's activities, powers, and duties, and expend any funds so received for any of the purposes of this chapter;
- (k) borrow money, contract with, or accept financial or other assistance from the federal government, a public entity, or any other source for any of the purposes of this chapter and comply with any conditions of the loan, contract, or assistance;
- (l) issue bonds to finance the undertaking of any development objectives of the fairpark district, including bonds under Chapter 17, Utah Industrial Facilities and Development Act, bonds under Chapter 42, Assessment Area Act, and bonds under Chapter 42a, Commercial Property Assessed Clean Energy Act;
- (m) hire employees, including independent contractors;
- (n) transact other business and exercise all other powers provided for in this chapter;
- (o) engage one or more consultants to advise or assist the fairpark district in the performance of the fairpark district's duties and responsibilities;
- (p) enter into an agreement with a private contractor to provide a municipal service

- 1176 within a project area that is not being provided by a municipality or other
1177 governmental service provider;
- 1178 (q) provide public safety services in the area within the fairpark district boundary,
1179 including under a contract, approved by the board, with an existing governmental
1180 provider of public safety services;
- 1181 (r) finance, develop, own, lease, operate, or otherwise control public infrastructure and
1182 improvements in a project area; and
- 1183 (s) exercise powers and perform functions that the fairpark district is authorized by
1184 statute to exercise or perform.
- 1185 (2) (a) The fairpark district is responsible for and has jurisdiction over any development
1186 that occurs on fair park land, including the funding of that development.
- 1187 (b) The fairpark district shall consult and coordinate with the fair park authority with
1188 respect to any development activities anticipated for or that occur on fair park land.
- 1189 (c) Any development of fair park land shall be:
- 1190 (i) subject to and compatible with the use of fair park land for state fair purposes and
1191 related and other activities under the jurisdiction of the fair park authority; and
- 1192 (ii) as far as practicable, consistent with the master plan for fair park land approved
1193 by the fair park authority.
- 1194 (3) With respect to state land other than fair park land, the fairpark district and the facilities
1195 division shall consult with each other and with agencies occupying the land with respect
1196 to any potential change of use or development of the land.
- 1197 (4) The total amount of the fairpark district's stadium contribution may not exceed
1198 \$900,000,000.
- 1199 (5) Beginning April 1, 2025, the fairpark district shall:
- 1200 (a) be the repository of the official delineation of the fairpark district boundary, identical
1201 to the fairpark district boundary as delineated in the shapefile that is the electronic
1202 component of H.B. 562, Utah Fairpark Area Investment and Restoration District,
1203 2024 General Session, subject to:
- 1204 (i) any later changes to the boundary enacted by the Legislature; and
- 1205 (ii) any additions of land to the fairpark district boundary under Subsection (6); and
- 1206 (b) maintain an accurate digital file of the boundary that is easily accessible by the
1207 public.
- 1208 (6) The fairpark district boundary may be expanded to include land outside the fairpark
1209 district boundary if:

- 1210 (a) the land is owned by a qualified owner;
1211 (b) the qualified owner consents to including the land within the fairpark district
1212 boundary; and
1213 (c) the land is:
1214 (i) contiguous to the fairpark district boundary; or
1215 (ii) within 200 feet of the fairpark district boundary.
- 1216 Section 17. Section **11-70-203** is enacted to read:
1217 **11-70-203 (Effective 05/01/24). Privilege tax on state-owned land.**
- 1218 (1) (a) Subject to Subsection (1)(b), the possession or beneficial use of property on
1219 state-owned land is subject to Title 59, Chapter 4, Privilege Tax.
1220 (b) Subsection (1)(a) does not apply to a qualified stadium during the construction of the
1221 qualified stadium and before title to the stadium is conveyed to the fairpark district as
1222 required in an agreement under Subsection 11-70-502(3).
- 1223 (2) (a) As provided in Subsection (2)(b):
1224 (i) for revenue from a privilege tax under Subsection (1) on a designated parcel that is
1225 part of the fair park land:
1226 (A) 75% of the revenue shall be paid to the fairpark district; and
1227 (B) 25% of the revenue shall be paid to the fair park authority; and
1228 (ii) for revenue from a privilege tax under Subsection (1) on a designated parcel that
1229 is part of other state land, 100% of the revenue shall be paid to the fairpark district.
- 1230 (b) The treasurer of the county in which the fair park land is located shall, in the manner
1231 and at the time provided in Section 59-2-1365, pay and distribute to the fairpark
1232 district and the fair park authority, as applicable, the revenue described in Subsection
1233 (2)(a).
- 1234 (3) (a) The fairpark district shall use 20% of the money the fairpark district is paid under
1235 Subsection (2)(a)(ii) for moderate income housing, as defined in Section 10-9a-103,
1236 within the host municipality.
1237 (b) The fairpark district and host municipality shall coordinate and work together to
1238 identify how, when, and where the money described in Subsection (3)(a) is spent.
- 1239 Section 18. Section **11-70-204** is enacted to read:
1240 **11-70-204 (Effective 05/01/24). Fairpark district accommodations tax.**
- 1241 (1) As used in this section:
1242 (a) (i) "Accommodations and services" means an accommodation or service
1243 described in Subsection 59-12-103(1)(i).

- 1244 (ii) "Accommodations and services" does not include an accommodation or service
1245 for which amounts paid or charged are not part of a rental room rate.
- 1246 (b) "Accommodations tax" means a tax imposed as provided in this section.
- 1247 (2) By resolution, the fairpark district board may impose an accommodations tax on a
1248 provider for amounts paid or charged for accommodations and services, if the place of
1249 accommodation is located within the district sales tax area.
- 1250 (3) The maximum rate of an accommodations tax is 15% of the amounts paid to or charged
1251 by the provider for accommodations and services.
- 1252 (4) A provider may recover an amount equal to the accommodations tax from customers, if
1253 the provider includes the amount as a separate billing line item.
- 1254 (5) If the fairpark district imposes an accommodations tax, a public entity, including the
1255 fairpark district, may not impose, on the amounts paid or charged for accommodations
1256 and services within the district sales tax area, any other tax described in:
- 1257 (a) Title 59, Chapter 12, Sales and Use Tax Act; or
1258 (b) Title 59, Chapter 28, State Transient Room Tax Act.
- 1259 (6) Except as provided in Subsection (7) or (8), an accommodations tax shall be
1260 administered, collected, and enforced in accordance with:
- 1261 (a) the same procedures used to administer, collect, and enforce the tax under:
- 1262 (i) Title 59, Chapter 12, Part 1, Tax Collection; or
1263 (ii) Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and
- 1264 (b) Title 59, Chapter 1, General Taxation Policies.
- 1265 (7) The location of a transaction shall be determined in accordance with Sections 59-12-211
1266 through 59-12-215.
- 1267 (8) (a) An accommodations tax is not subject to Section 59-12-107.1 or 59-12-123 or
1268 Subsections 59-12-205(2) through (5).
- 1269 (b) The exemptions described in Sections 59-12-104, 59-12-104.1, and 59-12-104.6 do
1270 not apply to an accommodations tax.
- 1271 (9) The State Tax Commission shall:
- 1272 (a) except as provided in Subsection (9)(b), distribute the revenue collected from an
1273 accommodations tax to the fairpark district; and
- 1274 (b) retain and deposit an administrative charge in accordance with Section 59-1-306
1275 from revenue the commission collects from an accommodations tax.
- 1276 (10) (a) If the fairpark district imposes, repeals, or changes the rate of an
1277 accommodations tax, the implementation, repeal, or change takes effect:

- 1278 (i) on the first day of a calendar quarter; and
1279 (ii) after a 90-day period beginning on the date the State Tax Commission receives
1280 the notice described in Subsection (10)(b) from the fairpark district.
1281 (b) The notice required in Subsection (10)(a)(ii) shall state:
1282 (i) that the fairpark district will impose, repeal, or change the rate of an
1283 accommodations tax;
1284 (ii) the effective date of the implementation, repeal, or change of the accommodations
1285 tax; and
1286 (iii) the rate of the accommodations tax.
1287 (11) In addition to the uses permitted under Section 11-70-207, the fairpark district may
1288 allocate revenue from an accommodations tax to a county in which a place of
1289 accommodation that is subject to the accommodations tax is located, if:
1290 (a) the county had a transient room tax described in Section 59-12-301 in effect at the
1291 time the fairpark district board imposed an accommodations tax; and
1292 (b) the revenue replaces revenue that the county received from a county transient room
1293 tax described in Section 59-12-301 for the county's general operations and
1294 administrative expenses.
1295 Section 19. Section **11-70-205** is enacted to read:
1296 **11-70-205 (Effective 05/01/24). Energy sales and use tax.**
1297 (1) As provided in Subsection 10-1-304(1)(d), the fairpark district may by resolution levy
1298 an energy sales and use tax, under Title 10, Chapter 1, Part 3, Municipal Energy Sales
1299 and Use Tax Act, on an energy supplier, as defined in Section 10-1-303, that supplies
1300 energy to a facility on land within the district sales tax area.
1301 (2) An energy sales and use tax under this section is subject to the maximum rate under
1302 Subsection 10-1-304(1)(a)(ii), except that delivered value does not include the amount
1303 of a tax paid under this section.
1304 (3) (a) An energy supplier may recover from the energy supplier's customers an amount
1305 equal to the energy sales and use tax, if the energy supplier includes the amount as a
1306 separate billing line item.
1307 (b) An energy sales and use tax levied under this section is in addition to the rate
1308 approved by the Public Service Commission and charged to the customer.
1309 (4) (a) An energy sales and use tax under this section is payable by the energy supplier
1310 to the fairpark district on a monthly basis as described by the resolution levying the
1311 tax.

(b) A resolution levying an energy sales and use tax shall allow the energy supplier to retain 1% of the tax remittance each month to offset the energy supplier's costs of collecting and remitting the tax.

(5) Beginning October 1, 2024, a municipality may not levy an energy sales and use tax on an energy supplier for energy that the energy supplier supplies to a facility located on land within the district sales tax area.

Section 20. Section **11-70-206** is enacted to read:

11-70-206 (Effective 05/01/24). Applicability of other law -- Cooperation of state and local governments -- Municipal services -- Services from state agencies -- Procurement policy.

(1) With respect to the use or development of state-owned land, the fairpark district is not subject to:

(a) Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act; or

(b) the jurisdiction of a special district under Title 17B, Limited Purpose Local Government Entities - Special Districts, or a special service district under Title 17D, Chapter 1, Special Service District Act, except to the extent that:

(i) some or all of the state land is, on January 1, 2024, included within the boundary of a special district or special service district; and

(ii) the fairpark district elects to receive service from the special district or special service district for the state land that is included within the boundary of the special district or special service district, respectively.

(2) The fairpark district has and may exercise all powers relating to the regulation of land uses on state-owned land.

(3) (a) Subject to Subsection (3)(b), the fairpark district has and may exercise all powers relating to the regulation of land uses on privately owned land within the fairpark district boundary.

(b) (i) Land owned by a qualified owner is subject to a host municipality's land use authority under Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act, if the qualified owner and the host municipality enter into an agreement, as provided in Subsection (3)(b)(ii), no later than December 31, 2024.

(ii) (A) An agreement under Subsection (3)(b)(i) shall require the host municipality to provide an expedited process for the review and approval of a qualified owner's completed land use application that complies with adopted land use regulations.

- 1346 (B) In an agreement under Subsection (3)(b)(i), the host municipality shall agree
1347 to vest the qualified owner in any approved land use for a qualified stadium
1348 and related uses.
- 1349 (c) A host municipality may not prohibit or condition the use of a qualified owner's land
1350 for a qualified stadium.
- 1351 (d) In making land use decisions affecting land within the fairpark district boundary that
1352 is subject to a host municipality's land use authority under this Subsection (3), the
1353 legislative body of the host municipality shall consider input from the board.
- 1354 (4) No later than December 31, 2024, the host municipality and the host municipality's
1355 community reinvestment agency shall take all necessary actions to withdraw from the
1356 fairpark district boundary any area that is within a project area of the community
1357 reinvestment agency.
- 1358 (5) A department, division, or other agency of the state and a political subdivision of the
1359 state shall cooperate with the fairpark district to the fullest extent possible to provide
1360 whatever support, information, or other assistance the board requests that is reasonably
1361 necessary to help the fairpark district fulfill its duties and responsibilities under this
1362 chapter.
- 1363 (6) (a) A host municipality shall provide the same municipal services to the area of the
1364 municipality that is within the fairpark district boundary as the municipality provides
1365 to other areas of the municipality with similar zoning and a similar development level.
- 1366 (b) The level and quality of municipal services that a host municipality provides within
1367 the fairpark district boundary shall be fairly and reasonably consistent with the level
1368 and quality of municipal services that the municipality provides to other areas of the
1369 municipality with similar zoning and a similar development level.
- 1370 (c) No later than December 31, 2024, the fairpark district and host municipality shall
1371 enter into an agreement providing for the fairpark district to reimburse the host
1372 municipality for services the host municipality provides to a project area.
- 1373 (7) (a) The fairpark district may request and, upon request, shall receive:
- 1374 (i) fuel dispensing and motor pool services provided by the Division of Fleet
1375 Operations;
- 1376 (ii) surplus property services provided by the Division of Purchasing and General
1377 Services;
- 1378 (iii) information technology services provided by the Division of Technology
1379 Services;

- 1380 (iv) archive services provided by the Division of Archives and Records Service;
1381 (v) financial services provided by the Division of Finance;
1382 (vi) human resources services provided by the Division of Human Resource
1383 Management;
1384 (vii) legal services provided by the Office of the Attorney General; and
1385 (viii) banking services provided by the Office of the State Treasurer.
1386 (b) Nothing in Subsection (6)(a) may be construed to relieve the fairpark district of the
1387 obligation to pay the applicable fee for the service provided.
1388 (8) (a) To govern fairpark district procurements, the board shall adopt a procurement
1389 policy that the board reasonably determines to substantially fulfill the purposes
1390 described in Section 63G-6a-102.
1391 (b) The board may delegate to the executive director the responsibility to adopt a
1392 procurement policy.
1393 (c) The board's determination under Subsection (7)(a) is final and conclusive.
1394 (9) No later than December 31, 2024, the board and the assessor of the county in which the
1395 fairpark district is located shall together determine the base taxable value of privately
1396 owned property within the fairpark district boundary.
1397 (10) (a) As used in this Subsection (10):
1398 (i) "District ZIP area" means a ZIP area a majority of which includes land within the
1399 fairpark district boundary.
1400 (ii) "ZIP area" means an area defined by the ZIP Code, as defined in Section
1401 59-12-102, plus the four-digit deliver route extension.
1402 (b) No later than June 1, 2024, the State Tax Commission shall:
1403 (i) define the area that consists of all district zip areas; and
1404 (ii) provide a description of the area under Subsection (9)(b)(i) to the host
1405 municipality and the board.
1406 (c) The State Tax Commission shall annually:
1407 (i) update the definition of the area under Subsection (10)(b)(i); and
1408 (ii) provide the updated description to the host municipality and the board.
1409 Section 21. Section **11-70-207** is enacted to read:
1410 **11-70-207 (Effective 05/01/24). Use of fairpark district funds.**
1411 (1) (a) Subject to Subsection (2), the fairpark district may use fairpark district funds for
1412 any purpose authorized under this chapter, including to pay for:
1413 (i) the development and construction of a qualified stadium;

- 1414 (ii) administrative, overhead, legal, consulting, and other operating expenses of the
1415 fairpark district;
- 1416 (iii) all or part of the development of land within a project area, including:
1417 (A) financing or refinancing; and
1418 (B) assisting the ongoing operation of a development or facility within the project
1419 area;
- 1420 (iv) the cost of the installation of public infrastructure and improvements outside a
1421 project area if the board determines by resolution that the infrastructure and
1422 improvements are of benefit to the project area;
- 1423 (v) the principal and interest on bonds issued by the fairpark district;
- 1424 (vi) the payment of an infrastructure loan, as defined in Section 11-70-104, according
1425 to the terms of the infrastructure loan; and
- 1426 (vii) the costs of promoting, facilitating, and implementing other development of land
1427 within the fairpark district boundary.
- 1428 (b) The determination of the board under Subsection (1)(a)(iv) regarding benefit to the
1429 project area is final.
- 1430 (2) (a) The fairpark district may use money it receives under Subsection 59-12-1201
1431 (2)(a)(ii) and Subsection 59-12-103(16) only for the development and construction of
1432 a qualified stadium, including paying for bonds issued to pay for the development
1433 and construction of a qualified stadium.
- 1434 (b) If the amount of money the fairpark district receives under Subsection (2)(a) exceeds
1435 the amount required to pay the annual debt service on bonds issued to pay for the
1436 development and construction of a qualified stadium, the fairpark district shall use
1437 the excess amount received to pay down the principal on those bonds.
- 1438 (3) The fairpark district may share enhanced property tax revenue with a taxing entity that
1439 levies a property tax on land within the project area from which the enhanced property
1440 tax revenue is generated.

1441 Section 22. Section **11-70-301** is enacted to read:

1442 **Part 3. Fairpark District Board and Executive Director**

1443 **11-70-301 (Effective 05/01/24). Fairpark district board**

- 1444 (1) The fairpark district shall be governed by a board.
- 1445 (2) (a) The board shall manage and conduct the business and affairs of the fairpark
1446 district and shall determine all questions of fairpark district policy.

- 1447 (3) All powers of the fairpark district are exercised through the board or, as provided in
1448 Section 11-70-305, the executive director.
- 1449 (4) The board may by resolution delegate powers to the executive director or other fairpark
1450 district staff.
- 1451 Section 23. Section **11-70-302** is enacted to read:
- 1452 **11-70-302 (Effective 05/01/24). Number of board members -- Appointment --**
1453 **Terms -- Vacancies -- Nonvoting members.**
- 1454 (1) The fairpark district's board consists of five voting members, as provided in Subsection
1455 (2).
- 1456 (2) (a) The governor shall appoint two individuals as board members:
1457 (i) one of whom shall be a member of the fair park authority board; and
1458 (ii) one of whom shall be a representative from the West Side Coalition in Salt Lake
1459 City.
- 1460 (b) The president of the Senate shall appoint as a board member one individual with
1461 relevant business expertise.
- 1462 (c) The speaker of the House of Representatives shall appoint as a board member one
1463 individual with relevant business expertise.
- 1464 (d) The host municipality shall appoint one individual as a board member.
- 1465 (3) An individual required under Subsection (2) to appoint a board member shall appoint
1466 each initial board member the individual is required to appoint no later than June 1, 2024.
- 1467 (4) The term of a board member appointed under Subsection (2) is six years, except that the
1468 initial term of the members appointed under Subsection (2)(a) is three years.
- 1469 (5) Each board member serves until a successor is duly appointed and qualified.
- 1470 (6) An appointed board member may serve multiple terms if duly appointed under
1471 Subsection (2) to serve each term.
- 1472 (7) (a) A vacancy in the board shall be filled in the same manner under this section as
1473 the appointment of the member whose vacancy is being filled.
- 1474 (b) An individual appointed to fill a vacancy shall serve the remaining unexpired term of
1475 the member whose vacancy the individual is filling.
- 1476 (8) A member of the board appointed under Subsection (2)(a), (b), or (c) serves at the
1477 pleasure of and may be removed and replaced at any time, with or without cause, by the
1478 individual who appointed the member.
- 1479 (9) A majority of the voting members of the board may appoint as many as two individuals
1480 to serve as nonvoting advisory board members, to serve as the board determines.

Section 24. Section **11-70-303** is enacted to read:

11-70-303 (Effective 05/01/24). Board quorum -- Chair and officers --

Compensation.

(1) A majority of voting members constitutes a quorum, and the action of a majority of voting members constitutes action of the board.

(2) Upon a vote of a majority of all voting board members, the board may appoint a board chair and any other officer of the board.

(3) (a) A board member who is not a legislator may not receive compensation or benefits for the member's service on the board, but may receive per diem and reimbursement for travel expenses incurred as a board member as allowed in:

(i) Sections 63A-3-106 and 63A-3-107; and

(ii) rules made by the Division of Finance according to Sections 63A-3-106 and 63A-3-107.

(b) Compensation and expenses of a board member who is a legislator are governed by Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.

Section 25. Section **11-70-304** is enacted to read:

11-70-304 (Effective 05/01/24). Limitations on board members and executive director.

(1) As used in this section:

(a) "Direct financial benefit":

(i) means any form of financial benefit that accrues to an individual directly, including:

(A) compensation, commission, or any other form of a payment or increase of money; and

(B) an increase in the value of a business or property; and

(ii) does not include a financial benefit that accrues to the public generally.

(b) "Family member" means a parent, spouse, sibling, child, or grandchild.

(2) An individual may not serve as a member of the board or as executive director if:

(a) the individual owns real property, other than a personal residence in which the individual resides, within the fairpark district boundary, whether or not the ownership interest is a recorded interest;

(b) a family member of the individual owns an interest in real property, other than a personal residence in which the family member resides, located within the fairpark

district boundary; or

(c) the individual or a family member of the individual owns an interest in, is directly affiliated with, or is an employee or officer of a private firm, private company, or other private entity that the individual reasonably believes is likely to:

(i) participate in or receive a direct financial benefit from the development of land within the fairpark district boundary; or

(ii) acquire an interest in or locate a facility within the fairpark district boundary.

(3) Before taking office as a board member or accepting employment as executive director, an individual shall submit to the fairpark district a statement verifying that the individual's service as a board member or employment as executive director does not violate Subsection (2).

(4) (a) An individual may not, at any time during the individual's service as a board member or employment with the fairpark district, acquire, or take any action to initiate, negotiate, or otherwise arrange for the acquisition of, an interest in real property located within the fairpark district boundary, if:

(i) the acquisition is in the individual's personal capacity or in the individual's capacity as an employee or officer of a private firm, private company, or other private entity; and

(ii) the acquisition will enable the individual to receive a direct financial benefit as a result of the development of land within the fairpark district boundary.

(b) Subsection (4)(a) does not apply to an individual's acquisition of, or action to initiate, negotiate, or otherwise arrange for the acquisition of, an interest in real property that is a personal residence in which the individual will reside upon acquisition of the real property.

(5) (a) A board member or an employee of the fairpark district may not receive a direct financial benefit from development within the fairpark district boundary.

(b) For purposes of Subsection (5)(a), a direct financial benefit does not include:

(i) expense reimbursements;

(ii) per diem pay for board member service, if applicable; or

(iii) an employee's compensation or benefits from employment with the fairpark district.

(6) Nothing in this section may be construed to affect the application or effect of any other code provision applicable to a board member or employee relating to ethics or conflicts of interest.

Section 26. Section **11-70-305** is enacted to read:

11-70-305 (Effective 05/01/24). Executive director.

- (1) (a) The board may hire an executive director to be the chief executive officer of the fairpark district.
- (b) The board shall oversee an executive director hired by the board.
- (2) The role of an executive director hired by the board is to:
- (a) manage and oversee the day-to-day operations of the fairpark district;
- (b) fulfill the executive and administrative duties and responsibilities of the fairpark district; and
- (c) perform other functions or duties, as directed by the board.
- (3) An executive director shall have the education, experience, and training necessary to perform the executive director's duties in a way that maximizes the potential for the fairpark district to successfully fulfill the fairpark district's duties and responsibilities under this chapter.
- (4) An executive director is an at-will employee who serves at the pleasure of the board and may be removed by the board at any time.
- (5) The board shall establish the compensation and benefits of an executive director.

Section 27. Section **11-70-401** is enacted to read:

Part 4. Enhanced Property Tax Revenue

- 11-70-401 (Effective 05/01/24). Enhanced property tax revenue to be paid to fairpark district.**
- (1) Subject to Subsection (5), the fairpark district shall be paid 90% of enhanced property tax revenue generated from each parcel of privately owned land within the fairpark district boundary:
- (a) beginning the tax year that begins on January 1, 2025; and
- (b) until the transition date for that parcel.
- (2) Subject to Subsection (5), during the payment period the fairpark district shall be paid up to 100% of enhanced property tax revenue:
- (a) generated from designated parcels of privately owned land within a project area; and
- (b) as the board specifies in a designation resolution adopted in consultation with a qualified owner.
- (3) For purposes of the payment of enhanced property tax revenue under this section, a payment period shall begin, as specified in the designation resolution, on January 1 of a

year that begins after the designation resolution is adopted.

(4) (a) For purposes of this section, the fairpark district may designate an improved portion of a parcel in a project area as a separate parcel.

(b) A fairpark district designation of an improved portion of a parcel as a separate parcel under Subsection (4)(a) does not constitute a subdivision, as defined in Section 10-9a-103 or Section 17-27a-103.

(c) A county recorder shall assign a separate tax identification number to the improved portion of a parcel designated by the fairpark district as a separate parcel under Subsection (4)(a).

(5) A host municipality shall be paid 25% of the enhanced property tax revenue generated by a property tax imposed by the host municipality.

Section 28. Section **11-70-402** is enacted to read:

11-70-402 (Effective 05/01/24). Distribution of enhanced property tax revenue.

A county that collects property tax on property within the county in which the fairpark district is located shall, in the manner and at the time provided in Section 59-2-1365, pay and distribute to the fairpark district and the host municipality the amount of enhanced property tax revenue that the fairpark district and the host municipality, respectively, is entitled to collect under this chapter.

Section 29. Section **11-70-403** is enacted to read:

11-70-403 (Effective 05/01/24). Use of enhanced property tax revenue.

The fairpark district may use enhanced property tax revenue collected from a project area for a development project outside the fairpark district boundary if approved by the board.

Section 30. Section **11-70-501** is enacted to read:

Part 5. Project Area Plan and Budget

11-70-501 (Effective 05/01/24). Preparation of project area plan -- Required contents of project area plan.

(1) As provided in this section, the fairpark district may adopt a project area plan for the development of some or all of the land within the fairpark district boundary.

(2) In consultation with the fair park authority board, the fairpark district may adopt a project area plan for the development of some or all of the fair park land.

(3) With the consent of a qualified owner, the fairpark district may adopt a project area plan for the development of the qualified owner's land, including the development and

1615 construction of a qualified stadium.

1616 (4) (a) To adopt a project area plan, the board shall:

1617 (i) prepare a draft project area plan;

1618 (ii) give notice as required under Subsection 11-70-503(2);

1619 (iii) hold at least one public meeting, as required under Subsection 11-70-503(1); and

1620 (iv) after holding at least one public meeting and subject to Subsection (4)(b), adopt
1621 the draft project area plan as the project area plan.

1622 (b) Before adopting a draft project area plan as the project area plan, the board may

1623 make modifications to the draft project area plan that the board considers necessary
1624 or appropriate.

1625 (5) A project area plan and draft project area plan shall contain:

1626 (a) a legal description of the boundary of the project area;

1627 (b) the fairpark district's purposes and intent with respect to the project area; and

1628 (c) the board's findings and determination that:

1629 (i) there is a need for the proposed development project to effectuate a public purpose;

1630 (ii) there is a public benefit that will result from the proposed development project;

1631 and

1632 (iii) it is economically sound and feasible to adopt and carry out the project area plan.

1633 Section 31. Section **11-70-502** is enacted to read:

1634 **11-70-502 (Effective 05/01/24). Qualified stadium under project area plan.**

1635 (1) A project area plan may provide for the development and construction of a qualified

1636 stadium on land that, until conveyed to the fairpark district as provided in Subsection

1637 (3)(b), is owned by a qualified owner.

1638 (2) A project area plan under Subsection (1) shall include a requirement that the qualified

1639 owner and fairpark district enter an agreement relating to:

1640 (a) the development, construction, operation, and ownership of a qualified stadium; and

1641 (b) the development of other land owned by the qualified owner within the fairpark
1642 district boundary.

1643 (3) (a) An agreement under Subsection (2) shall:

1644 (i) limit the stadium contribution to the lesser of:

1645 (A) half the actual cost of developing and constructing the qualified stadium; or

1646 (B) \$900,000,000;

1647 (ii) require the qualified owner to convey to the fairpark district, as soon as

1648 practicable after the franchise agreement date, title to the property on which the

- 1649 qualified stadium will be constructed;
- 1650 (iii) require the qualified owner, if the major league sports team leaves the qualified
- 1651 stadium before 30 years after the franchise agreement date, to;
- 1652 (A) pay the remaining outstanding balance of bonds issued by the fairpark district
- 1653 for the development and construction of the qualified stadium; and
- 1654 (B) pay to the fairpark district the difference between the stadium contribution and
- 1655 the amount paid under Subsection (3)(a)(iii)(A);
- 1656 (iv) provide for the fairpark district to possess full ownership rights to the qualified
- 1657 stadium;
- 1658 (v) provide for the qualified owner to sell and control sponsorship rights relating to
- 1659 the qualified stadium;
- 1660 (vi) provide for the fairpark district to lease the qualified stadium to the major league
- 1661 sports team for lease payments of \$150,000 per month for 360 months;
- 1662 (vii) require the qualified owner to operate and maintain the qualified stadium and to
- 1663 pay for all operation and maintenance costs;
- 1664 (viii) require the qualified owner to cooperate and coordinate with the fairpark
- 1665 district to allow events other than events of the major league sports team to occur
- 1666 at the qualified stadium if those other events do not interfere with the use of the
- 1667 qualified stadium for events of the major league sports team;
- 1668 (ix) include negotiated terms that are fair and reasonable;
- 1669 (x) establish the timing and process for the development of the qualified owner's
- 1670 property within the fairpark district boundary, based on the qualified owner's
- 1671 development plan;
- 1672 (xi) establish the timing and process for assisting the fair park authority to complete
- 1673 the fair park authority's master plan; and
- 1674 (xii) require the major league sports team to be given a name that includes "Utah."
- 1675 (b) Before approving an agreement under Subsection (3)(a), the board shall:
- 1676 (i) hold at least one public meeting to consider and discuss the draft agreement; and
- 1677 (ii) provide notice of the public meeting as provided in Subsection 11-70-503(2).
- 1678 (c) A legal action or other challenge to an agreement under Subsection (3)(a) by a person
- 1679 other than a party to the agreement is barred unless brought within 30 days after the
- 1680 execution of the agreement.
- 1681 (4) The fairpark district shall pay to the Division of Finance, for deposit into the General
- 1682 Fund, all lease payments the fairpark district receives under a lease agreement for the

1683 qualified stadium.

1684 Section 32. Section **11-70-503** is enacted to read:

1685 **11-70-503 (Effective 05/01/24). Public meeting to consider and discuss draft**
1686 **project area plan -- Notice -- Adoption of plan.**

1687 (1) The board shall hold at least one public meeting to consider and discuss a draft project
1688 area plan.

1689 (2) Before holding a public meeting under Subsection (1), the board shall give notice of the
1690 public meeting:

1691 (a) to each taxing entity, at least 10 days before the public meeting; and

1692 (b) for the project area, as a class A notice under Section 63G-30-102, for at least 10
1693 days before the public meeting.

1694 (3) Following consideration and discussion at a public meeting under Subsection (1), and
1695 any modification of the project area plan under Subsection 11-70-501(4)(b), the board
1696 may adopt the draft project area plan or modified draft project area plan as the project
1697 area plan.

1698 Section 33. Section **11-70-504** is enacted to read:

1699 **11-70-504 (Effective 05/01/24). Notice of project area plan adoption -- Effective**
1700 **date of plan -- Time for challenging a project area plan or project area.**

1701 (1) Upon the board's adoption of a project area plan, the board shall provide notice as
1702 provided in Subsection (2) by publishing or causing to be published legal notice:

1703 (a) for the project area, as a class A notice under Section 63G-30-102, for at least 30
1704 days; and

1705 (b) as required by Section 45-1-101.

1706 (2) (a) A notice under Subsection (1) shall include:

1707 (i) the board resolution adopting the project area plan or a summary of the resolution;
1708 and

1709 (ii) a statement that the project area plan is available for general public inspection and
1710 the hours for inspection.

1711 (b) The statement required under Subsection (2)(a)(ii) may be included within the board
1712 resolution adopting the project area plan or within the summary of the resolution.

1713 (3) The project area plan becomes effective on the date designated in the board resolution.

1714 (4) The fairpark district shall make the adopted project area plan available to the general
1715 public at the fairpark district's offices during normal business hours.

1716 (5) Within 10 days after the day on which a project area plan is adopted that establishes a

project area, or after an amendment to a project area plan is adopted under which the boundary of a project area is modified, the fairpark district shall send notice of the establishment or modification of the project area and an accurate map or plat of the project area to:

- (a) the State Tax Commission;
- (b) the Utah Geospatial Resource Center created in Section 63A-16-505; and
- (c) the assessor, auditor, and recorder of each county where the project area is located.

(6) A legal action or other challenge to a project area plan or a project area described in a project area plan is barred unless brought within 30 days after the effective date of the project area plan.

Section 34. Section 11-70-505 is enacted to read:

11-70-505 (Effective 05/01/24). Amendment to a project area plan.

- (1) The fairpark district may amend a project area plan by following the same procedure under this part as applies to the adoption of a project area plan.
- (2) The provisions of this part apply to the fairpark district's adoption of an amendment to a project area plan to the same extent as they apply to the adoption of a project area plan.

Section 35. Section 11-70-506 is enacted to read:

11-70-506 (Effective 05/01/24). Project area budget.

- (1) Before the fairpark district may use the enhanced property tax revenue from a project area, the board shall prepare and adopt a project area budget.
- (2) A project area budget shall include:
 - (a) the base taxable value of property in the project area;
 - (b) the projected enhanced property tax revenue expected to be generated within the project area;
 - (c) the amount of the enhanced property tax revenue expected to be used to implement the project area plan, including the estimated amount of the enhanced property tax revenue to be used for:
 - (i) land acquisition;
 - (ii) public infrastructure and improvements; and
 - (iii) loans, grants, or other incentives to private and public entities;
 - (d) the enhanced property tax revenue expected to be used to cover the cost of administering the project area plan;
 - (e) the amount of enhanced property tax revenue expected to be shared with other taxing entities; and

(f) for property that the fairpark district owns or leases and expects to sell or sublease, the expected total cost of the property to the fairpark district and the expected selling price or lease payments.

(3) The board may amend an adopted project area budget as and when the board considers it appropriate.

Section 36. Section **11-70-601** is enacted to read:

Part 6. Fairpark District Bonds

11-70-601 (Effective 05/01/24). Resolution authorizing issuance of fairpark district bonds -- Characteristics of bonds -- Notice.

(1) In issuing bonds under this part, the fairpark district shall comply with applicable requirements and provisions of Title 63C, Chapter 25, State Finance Review Commission.

(2) (a) As provided in the fairpark district resolution authorizing the issuance of bonds under this part or the trust indenture under which the bonds are issued, bonds issued under this part may be issued in one or more series and may be sold at public or private sale and in the manner provided in the resolution or indenture.

(b) Bonds issued under this part shall bear the date, be payable at the time, bear interest at the rate, be in the denomination and in the form, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be subject to the terms of redemption or tender, with or without premium, be payable in the medium of payment and at the place, and have other characteristics as provided in the fairpark district resolution authorizing their issuance or the trust indenture under which they are issued.

(3) Upon the board's adoption of a resolution providing for the issuance of bonds, the board may provide for the publication of the resolution:

(a) for the area within the fairpark district boundary, as a class A notice under Section 63G-30-102, for at least 30 days; and

(b) as required in Section 45-1-101.

(4) In lieu of publishing the entire resolution, the board may publish notice of bonds that contains the information described in Subsection 11-14-316(2).

(5) For a period of 30 days after the publication, any person in interest may contest:

(a) the legality of the resolution or proceeding;

(b) any bonds that may be authorized by the resolution or proceeding; or

(c) any provisions made for the security and payment of the bonds.

(6) (a) A person may contest the matters set forth in Subsection (5) by filing a verified written complaint, within 30 days of the publication under Subsection (5), in the district court of the county in which the person resides.

(b) A person may not contest the matters set forth in Subsection (5), or the regularity, formality, or legality of the resolution or proceeding, for any reason, after the 30-day period for contesting provided in Subsection (6)(a).

(7) No later than 60 days after the closing day of any bonds, the fairpark district shall report the bonds issuance, including the amount of the bonds, terms, interest rate, and security, to:

(a) the Executive Appropriations Committee; and

(b) the State Finance Review Commission created in Section 63C-25-201.

Section 37. Section **11-70-602** is enacted to read:

11-70-602 (Effective 05/01/24). Sources from which bonds may be made payable
-- Fairpark district powers regarding bonds.

(1) Subject to Subsection 11-70-207(2), the principal and interest on bonds issued by the fairpark district may be made payable from:

(a) the income and revenues of the projects financed with the proceeds of the bonds;

(b) the income and revenues of certain designated projects whether or not they were financed in whole or in part with the proceeds of the bonds;

(c) the income, proceeds, revenues, property, and funds the fairpark district derives from or holds in connection with its undertaking and carrying out development of land within the fairpark district boundary;

(d) enhanced property tax revenue;

(e) fairpark district revenues generally;

(f) a contribution, loan, grant, or other financial assistance from the federal government or a public entity in aid of the fairpark district; or

(g) funds derived from any combination of the methods listed in Subsections (1)(a) through (f).

(2) In connection with the issuance of fairpark district bonds, the fairpark district may:

(a) as the board determines in the board's reasonable discretion, pledge all or any part of the fairpark district's gross or net rents, fees, or revenues to which the fairpark district's right then exists or may thereafter come into existence;

(b) encumber by mortgage, deed of trust, or otherwise all or any part of the fairpark

1818 district's real or personal property, then owned or thereafter acquired; and
1819 (c) make the covenants and take the action that may be necessary, convenient, or
1820 desirable to secure its bonds, or, except as otherwise provided in this chapter, that
1821 will tend to make the bonds more marketable, even though such covenants or actions
1822 are not specifically enumerated in this chapter.

1823 Section 38. Section **11-70-603** is enacted to read:

1824 **11-70-603 (Effective 05/01/24). Purchase of fairpark district bonds.**

- 1825 (1) Any person, firm, corporation, association, political subdivision of the state, or other
1826 entity or public or private officer may purchase bonds issued by the fairpark district
1827 under this part with funds owned or controlled by the purchaser.
1828 (2) Nothing in this section relieves a purchaser of fairpark district bonds of any duty to
1829 exercise reasonable care in selecting securities.

1830 Section 39. Section **11-70-604** is enacted to read:

1831 **11-70-604 (Effective 05/01/24). Those executing bonds not personally liable --**
1832 **Limitation of obligations under bonds -- Negotiability.**

- 1833 (1) A member of the board or other person executing a fairpark district bond is not liable
1834 personally on the bond.
1835 (2) (a) A bond issued by the fairpark district is not a general obligation or liability of the
1836 state or any of its political subdivisions and does not constitute a charge against their
1837 general credit or taxing powers.
1838 (b) A bond issued by the fairpark district is not payable out of any funds or properties
1839 other than those of the fairpark district.
1840 (c) The state and its political subdivisions are not and may not be held liable on a bond
1841 issued by the fairpark district.
1842 (d) A bond issued by the fairpark district does not constitute indebtedness within the
1843 meaning of any constitutional or statutory debt limitation.

- 1844 (3) A bond issued by the fairpark district under this part is fully negotiable.

1845 Section 40. Section **11-70-605** is enacted to read:

1846 **11-70-605 (Effective 05/01/24). Bonds exempt from taxes -- Fairpark district**
1847 **may purchase its own bonds.**

- 1848 (1) A bond issued by the fairpark district under this part is issued for an essential public and
1849 governmental purpose and is, together with interest on the bond and income from it,
1850 exempt from all state taxes except the corporate franchise tax.
1851 (2) The fairpark district may purchase its own bonds at a price that its board determines.

- (3) Nothing in this section limits the right of an obligee to pursue a remedy for the enforcement of a pledge or lien given under this part by the fairpark district on its rents, fees, grants, properties, or revenues.

Section 41. Section **11-70-701** is enacted to read:

Part 7. Fairpark District Budget and Other Financial Matters

11-70-701 (Effective 05/01/24). Annual fairpark district budget -- Fiscal year -- Public hearing and notice required -- Auditor forms.

- (1) The fairpark district shall prepare and the board adopt an annual budget of revenues and expenditures for the fairpark district for each fiscal year.
- (2) Each annual fairpark district budget shall be adopted before June 22.
- (3) The fairpark district's fiscal year shall be the period from July 1 to the following June 30.
- (4) (a) Before adopting an annual budget, the fairpark district board shall hold a public hearing on the annual budget.
- (b) The fairpark district shall provide notice of the public hearing on the annual budget by publishing notice as a class A notice under Section 63G-30-102 for at least one week before the public hearing.
- (c) The fairpark district shall make the annual budget available for public inspection at least three days before the date of the public hearing.
- (5) The state auditor shall prescribe the budget forms and the categories to be contained in each fairpark district budget, including:
- (a) revenues and expenditures for the budget year; and
- (b) administrative costs, including legal fees, rent, supplies, and other materials, and salaries of fairpark district personnel.

Section 42. Section **11-70-702** is enacted to read:

11-70-702 (Effective 05/01/24). Amending the fairpark district annual budget.

- (1) The board may by resolution amend an annual fairpark district budget.
- (2) An amendment of the annual fairpark district budget that would increase the total expenditures may be made only after public hearing by notice published as required for initial adoption of the annual budget.
- (3) The fairpark district may not make expenditures in excess of the total expenditures established in the annual budget as it is adopted or amended.

Section 43. Section **11-70-703** is enacted to read:

11-70-703 (Effective 05/01/24). Audit requirements.

1885 The fairpark district shall comply with the audit requirements of Title 51, Chapter
1886 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other
1887 Local Entities Act.

1888 Section 44. Section **11-70-704** is enacted to read:

1889 **11-70-704 (Effective 05/01/24). Fairpark district chief financial officer is a public**
1890 **treasurer -- Certain fairpark district funds are public funds.**

1891 (1) The fairpark district's chief financial officer:

1892 (a) is a public treasurer, as defined in Section 51-7-3; and

1893 (b) shall invest the fairpark district funds specified in Subsection (2) as provided in that
1894 subsection.

1895 (2) Notwithstanding Subsection 63E-2-110(2)(a), appropriations that the fairpark district
1896 receives from the state:

1897 (a) are public funds; and

1898 (b) shall be invested as provided in Title 51, Chapter 7, State Money Management Act.

1899 Section 45. Section **11-70-801** is enacted to read:

1900

Part 8. Fairpark District Dissolution

1901 **11-70-801 (Effective 05/01/24). Dissolution of fairpark district -- Restrictions --**
1902 **Notice of dissolution -- Disposition of fairpark district property -- Fairpark**
1903 **district records -- Dissolution expenses.**

1904 (1) The fairpark district may not be dissolved unless the fairpark district has no outstanding
1905 bonded indebtedness, other unpaid loans, indebtedness, or advances, and no legally
1906 binding contractual obligations with persons or entities other than the state.

1907 (2) Upon the dissolution of the fairpark district:

1908 (a) the Governor's Office of Economic Opportunity shall publish a notice of dissolution:

1909 (i) for the county in which the dissolved fairpark district is located, as a class A
1910 notice under Section 63G-30-102, for at least seven days; and

1911 (ii) as required in Section 45-1-101; and

1912 (b) all title to property owned by the fairpark district vests in the state.

1913 (3) The books, documents, records, papers, and seal of each dissolved fairpark district shall
1914 be deposited for safekeeping and reference with the state auditor.

1915 (4) The fairpark district shall pay all expenses of the deactivation and dissolution.

1916 Section 46. Section **17-22-5.5** is amended to read:

1917 **17-22-5.5 (Effective 05/01/24). Sheriff's classification of jail facilities --**

Maximum operating capacity of jail facilities -- Transfer or release of prisoners --**Limitation -- Records regarding release.**

- (1) (a) Except as provided in Subsection (4), a county sheriff shall determine:
- (i) subject to Subsection (1)(b), the classification of each jail facility or section of a jail facility under the sheriff's control;
 - (ii) the nature of each program conducted at a jail facility under the sheriff's control; and
 - (iii) the internal operation of a jail facility under the sheriff's control.
- (b) A classification under Subsection (1)(a)(i) of a jail facility may not violate any applicable zoning ordinance or conditional use permit of the county or municipality.
- (2) Except as provided in Subsection (4), each county sheriff shall:
- (a) with the approval of the county legislative body, establish a maximum operating capacity for each jail facility under the sheriff's control, based on facility design and staffing; and
 - (b) upon a jail facility reaching the jail facility's maximum operating capacity:
 - (i) transfer prisoners to another appropriate facility:
 - (A) under the sheriff's control; or
 - (B) available to the sheriff by contract;
 - (ii) release prisoners:
 - (A) to a supervised release program, according to release criteria established by the sheriff; or
 - (B) to another alternative incarceration program developed by the sheriff; or
 - (iii) admit prisoners in accordance with law and a uniform admissions policy imposed equally upon all entities using the county jail.
- (3) (a) The sheriff shall keep records of the release status and the type of release program or alternative incarceration program for any prisoner released under Subsection (2)(b)(ii).
- (b) The sheriff shall make these records available upon request to the Department of Corrections, the Judiciary, and the Commission on Criminal and Juvenile Justice.
- (4) This section may not be construed to authorize a sheriff to modify provisions of a contract with the Department of Corrections to house in a county jail an individual sentenced to the Department of Corrections.
- (5) Regardless of whether a jail facility has reached the jail facility's maximum operating capacity under Subsection (2), a sheriff may release an individual from a jail facility in

- 1952 accordance with Section 77-20-203 or 77-20-204.
- 1953 (6) (a) Subject to Subsection (6)(c), a jail facility shall detain an individual for up to 24
- 1954 hours from booking if:
- 1955 (i) the individual is on supervised probation or parole and that information is
- 1956 reasonably available; and
- 1957 (ii) the individual was arrested for:
- 1958 (A) a violent felony as defined in Section 76-3-203.5; or
- 1959 (B) a qualifying domestic violence offense as defined in Subsection 77-36-1.1(4)
- 1960 that is not a criminal mischief offense.
- 1961 (b) The jail facility shall notify the entity supervising the individual's probation or parole
- 1962 that the individual is being detained.
- 1963 (c) (i) The jail facility shall release the individual:
- 1964 (A) to the Department of Corrections if the Department of Corrections supervises
- 1965 the individual and requests the individual's release; or
- 1966 (B) if a court or magistrate orders release.
- 1967 (ii) Nothing in this Subsection (6) prohibits a jail facility from holding the individual
- 1968 in accordance with Title 77, Chapter 20, Bail, for new criminal conduct.
- 1969 (7) The sheriff of a county of the first class is encouraged to open and operate all sections
- 1970 of a jail facility within the county that is not being used to full capacity.
- 1971 Section 47. Section **17D-4-102** is amended to read:
- 1972 **17D-4-102 (Effective 05/01/24). Definitions.**
- 1973 As used in this chapter:
- 1974 (1) "Board" means the board of trustees of a public infrastructure district.
- 1975 (2) "Creating entity" means the county, municipality, or development authority that
- 1976 approves the creation of a public infrastructure district.
- 1977 (3) "Development authority" means:
- 1978 (a) the Utah Inland Port Authority created in Section 11-58-201;
- 1979 (b) the Point of the Mountain State Land Authority created in Section 11-59-201; ~~[or]~~
- 1980 (c) the Utah Fairpark Area Investment and Restoration District created in Section
- 1981 11-70-201; or
- 1982 ~~[(e)]~~ (d) the military installation development authority created in Section 63H-1-201.
- 1983 (4) "District applicant" means the person proposing the creation of a public infrastructure
- 1984 district.
- 1985 (5) "Division" means a division of a public infrastructure district:

- 1986 (a) that is relatively equal in number of eligible voters or potential eligible voters to all
 1987 other divisions within the public infrastructure district, taking into account existing or
 1988 potential developments which, when completed, would increase or decrease the
 1989 population within the public infrastructure district; and
 1990 (b) which a member of the board represents.
- 1991 (6) "Governing document" means the document governing a public infrastructure district to
 1992 which the creating entity agrees before the creation of the public infrastructure district,
 1993 as amended from time to time, and subject to the limitations of Title 17B, Chapter 1,
 1994 Provisions Applicable to All Special Districts, and this chapter.
- 1995 (7) (a) "Limited tax bond" means a bond:
 1996 (i) that is directly payable from and secured by ad valorem property taxes that are
 1997 levied:
 1998 (A) by a public infrastructure district that issues the bond; and
 1999 (B) on taxable property within the district;
 2000 (ii) that is a general obligation of the public infrastructure district; and
 2001 (iii) for which the ad valorem property tax levy for repayment of the bond does not
 2002 exceed the property tax levy rate limit established under Section 17D-4-303 for
 2003 any fiscal year, except as provided in Subsection 17D-4-301(8).
 2004 (b) "Limited tax bond" does not include:
 2005 (i) a short-term bond;
 2006 (ii) a tax and revenue anticipation bond; or
 2007 (iii) a special assessment bond.
- 2008 (8) "Public infrastructure and improvements" means:
 2009 (a) the same as that term is defined in Section 11-58-102, for a public infrastructure
 2010 district created by the Utah Inland Port Authority created in Section 11-58-201; [and]
 2011 (b) the same as that term is defined in Section 11-70-101, for a public infrastructure
 2012 district created by the Utah Fairpark Area Investment and Restoration District created
 2013 in Section 11-70-201; and
 2014 ~~(b)~~ (c) the same as that term is defined in Section 63H-1-102, for a public infrastructure
 2015 district created by the military installation development authority created in Section
 2016 63H-1-201.
- 2017 Section 48. Section **59-2-924** is amended to read:
 2018 **59-2-924 (Effective 05/01/24). Definitions -- Report of valuation of property to**
 2019 **county auditor and commission -- Transmittal by auditor to governing bodies --**

- 2020 **Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative**
2021 **budget -- Notice provided by the commission.**
- 2022 (1) As used in this section:
- 2023 (a) (i) "Ad valorem property tax revenue" means revenue collected in accordance
2024 with this chapter.
- 2025 (ii) "Ad valorem property tax revenue" does not include:
- 2026 (A) interest;
- 2027 (B) penalties;
- 2028 (C) collections from redemptions; or
- 2029 (D) revenue received by a taxing entity from personal property that is
2030 semiconductor manufacturing equipment assessed by a county assessor in
2031 accordance with Part 3, County Assessment.
- 2032 (b) "Adjusted tax increment" means the same as that term is defined in Section
2033 17C-1-102.
- 2034 (c) (i) "Aggregate taxable value of all property taxed" means:
- 2035 (A) the aggregate taxable value of all real property a county assessor assesses in
2036 accordance with Part 3, County Assessment, for the current year;
- 2037 (B) the aggregate taxable value of all real and personal property the commission
2038 assesses in accordance with Part 2, Assessment of Property, for the current
2039 year; and
- 2040 (C) the aggregate year end taxable value of all personal property a county assessor
2041 assesses in accordance with Part 3, County Assessment, contained on the prior
2042 year's tax rolls of the taxing entity.
- 2043 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate
2044 year end taxable value of personal property that is:
- 2045 (A) semiconductor manufacturing equipment assessed by a county assessor in
2046 accordance with Part 3, County Assessment; and
- 2047 (B) contained on the prior year's tax rolls of the taxing entity.
- 2048 (d) "Base taxable value" means:
- 2049 (i) for an authority created under Section 11-58-201, the same as that term is defined
2050 in Section 11-58-102;
- 2051 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
2052 the same as that term is defined in Section 11-59-207;
- 2053 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section

- 2054 11-70-201, the same as that term is defined in Section 11-70-101;
 2055 [~~(iii)~~] (iv) for an agency created under Section 17C-1-201.5, the same as that term is
 2056 defined in Section 17C-1-102;
 2057 [~~(iv)~~] (v) for an authority created under Section 63H-1-201, the same as that term is
 2058 defined in Section 63H-1-102;
 2059 [~~(v)~~] (vi) for a host local government, the same as that term is defined in Section
 2060 63N-2-502; or
 2061 [~~(vi)~~] (vii) for a housing and transit reinvestment zone created under Title 63N,
 2062 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, a property's
 2063 taxable value as shown upon the assessment roll last equalized during the base
 2064 year, as that term is defined in Section 63N-3-602.
- 2065 (e) "Centrally assessed benchmark value" means an amount equal to the highest year end
 2066 taxable value of real and personal property the commission assesses in accordance
 2067 with Part 2, Assessment of Property, for a previous calendar year that begins on or
 2068 after January 1, 2015, adjusted for taxable value attributable to:
 2069 (i) an annexation to a taxing entity;
 2070 (ii) an incorrect allocation of taxable value of real or personal property the
 2071 commission assesses in accordance with Part 2, Assessment of Property; or
 2072 (iii) a change in value as a result of a change in the method of apportioning the value
 2073 prescribed by the Legislature, a court, or the commission in an administrative rule
 2074 or administrative order.
- 2075 (f) (i) "Centrally assessed new growth" means the greater of:
 2076 (A) zero; or
 2077 (B) the amount calculated by subtracting the centrally assessed benchmark value
 2078 adjusted for prior year end incremental value from the taxable value of real and
 2079 personal property the commission assesses in accordance with Part 2,
 2080 Assessment of Property, for the current year, adjusted for current year
 2081 incremental value.
- 2082 (ii) "Centrally assessed new growth" does not include a change in value as a result of
 2083 a change in the method of apportioning the value prescribed by the Legislature, a
 2084 court, or the commission in an administrative rule or administrative order.
- 2085 (g) "Certified tax rate" means a tax rate that will provide the same ad valorem property
 2086 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
- 2087 (h) "Community reinvestment agency" means the same as that term is defined in Section

- 2088 17C-1-102.
- 2089 (i) "Eligible new growth" means the greater of:
- 2090 (i) zero; or
- 2091 (ii) the sum of:
- 2092 (A) locally assessed new growth;
- 2093 (B) centrally assessed new growth; and
- 2094 (C) project area new growth or hotel property new growth.
- 2095 (j) "Host local government" means the same as that term is defined in Section 63N-2-502.
- 2096 (k) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- 2097 (l) "Hotel property new growth" means an amount equal to the incremental value that is
- 2098 no longer provided to a host local government as incremental property tax revenue.
- 2099 (m) "Incremental property tax revenue" means the same as that term is defined in
- 2100 Section 63N-2-502.
- 2101 (n) "Incremental value" means:
- 2102 (i) for an authority created under Section 11-58-201, the amount calculated by
- 2103 multiplying:
- 2104 (A) the difference between the taxable value and the base taxable value of the
- 2105 property that is located within a project area and on which property tax
- 2106 differential is collected; and
- 2107 (B) the number that represents the percentage of the property tax differential that
- 2108 is paid to the authority;
- 2109 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
- 2110 an amount calculated by multiplying:
- 2111 (A) the difference between the current assessed value of the property and the base
- 2112 taxable value; and
- 2113 (B) the number that represents the percentage of the property tax augmentation, as
- 2114 defined in Section 11-59-207, that is paid to the Point of the Mountain State
- 2115 Land Authority;
- 2116 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 2117 11-70-201, the amount calculated by multiplying:
- 2118 (A) the difference between the taxable value for the current year and the base
- 2119 taxable value of the property that is located within a project area; and
- 2120 (B) the number that represents the percentage of enhanced property tax revenue,
- 2121 as defined in Section 11-70-101;

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

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

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

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

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

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

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

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

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

~~[(vi)]~~ (vii) for a host local government, an amount calculated by multiplying:

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

(B) the number that represents the percentage of the incremental property tax revenue from that hotel property that is paid to the host local government~~[-or]~~ .

~~[(vii)]~~ for the State Fair Park Authority created in Section 11-68-201, the taxable ~~value of:~~

~~[(A) fair park land, as defined in Section 11-68-101, that is subject to a privilege tax under Section 11-68-402; or]~~

~~[(B) personal property located on property that is subject to the privilege tax described in Subsection (1)(n)(vii)(A).]~~

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

- 2156 (A) zero; or
- 2157 (B) the amount calculated by subtracting the year end taxable value of real
- 2158 property the county assessor assesses in accordance with Part 3, County
- 2159 Assessment, for the previous year, adjusted for prior year end incremental
- 2160 value from the taxable value of real property the county assessor assesses in
- 2161 accordance with Part 3, County Assessment, for the current year, adjusted for
- 2162 current year incremental value.
- 2163 (ii) "Locally assessed new growth" does not include a change in:
- 2164 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,
- 2165 or another adjustment;
- 2166 (B) assessed value based on whether a property is allowed a residential exemption
- 2167 for a primary residence under Section 59-2-103;
- 2168 (C) assessed value based on whether a property is assessed under Part 5, Farmland
- 2169 Assessment Act; or
- 2170 (D) assessed value based on whether a property is assessed under Part 17, Urban
- 2171 Farming Assessment Act.
- 2172 (p) "Project area" means:
- 2173 (i) for an authority created under Section 11-58-201, the same as that term is defined
- 2174 in Section 11-58-102;
- 2175 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 2176 11-70-201, the same as that term is defined in Section 11-70-101;
- 2177 ~~[(ii)]~~ (iii) for an agency created under Section 17C-1-201.5, the same as that term is
- 2178 defined in Section 17C-1-102; or
- 2179 ~~[(iii)]~~ (iv) for an authority created under Section 63H-1-201, the same as that term is
- 2180 defined in Section 63H-1-102.
- 2181 (q) "Project area new growth" means:
- 2182 (i) for an authority created under Section 11-58-201, an amount equal to the
- 2183 incremental value that is no longer provided to an authority as property tax
- 2184 differential;
- 2185 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
- 2186 an amount equal to the incremental value that is no longer provided to the Point of
- 2187 the Mountain State Land Authority as property tax augmentation, as defined in
- 2188 Section 11-59-207;
- 2189 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section

2190 11-70-201, an amount equal to the incremental value that is no longer provided to
 2191 the Utah Fairpark Area Investment and Restoration District;

2192 [~~(iii)~~] (iv) for an agency created under Section 17C-1-201.5, an amount equal to the
 2193 incremental value that is no longer provided to an agency as tax increment;

2194 [~~(iv)~~] (v) for an authority created under Section 63H-1-201, an amount equal to the
 2195 incremental value that is no longer provided to an authority as property tax
 2196 allocation; or

2197 [~~(v)~~] (vi) for a housing and transit reinvestment zone created under Title 63N, Chapter
 2198 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the
 2199 incremental value that is no longer provided to a housing and transit reinvestment
 2200 zone as tax increment.

2201 (r) "Project area incremental revenue" means the same as that term is defined in Section
 2202 17C-1-1001.

2203 (s) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.

2204 (t) "Property tax differential" means the same as that term is defined in Section
 2205 11-58-102.

2206 (u) "Qualifying exempt revenue" means revenue received:

2207 (i) for the previous calendar year;

2208 (ii) by a taxing entity;

2209 (iii) from tangible personal property contained on the prior year's tax rolls that is
 2210 exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year
 2211 beginning on January 1, 2022; and

2212 (iv) on the aggregate 2021 year end taxable value of the tangible personal property
 2213 that exceeds \$15,300.

2214 (v) "Tax increment" means:

2215 [~~(i)~~] (A) for a project created under Section 17C-1-201.5, the same as that term is
 2216 defined in Section 17C-1-102; or

2217 [~~(ii)~~] (B) for a housing and transit reinvestment zone created under Title 63N,
 2218 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as
 2219 that term is defined in Section 63N-3-602.

2220 (2) Before June 1 of each year, the county assessor of each county shall deliver to the
 2221 county auditor and the commission the following statements:

2222 (a) a statement containing the aggregate valuation of all taxable real property a county
 2223 assessor assesses in accordance with Part 3, County Assessment, for each taxing

- 2224 entity; and
- 2225 (b) a statement containing the taxable value of all personal property a county assessor
2226 assesses in accordance with Part 3, County Assessment, from the prior year end
2227 values.
- 2228 (3) The county auditor shall, on or before June 8, transmit to the governing body of each
2229 taxing entity:
- 2230 (a) the statements described in Subsections (2)(a) and (b);
- 2231 (b) an estimate of the revenue from personal property;
- 2232 (c) the certified tax rate; and
- 2233 (d) all forms necessary to submit a tax levy request.
- 2234 (4) (a) Except as otherwise provided in this section, the certified tax rate shall be
2235 calculated by dividing the ad valorem property tax revenue that a taxing entity
2236 budgeted for the prior year minus the qualifying exempt revenue by the amount
2237 calculated under Subsection (4)(b).
- 2238 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
2239 calculate an amount as follows:
- 2240 (i) calculate for the taxing entity the difference between:
- 2241 (A) the aggregate taxable value of all property taxed; and
- 2242 (B) any adjustments for current year incremental value;
- 2243 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
2244 determined by increasing or decreasing the amount calculated under Subsection
2245 (4)(b)(i) by the average of the percentage net change in the value of taxable
2246 property for the equalization period for the three calendar years immediately
2247 preceding the current calendar year;
- 2248 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the
2249 product of:
- 2250 (A) the amount calculated under Subsection (4)(b)(ii); and
- 2251 (B) the percentage of property taxes collected for the five calendar years
2252 immediately preceding the current calendar year; and
- 2253 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an
2254 amount determined by:
- 2255 (A) multiplying the percentage of property taxes collected for the five calendar
2256 years immediately preceding the current calendar year by eligible new growth;
2257 and

- 2258 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the
2259 amount calculated under Subsection (4)(b)(iii).
- 2260 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated
2261 as follows:
- 2262 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified
2263 tax rate is zero;
- 2264 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
- 2265 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
2266 services under Sections 17-34-1 and 17-36-9; and
- 2267 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
2268 purposes and such other levies imposed solely for the municipal-type services
2269 identified in Section 17-34-1 and Subsection 17-36-3(23);
- 2270 (c) for a community reinvestment agency that received all or a portion of a taxing
2271 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,
2272 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in
2273 Subsection (4) except that the commission shall treat the total revenue transferred to
2274 the community reinvestment agency as ad valorem property tax revenue that the
2275 taxing entity budgeted for the prior year; and
- 2276 (d) for debt service voted on by the public, the certified tax rate is the actual levy
2277 imposed by that section, except that a certified tax rate for the following levies shall
2278 be calculated in accordance with Section 59-2-913 and this section:
- 2279 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
2280 (ii) a levy to pay for the costs of state legislative mandates or judicial or
2281 administrative orders under Section 59-2-1602.
- 2282 (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be
2283 imposed at a rate that is sufficient to generate only the revenue required to satisfy one
2284 or more eligible judgments.
- 2285 (b) The ad valorem property tax revenue generated by a judgment levy described in
2286 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate
2287 certified tax rate.
- 2288 (7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:
- 2289 (i) the taxable value of real property:
- 2290 (A) the county assessor assesses in accordance with Part 3, County Assessment;
2291 and

- 2292 (B) contained on the assessment roll;
- 2293 (ii) the year end taxable value of personal property:
- 2294 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
- 2295 (B) contained on the prior year's assessment roll; and
- 2296 (iii) the taxable value of real and personal property the commission assesses in
- 2297 accordance with Part 2, Assessment of Property.
- 2298 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
- 2299 growth.
- 2300 (8) (a) On or before June 30, a taxing entity shall annually adopt a tentative budget.
- 2301 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
- 2302 the county auditor of:
- 2303 (i) the taxing entity's intent to exceed the certified tax rate; and
- 2304 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 2305 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
- 2306 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
- 2307 (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through
- 2308 electronic means on or before July 31, to a taxing entity and the Revenue and
- 2309 Taxation Interim Committee if:
- 2310 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
- 2311 taxable value of the real and personal property the commission assesses in
- 2312 accordance with Part 2, Assessment of Property, for the previous year, adjusted
- 2313 for prior year end incremental value; and
- 2314 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
- 2315 end taxable value of the real and personal property of a taxpayer the commission
- 2316 assesses in accordance with Part 2, Assessment of Property, for the previous year.
- 2317 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
- 2318 subtracting the taxable value of real and personal property the commission assesses
- 2319 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
- 2320 current year incremental value, from the year end taxable value of the real and
- 2321 personal property the commission assesses in accordance with Part 2, Assessment of
- 2322 Property, for the previous year, adjusted for prior year end incremental value.
- 2323 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
- 2324 subtracting the total taxable value of real and personal property of a taxpayer the
- 2325 commission assesses in accordance with Part 2, Assessment of Property, for the

current year, from the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.

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

Section 49. Section **59-4-101** is amended to read:

59-4-101 (Effective 05/01/24). Tax basis -- Exceptions -- Assessment and collection -- Designation of person to receive notice.

- (1) (a) Except as provided in Subsections (1)(b), (1)(c), and (3), a tax is imposed on the possession or other beneficial use enjoyed by any person of any real or personal property that is exempt for any reason from taxation, if that property is used in connection with a business conducted for profit.

- (b) Any interest remaining in the state in state lands after subtracting amounts paid or due in part payment of the purchase price as provided in Subsection 59-2-1103 (2)(b)(i) under a contract of sale is subject to taxation under this chapter regardless of whether the property is used in connection with a business conducted for profit.

- (c) The tax imposed under Subsection (1)(a) does not apply to property exempt from taxation under Section 59-2-1114.

- (2) (a) The tax imposed under this chapter is the same amount that the ad valorem property tax would be if the possessor or user were the owner of the property.

- (b) The amount of any payments that are made in lieu of taxes is credited against the tax imposed on the beneficial use of property owned by the federal government.

- (3) A tax is not imposed under this chapter on the following:

- (a) the use of property that is a concession in, or relative to, the use of a public airport, park, fairground, or similar property that is available as a matter of right to the use of the general public;

- (b) the use or possession of property by a religious, educational, or charitable organization;

- (c) the use or possession of property if the revenue generated by the possessor or user of the property through its possession or use of the property inures only to the benefit of a religious, educational, or charitable organization and not to the benefit of any other person;

- (d) the possession or other beneficial use of public land occupied under the terms of an agricultural lease or permit issued by the United States or this state;

- (e) the use or possession of any lease, permit, or easement unless the lease, permit, or easement entitles the lessee or permittee to exclusive possession of the premises to which the lease, permit, or easement relates;
- (f) the use or possession of property by a public agency, as defined in Section 11-13-103, to the extent that the ownership interest of the public agency in that property is subject to a fee in lieu of ad valorem property tax under Section 11-13-302; or
- (g) the possession or beneficial use of public property as a tollway by a private entity through a tollway development agreement as defined in Section 72-6-202.

(4) For purposes of Subsection (3)(e):

- (a) every lessee, permittee, or other holder of a right to remove or extract the mineral covered by the holder's lease, right permit, or easement, except from brines of the Great Salt Lake, is considered to be in possession of the premises, regardless of whether another party has a similar right to remove or extract another mineral from the same property; and
- (b) a lessee, permittee, or holder of an easement still has exclusive possession of the premises if the owner has the right to enter the premises, approve leasehold improvements, or inspect the premises.

(5) A tax imposed under this chapter is assessed to the possessors or users of the property on the same forms, and collected and, subject to ~~[Subsection 11-68-402(2)]~~ Section 11-70-203, distributed at the same time and in the same manner, as taxes assessed owners, possessors, or other claimants of property that is subject to ad valorem property taxation. The tax is not a lien against the property, and no tax-exempt property may be attached, encumbered, sold, or otherwise affected for the collection of the tax.

(6) (a) (i) Except as provided in Subsection (6)(a)(ii), if a governmental entity is required under this chapter to send information or notice to a person, the governmental entity shall send the information or notice to:

- (A) the person required under the applicable provision of this chapter; and
- (B) each person designated in accordance with Subsection (6)(b) by the person described in Subsection (6)(a)(i)(A).

(ii) If a governmental entity is required under Section 59-2-919.1 or 59-2-1317 to send information or notice to a person, the governmental entity shall send the information or notice to:

- (A) the person required under the applicable section; or
- (B) one person designated in accordance with Subsection (6)(b) by the person

- 2394 described in Subsection (6)(a)(ii)(A).
- 2395 (b) (i) A person to whom a governmental entity is required under this chapter to send
2396 information or notice may designate a person to receive the information or notice
2397 in accordance with Subsection (6)(a).
- 2398 (ii) To make a designation described in Subsection (6)(b)(i), the person shall submit a
2399 written request to the governmental entity on a form prescribed by the commission.
- 2400 (c) A person who makes a designation described in Subsection (6)(b) may revoke the
2401 designation by submitting a written request to the governmental entity on a form
2402 prescribed by the commission.
- 2403 (7) Sections 59-2-301.1 through 59-2-301.7 apply for purposes of assessing a tax under this
2404 chapter.
- 2405 Section 50. Section **59-12-103** is amended to read:
- 2406 **59-12-103 (Effective 05/01/24) (Contingently Superseded 01/01/25). Sales and use**
2407 **tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.**
- 2408 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales
2409 price for amounts paid or charged for the following transactions:
- 2410 (a) retail sales of tangible personal property made within the state;
- 2411 (b) amounts paid for:
- 2412 (i) telecommunications service, other than mobile telecommunications service, that
2413 originates and terminates within the boundaries of this state;
- 2414 (ii) mobile telecommunications service that originates and terminates within the
2415 boundaries of one state only to the extent permitted by the Mobile
2416 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
- 2417 (iii) an ancillary service associated with a:
- 2418 (A) telecommunications service described in Subsection (1)(b)(i); or
2419 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 2420 (c) sales of the following for commercial use:
- 2421 (i) gas;
- 2422 (ii) electricity;
- 2423 (iii) heat;
- 2424 (iv) coal;
- 2425 (v) fuel oil; or
- 2426 (vi) other fuels;
- 2427 (d) sales of the following for residential use:

- 2428 (i) gas;
- 2429 (ii) electricity;
- 2430 (iii) heat;
- 2431 (iv) coal;
- 2432 (v) fuel oil; or
- 2433 (vi) other fuels;
- 2434 (e) sales of prepared food;
- 2435 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 2436 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
- 2437 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
- 2438 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling
- 2439 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
- 2440 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
- 2441 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
- 2442 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
- 2443 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
- 2444 activity;
- 2445 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 2446 property, unless Section 59-12-104 provides for an exemption from sales and use tax
- 2447 for:
- 2448 (i) the tangible personal property; and
- 2449 (ii) parts used in the repairs or renovations of the tangible personal property described
- 2450 in Subsection (1)(g)(i), regardless of whether:
- 2451 (A) any parts are actually used in the repairs or renovations of that tangible
- 2452 personal property; or
- 2453 (B) the particular parts used in the repairs or renovations of that tangible personal
- 2454 property are exempt from a tax under this chapter;
- 2455 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted
- 2456 cleaning or washing of tangible personal property;
- 2457 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 2458 accommodations and services that are regularly rented for less than 30 consecutive
- 2459 days;
- 2460 (j) amounts paid or charged for laundry or dry cleaning services;
- 2461 (k) amounts paid or charged for leases or rentals of tangible personal property if within

- 2462 this state the tangible personal property is:
- 2463 (i) stored;
- 2464 (ii) used; or
- 2465 (iii) otherwise consumed;
- 2466 (l) amounts paid or charged for tangible personal property if within this state the tangible
- 2467 personal property is:
- 2468 (i) stored;
- 2469 (ii) used; or
- 2470 (iii) consumed;
- 2471 (m) amounts paid or charged for a sale:
- 2472 (i) (A) of a product transferred electronically; or
- 2473 (B) of a repair or renovation of a product transferred electronically; and
- 2474 (ii) regardless of whether the sale provides:
- 2475 (A) a right of permanent use of the product; or
- 2476 (B) a right to use the product that is less than a permanent use, including a right:
- 2477 (I) for a definite or specified length of time; and
- 2478 (II) that terminates upon the occurrence of a condition; and
- 2479 (n) sales of leased tangible personal property from the lessor to the lessee made in the
- 2480 state.
- 2481 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax
- 2482 are imposed on a transaction described in Subsection (1) equal to the sum of:
- 2483 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 2484 (A) 4.70% plus the rate specified in Subsection (11)(a); and
- 2485 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional
- 2486 State Sales and Use Tax Act, if the location of the transaction as determined
- 2487 under Sections 59-12-211 through 59-12-215 is in a county in which the
- 2488 state imposes the tax under Part 18, Additional State Sales and Use Tax Act;
- 2489 and
- 2490 (II) the tax rate the state imposes in accordance with Part 20, Supplemental
- 2491 State Sales and Use Tax Act, if the location of the transaction as determined
- 2492 under Sections 59-12-211 through 59-12-215 is in a city, town, or the
- 2493 unincorporated area of a county in which the state imposes the tax under
- 2494 Part 20, Supplemental State Sales and Use Tax Act; and
- 2495 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

- 2496 transaction under this chapter other than this part.
- 2497 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state
2498 tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal
2499 to the sum of:
- 2500 (i) a state tax imposed on the transaction at a tax rate of 2%; and
2501 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2502 transaction under this chapter other than this part.
- 2503 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed
2504 on amounts paid or charged for food and food ingredients equal to the sum of:
- 2505 (i) a state tax imposed on the amounts paid or charged for food and food ingredients
2506 at a tax rate of 1.75%; and
2507 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
2508 amounts paid or charged for food and food ingredients under this chapter other
2509 than this part.
- 2510 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid
2511 or charged for fuel to a common carrier that is a railroad for use in a locomotive
2512 engine at a rate of 4.85%.
- 2513 (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form
2514 prescribed by the commission, that the shared vehicle is an individual-owned
2515 shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to
2516 car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle
2517 owner.
- 2518 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
2519 required once during the time that the shared vehicle owner owns the shared
2520 vehicle.
- 2521 (C) The commission shall verify that a shared vehicle is an individual-owned
2522 shared vehicle by verifying that the applicable Utah taxes imposed under this
2523 chapter were paid on the purchase of the shared vehicle.
- 2524 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
2525 individual-owned shared vehicle shared through a car-sharing program even if
2526 non-certified shared vehicles are also available to be shared through the same
2527 car-sharing program.
- 2528 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.
- 2529 (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's

2530 representation that the shared vehicle is an individual-owned shared vehicle
2531 certified with the commission as described in Subsection (2)(e)(i).

2532 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
2533 representation that the shared vehicle is an individual-owned shared vehicle
2534 certified with the commission as described in Subsection (2)(e)(i), the
2535 car-sharing program is not liable for any tax, penalty, fee, or other sanction
2536 imposed on the shared vehicle owner.

2537 (iv) If all shared vehicles shared through a car-sharing program are certified as
2538 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has
2539 no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax
2540 period.

2541 (v) (A) A car-sharing program is not required to list or otherwise identify an
2542 individual-owned shared vehicle on a return or an attachment to a return.

2543 (vi) A car-sharing program shall:

2544 (A) retain tax information for each car-sharing program transaction; and
2545 (B) provide the information described in Subsection (2)(e)(vi)(A) to the
2546 commission at the commission's request.

2547 (f) (i) For a bundled transaction that is attributable to food and food ingredients and
2548 tangible personal property other than food and food ingredients, a state tax and a
2549 local tax is imposed on the entire bundled transaction equal to the sum of:

2550 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

2551 (I) the tax rate described in Subsection (2)(a)(i)(A); and
2552 (II) (Aa) the tax rate the state imposes in accordance with Part 18,
2553 Additional State Sales and Use Tax Act, if the location of the transaction
2554 as determined under Sections 59-12-211 through 59-12-215 is in a
2555 county in which the state imposes the tax under Part 18, Additional State
2556 Sales and Use Tax Act; and
2557 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental
2558 State Sales and Use Tax Act, if the location of the transaction as
2559 determined under Sections 59-12-211 through 59-12-215 is in a city,
2560 town, or the unincorporated area of a county in which the state imposes
2561 the tax under Part 20, Supplemental State Sales and Use Tax Act; and
2562 (B) a local tax imposed on the entire bundled transaction at the sum of the tax
2563 rates described in Subsection (2)(a)(ii).

(ii) If an optional computer software maintenance contract is a bundled transaction that consists of taxable and nontaxable products that are not separately itemized on an invoice or similar billing document, the purchase of the optional computer software maintenance contract is 40% taxable under this chapter and 60% nontaxable under this chapter.

(iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled transaction described in Subsection (2)(f)(i) or (ii):

(A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise; or

(B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise.

(iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal property, other property, a product, or a service that is not subject to taxation under this chapter, the entire

transaction is subject to taxation under this chapter unless the seller, at the time of the transaction:

(A) separately states the portion of the transaction that is not subject to taxation under this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

(B) is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

(ii) A purchaser and a seller may correct the taxability of a transaction if:

(A) after the transaction occurs, the purchaser and the seller discover that the portion of the transaction that is not subject to taxation under this chapter was not separately stated on an invoice, bill of sale, or similar document provided to the purchaser because of an error or ignorance of the law; and

(B) the seller is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

(iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(h) (i) If the sales price of a transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate unless the seller, at the time of the transaction:

(A) separately states the items subject to taxation under this chapter at each of the different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

(B) is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business.

(ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate

- 2632 imposed under the following shall take effect on the first day of a calendar quarter:
- 2633 (i) Subsection (2)(a)(i)(A);
- 2634 (ii) Subsection (2)(b)(i);
- 2635 (iii) Subsection (2)(c)(i); or
- 2636 (iv) Subsection (2)(f)(i)(A)(I).
- 2637 (j) (i) A tax rate increase takes effect on the first day of the first billing period that
- 2638 begins on or after the effective date of the tax rate increase if the billing period for
- 2639 the transaction begins before the effective date of a tax rate increase imposed
- 2640 under:
- 2641 (A) Subsection (2)(a)(i)(A);
- 2642 (B) Subsection (2)(b)(i);
- 2643 (C) Subsection (2)(c)(i); or
- 2644 (D) Subsection (2)(f)(i)(A)(I).
- 2645 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
- 2646 statement for the billing period is rendered on or after the effective date of the
- 2647 repeal of the tax or the tax rate decrease imposed under:
- 2648 (A) Subsection (2)(a)(i)(A);
- 2649 (B) Subsection (2)(b)(i);
- 2650 (C) Subsection (2)(c)(i); or
- 2651 (D) Subsection (2)(f)(i)(A)(I).
- 2652 (k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
- 2653 is computed on the basis of sales and use tax rates published in the catalogue, a
- 2654 tax rate repeal or change in a tax rate takes effect:
- 2655 (A) on the first day of a calendar quarter; and
- 2656 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate
- 2657 change.
- 2658 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 2659 (A) Subsection (2)(a)(i)(A);
- 2660 (B) Subsection (2)(b)(i);
- 2661 (C) Subsection (2)(c)(i); or
- 2662 (D) Subsection (2)(f)(i)(A)(I).
- 2663 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 2664 the commission may by rule define the term "catalogue sale."
- 2665 (l) (i) For a location described in Subsection (2)(l)(ii), the commission shall

- 2666 determine the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or
2667 other fuel based on the predominant use of the gas, electricity, heat, coal, fuel oil,
2668 or other fuel at the location.
- 2669 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
2670 or other fuel is furnished through a single meter for two or more of the following
2671 uses:
- 2672 (A) a commercial use;
2673 (B) an industrial use; or
2674 (C) a residential use.
- 2675 (3) (a) The following state taxes shall be deposited into the General Fund:
- 2676 (i) the tax imposed by Subsection (2)(a)(i)(A);
2677 (ii) the tax imposed by Subsection (2)(b)(i);
2678 (iii) the tax imposed by Subsection (2)(c)(i); and
2679 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 2680 (b) The following local taxes shall be distributed to a county, city, or town as provided
2681 in this chapter:
- 2682 (i) the tax imposed by Subsection (2)(a)(ii);
2683 (ii) the tax imposed by Subsection (2)(b)(ii);
2684 (iii) the tax imposed by Subsection (2)(c)(ii); and
2685 (iv) the tax imposed by Subsection (2)(f)(i)(B).
- 2686 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.
- 2687 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2688 2003, the lesser of the following amounts shall be expended as provided in
2689 Subsections (4)(b) through (g):
- 2690 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
2691 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
2692 (B) for the fiscal year; or
2693 (ii) \$17,500,000.
- 2694 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
2695 described in Subsection (4)(a) shall be transferred each year as designated sales
2696 and use tax revenue to the Department of Natural Resources to:
- 2697 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d)
2698 to protect sensitive plant and animal species; or
2699 (B) award grants, up to the amount authorized by the Legislature in an

2700 appropriations act, to political subdivisions of the state to implement the
2701 measures described in Subsections 79-2-303(3)(a) through (d) to protect
2702 sensitive plant and animal species.

2703 (ii) Money transferred to the Department of Natural Resources under Subsection
2704 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or
2705 any other person to list or attempt to have listed a species as threatened or
2706 endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et
2707 seq.

2708 (iii) At the end of each fiscal year:

2709 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to
2710 the Water Resources Conservation and Development Fund created in Section
2711 73-10-24;

2712 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
2713 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

2714 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
2715 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

2716 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
2717 Subsection (4)(a) shall be deposited each year in the Agriculture Resource
2718 Development Fund created in Section 4-18-106.

2719 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount
2720 described in Subsection (4)(a) shall be transferred each year as designated sales
2721 and use tax revenue to the Division of Water Rights to cover the costs incurred in
2722 hiring legal and technical staff for the adjudication of water rights.

2723 (ii) At the end of each fiscal year:

2724 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to
2725 the Water Resources Conservation and Development Fund created in Section
2726 73-10-24;

2727 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
2728 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

2729 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
2730 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

2731 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount
2732 described in Subsection (4)(a) shall be deposited into the Water Resources
2733 Conservation and Development Fund created in Section 73-10-24 for use by the

2734 Division of Water Resources.

2735 (ii) In addition to the uses allowed of the Water Resources Conservation and
2736 Development Fund under Section 73-10-24, the Water Resources Conservation
2737 and Development Fund may also be used to:

2738 (A) conduct hydrologic and geotechnical investigations by the Division of Water
2739 Resources in a cooperative effort with other state, federal, or local entities, for
2740 the purpose of quantifying surface and ground water resources and describing
2741 the hydrologic systems of an area in sufficient detail so as to enable local and
2742 state resource managers to plan for and accommodate growth in water use
2743 without jeopardizing the resource;

2744 (B) fund state required dam safety improvements; and

2745 (C) protect the state's interest in interstate water compact allocations, including the
2746 hiring of technical and legal staff.

2747 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in
2748 Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program
2749 Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund
2750 wastewater projects.

2751 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2752 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program
2753 Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

- 2754 (i) provide for the installation and repair of collection, treatment, storage, and
2755 distribution facilities for any public water system, as defined in Section 19-4-102;
2756 (ii) develop underground sources of water, including springs and wells; and
2757 (iii) develop surface water sources.

2758 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2759 2006, the difference between the following amounts shall be expended as provided in
2760 this Subsection (5), if that difference is greater than \$1:

- 2761 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for
2762 the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1);
2763 and

2764 (ii) \$17,500,000.

2765 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

2766 (A) transferred each fiscal year to the Department of Natural Resources as
2767 designated sales and use tax revenue; and

- 2768 (B) expended by the Department of Natural Resources for watershed rehabilitation
2769 or restoration.
- 2770 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
2771 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources
2772 Conservation and Development Fund created in Section 73-10-24.
- 2773 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
2774 remaining difference described in Subsection (5)(a) shall be:
- 2775 (A) transferred each fiscal year to the Division of Water Resources as designated
2776 sales and use tax revenue; and
- 2777 (B) expended by the Division of Water Resources for cloud-seeding projects
2778 authorized by Title 73, Chapter 15, Modification of Weather.
- 2779 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
2780 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources
2781 Conservation and Development Fund created in Section 73-10-24.
- 2782 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
2783 remaining difference described in Subsection (5)(a) shall be deposited into the Water
2784 Resources Conservation and Development Fund created in Section 73-10-24 for use
2785 by the Division of Water Resources for:
- 2786 (i) preconstruction costs:
- 2787 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,
2788 Chapter 26, Bear River Development Act; and
- 2789 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
2790 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- 2791 (ii) the cost of employing a civil engineer to oversee any project authorized by Title
2792 73, Chapter 26, Bear River Development Act;
- 2793 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline
2794 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development
2795 Act; and
- 2796 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
2797 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i)
2798 through (iii).
- 2799 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the
2800 remaining difference described in Subsection (5)(a) shall be deposited each year into
2801 the Water Rights Restricted Account created by Section 73-2-1.6.

2802 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), each
2803 fiscal year, the commission shall deposit into the Water Infrastructure Restricted
2804 Account created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax
2805 rate on the transactions described in Subsection (1) for the fiscal year.

2806 (7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal
2807 year beginning on or after July 1, 2023, the commission shall deposit into the
2808 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the
2809 taxes listed under Subsection (3)(a) equal to 17% of the revenue collected from the
2810 following sales and use taxes:

2811 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
2812 (ii) the tax imposed by Subsection (2)(b)(i);
2813 (iii) the tax imposed by Subsection (2)(c)(i); and
2814 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

2815 (b) (i) As used in this Subsection (7)(b):

2816 (A) "Additional growth revenue" means the amount of relevant revenue collected
2817 in the current fiscal year that exceeds by more than 3% the relevant revenue
2818 collected in the previous fiscal year.

2819 (B) "Combined amount" means the combined total amount of money deposited
2820 into the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii)
2821 in any single fiscal year.

2822 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
2823 Investment Fund created in Subsection 72-2-124(10).

2824 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a)
2825 that equals 17% of the revenue collected from taxes described in Subsections
2826 (7)(a)(i) through (iv).

2827 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall
2828 annually reduce the deposit under Subsection (7)(a) into the Transportation
2829 Investment Fund of 2005 by an amount equal to the amount of the deposit under
2830 this Subsection (7)(b) to the Cottonwood Canyons fund in the previous fiscal year
2831 plus 25% of additional growth revenue, subject to the limit in Subsection
2832 (7)(b)(iii).

2833 (iii) The commission shall annually deposit the amount described in Subsection
2834 (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum
2835 combined amount for any single fiscal year of \$20,000,000.

(iv) If the amount of relevant revenue declines in a fiscal year compared to the previous fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant revenue.

(c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1, 2023, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

(A) the amount of revenue generated in the current fiscal year by the portion of taxes listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv);

(B) the amount of revenue generated in the current fiscal year by registration fees designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund of 2005; and

(C) revenues transferred by the Division of Finance to the Transportation Investment Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

(ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a given fiscal year.

(iii) The commission shall annually deposit the amount described in Subsection (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).

(8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or after July 1, 2018, the commission shall annually deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the following taxes:

(i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(ii) the tax imposed by Subsection (2)(b)(i);

(iii) the tax imposed by Subsection (2)(c)(i); and

(iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsection

(8)(a) by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

(c) The commission shall annually deposit the amount described in Subsection (8)(b) into the Transit Transportation Investment Fund created in Section 72-2-124.

(d) (i) As used in this Subsection (8)(d):

(A) "Additional growth revenue" means the amount of relevant revenue collected in the current fiscal year that exceeds by more than 3% the relevant revenue collected in the previous fiscal year.

(B) "Combined amount" means the combined total amount of money deposited into the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

(C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation Investment Fund created in Subsection 72-2-124(10).

(D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through (iv).

(ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the limit in Subsection (8)(d)(iii).

(iii) The commission shall annually deposit the amount described in Subsection (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount for any single fiscal year of \$20,000,000.

(iv) If the amount of relevant revenue declines in a fiscal year compared to the previous fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant revenue.

(9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

(10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal

year during which the commission receives notice under Section 63N-2-510 that construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in Section 63N-2-512.

(11) (a) The rate specified in this subsection is 0.15%.

(b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.

(12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit solely for use of the Search and Rescue Financial Assistance Program created in, and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

(13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) to the General Fund.

(b) If the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall transfer the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) during the fiscal year to the General Fund.

(14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610, beginning the first day of the calendar quarter one year after the sales and use tax boundary for a housing and transit reinvestment zone is established, the commission, at least annually, shall transfer an amount equal to 15% of the sales and use tax increment within an established sales and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation Investment Fund created in Section 72-2-124.

(15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:

(a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(b) the tax imposed by Subsection (2)(b)(i);

- 2938 (c) the tax imposed by Subsection (2)(c)(i); and
- 2939 (d) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 2940 (16) Notwithstanding Subsection (3)(a), beginning October 1, 2024 the commission shall
- 2941 transfer to the Utah Fairpark Area Investment and Restoration District, created in
- 2942 Section 11-70-201, the revenue from the sales and use tax imposed by Subsection
- 2943 (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within the district sales tax area, as
- 2944 defined in Section 11-70-101.
- 2945 Section 51. Section **59-12-103** is amended to read:
- 2946 **59-12-103 (Contingently Effective 01/01/25). Sales and use tax base -- Rates --**
- 2947 **Effective dates -- Use of sales and use tax revenues.**
- 2948 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales
- 2949 price for amounts paid or charged for the following transactions:
- 2950 (a) retail sales of tangible personal property made within the state;
- 2951 (b) amounts paid for:
- 2952 (i) telecommunications service, other than mobile telecommunications service, that
- 2953 originates and terminates within the boundaries of this state;
- 2954 (ii) mobile telecommunications service that originates and terminates within the
- 2955 boundaries of one state only to the extent permitted by the Mobile
- 2956 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
- 2957 (iii) an ancillary service associated with a:
- 2958 (A) telecommunications service described in Subsection (1)(b)(i); or
- 2959 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 2960 (c) sales of the following for commercial use:
- 2961 (i) gas;
- 2962 (ii) electricity;
- 2963 (iii) heat;
- 2964 (iv) coal;
- 2965 (v) fuel oil; or
- 2966 (vi) other fuels;
- 2967 (d) sales of the following for residential use:
- 2968 (i) gas;
- 2969 (ii) electricity;
- 2970 (iii) heat;
- 2971 (iv) coal;

- 2972 (v) fuel oil; or
2973 (vi) other fuels;
- 2974 (e) sales of prepared food;
- 2975 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
2976 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
2977 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
2978 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling
2979 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
2980 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
2981 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
2982 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
2983 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
2984 activity;
- 2985 (g) amounts paid or charged for services for repairs or renovations of tangible personal
2986 property, unless Section 59-12-104 provides for an exemption from sales and use tax
2987 for:
- 2988 (i) the tangible personal property; and
2989 (ii) parts used in the repairs or renovations of the tangible personal property described
2990 in Subsection (1)(g)(i), regardless of whether:
- 2991 (A) any parts are actually used in the repairs or renovations of that tangible
2992 personal property; or
2993 (B) the particular parts used in the repairs or renovations of that tangible personal
2994 property are exempt from a tax under this chapter;
- 2995 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted
2996 cleaning or washing of tangible personal property;
- 2997 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
2998 accommodations and services that are regularly rented for less than 30 consecutive
2999 days;
- 3000 (j) amounts paid or charged for laundry or dry cleaning services;
- 3001 (k) amounts paid or charged for leases or rentals of tangible personal property if within
3002 this state the tangible personal property is:
- 3003 (i) stored;
3004 (ii) used; or
3005 (iii) otherwise consumed;

- 3006 (l) amounts paid or charged for tangible personal property if within this state the tangible
3007 personal property is:
3008 (i) stored;
3009 (ii) used; or
3010 (iii) consumed;
- 3011 (m) amounts paid or charged for a sale:
3012 (i) (A) of a product transferred electronically; or
3013 (B) of a repair or renovation of a product transferred electronically; and
3014 (ii) regardless of whether the sale provides:
3015 (A) a right of permanent use of the product; or
3016 (B) a right to use the product that is less than a permanent use, including a right:
3017 (I) for a definite or specified length of time; and
3018 (II) that terminates upon the occurrence of a condition; and
- 3019 (n) sales of leased tangible personal property from the lessor to the lessee made in the
3020 state.
- 3021 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax
3022 are imposed on a transaction described in Subsection (1) equal to the sum of:
3023 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
3024 (A) 4.70% plus the rate specified in Subsection (11)(a); and
3025 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional
3026 State Sales and Use Tax Act, if the location of the transaction as determined
3027 under Sections 59-12-211 through 59-12-215 is in a county in which the
3028 state imposes the tax under Part 18, Additional State Sales and Use Tax Act;
3029 and
3030 (II) the tax rate the state imposes in accordance with Part 20, Supplemental
3031 State Sales and Use Tax Act, if the location of the transaction as determined
3032 under Sections 59-12-211 through 59-12-215 is in a city, town, or the
3033 unincorporated area of a county in which the state imposes the tax under
3034 Part 20, Supplemental State Sales and Use Tax Act; and
3035 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
3036 transaction under this chapter other than this part.
- 3037 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state
3038 tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal
3039 to the sum of:

- 3040 (i) a state tax imposed on the transaction at a tax rate of 2%; and
3041 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
3042 transaction under this chapter other than this part.
- 3043 (c) (i) Except as provided in Subsection (2)(f) or (g), a local tax is imposed on
3044 amounts paid or charged for food and food ingredients equal to the sum of the tax
3045 rates a county, city, or town imposes under this chapter on the amounts paid or
3046 charged for food or food ingredients.
- 3047 (ii) There is no state tax imposed on amounts paid or charged for food and food
3048 ingredients.
- 3049 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid
3050 or charged for fuel to a common carrier that is a railroad for use in a locomotive
3051 engine at a rate of 4.85%.
- 3052 (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form
3053 prescribed by the commission, that the shared vehicle is an individual-owned
3054 shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to
3055 car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle
3056 owner.
- 3057 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
3058 required once during the time that the shared vehicle owner owns the shared
3059 vehicle.
- 3060 (C) The commission shall verify that a shared vehicle is an individual-owned
3061 shared vehicle by verifying that the applicable Utah taxes imposed under this
3062 chapter were paid on the purchase of the shared vehicle.
- 3063 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
3064 individual-owned shared vehicle shared through a car-sharing program even if
3065 non-certified shared vehicles are also available to be shared through the same
3066 car-sharing program.
- 3067 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.
- 3068 (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's
3069 representation that the shared vehicle is an individual-owned shared vehicle
3070 certified with the commission as described in Subsection (2)(e)(i).
- 3071 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
3072 representation that the shared vehicle is an individual-owned shared vehicle
3073 certified with the commission as described in Subsection (2)(e)(i), the

3074 car-sharing program is not liable for any tax, penalty, fee, or other sanction
3075 imposed on the shared vehicle owner.

3076 (iv) If all shared vehicles shared through a car-sharing program are certified as
3077 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has
3078 no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax
3079 period.

3080 (v) (A) A car-sharing program is not required to list or otherwise identify an
3081 individual-owned shared vehicle on a return or an attachment to a return.

3082 (vi) A car-sharing program shall:

3083 (A) retain tax information for each car-sharing program transaction; and
3084 (B) provide the information described in Subsection (2)(e)(vi)(A) to the
3085 commission at the commission's request.

3086 (f) (i) For a bundled transaction that is attributable to food and food ingredients and
3087 tangible personal property other than food and food ingredients, a state tax and a
3088 local tax is imposed on the entire bundled transaction equal to the sum of:

3089 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

3090 (I) the tax rate described in Subsection (2)(a)(i)(A); and
3091 (II) (Aa) the tax rate the state imposes in accordance with Part 18,
3092 Additional State Sales and Use Tax Act, if the location of the transaction
3093 as determined under Sections 59-12-211 through 59-12-215 is in a
3094 county in which the state imposes the tax under Part 18, Additional State
3095 Sales and Use Tax Act; and
3096 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental
3097 State Sales and Use Tax Act, if the location of the transaction as
3098 determined under Sections 59-12-211 through 59-12-215 is in a city,
3099 town, or the unincorporated area of a county in which the state imposes
3100 the tax under Part 20, Supplemental State Sales and Use Tax Act; and
3101 (B) a local tax imposed on the entire bundled transaction at the sum of the tax
3102 rates described in Subsection (2)(a)(ii).

3103 (ii) If an optional computer software maintenance contract is a bundled transaction
3104 that consists of taxable and nontaxable products that are not separately itemized
3105 on an invoice or similar billing document, the purchase of the optional computer
3106 software maintenance contract is 40% taxable under this chapter and 60%
3107 nontaxable under this chapter.

(iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled transaction described in Subsection (2)(f)(i) or (ii):

(A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise; or

(B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise.

(iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal property, other property, a product, or a service that is not subject to taxation under this chapter, the entire transaction is subject to taxation under this chapter unless the seller, at the time of the transaction:

(A) separately states the portion of the transaction that is not subject to taxation under this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

3142 (B) is able to identify by reasonable and verifiable standards, from the books and
3143 records the seller keeps in the seller's regular course of business, the portion of
3144 the transaction that is not subject to taxation under this chapter.

3145 (ii) A purchaser and a seller may correct the taxability of a transaction if:

3146 (A) after the transaction occurs, the purchaser and the seller discover that the
3147 portion of the transaction that is not subject to taxation under this chapter was
3148 not separately stated on an invoice, bill of sale, or similar document provided
3149 to the purchaser because of an error or ignorance of the law; and

3150 (B) the seller is able to identify by reasonable and verifiable standards, from the
3151 books and records the seller keeps in the seller's regular course of business, the
3152 portion of the transaction that is not subject to taxation under this chapter.

3153 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller
3154 keeps in the seller's regular course of business includes books and records the
3155 seller keeps in the regular course of business for nontax purposes.

3156 (h) (i) If the sales price of a transaction is attributable to two or more items of
3157 tangible personal property, products, or services that are subject to taxation under
3158 this chapter at different rates, the entire purchase is subject to taxation under this
3159 chapter at the higher tax rate unless the seller, at the time of the transaction:

3160 (A) separately states the items subject to taxation under this chapter at each of the
3161 different rates on an invoice, bill of sale, or similar document provided to the
3162 purchaser; or

3163 (B) is able to identify by reasonable and verifiable standards the tangible personal
3164 property, product, or service that is subject to taxation under this chapter at the
3165 lower tax rate from the books and records the seller keeps in the seller's regular
3166 course of business.

3167 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
3168 seller's regular course of business includes books and records the seller keeps in
3169 the regular course of business for nontax purposes.

3170 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate
3171 imposed under the following shall take effect on the first day of a calendar quarter:

3172 (i) Subsection (2)(a)(i)(A);

3173 (ii) Subsection (2)(b)(i); or

3174 (iii) Subsection (2)(f)(i)(A)(I).

3175 (j) (i) A tax rate increase takes effect on the first day of the first billing period that

3176 begins on or after the effective date of the tax rate increase if the billing period for
3177 the transaction begins before the effective date of a tax rate increase imposed
3178 under:

- 3179 (A) Subsection (2)(a)(i)(A);
- 3180 (B) Subsection (2)(b)(i); or
- 3181 (C) Subsection (2)(f)(i)(A)(I).

3182 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
3183 statement for the billing period is rendered on or after the effective date of the
3184 repeal of the tax or the tax rate decrease imposed under:

- 3185 (A) Subsection (2)(a)(i)(A);
- 3186 (B) Subsection (2)(b)(i); or
- 3187 (C) Subsection (2)(f)(i)(A)(I).

3188 (k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
3189 is computed on the basis of sales and use tax rates published in the catalogue, a
3190 tax rate repeal or change in a tax rate takes effect:

- 3191 (A) on the first day of a calendar quarter; and
- 3192 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate
3193 change.

3194 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:

- 3195 (A) Subsection (2)(a)(i)(A);
- 3196 (B) Subsection (2)(b)(i); or
- 3197 (C) Subsection (2)(f)(i)(A)(I).

3198 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
3199 the commission may by rule define the term "catalogue sale."

3200 (l) (i) For a location described in Subsection (2)(l)(ii), the commission shall
3201 determine the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or
3202 other fuel based on the predominant use of the gas, electricity, heat, coal, fuel oil,
3203 or other fuel at the location.

3204 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
3205 or other fuel is furnished through a single meter for two or more of the following
3206 uses:

- 3207 (A) a commercial use;
- 3208 (B) an industrial use; or
- 3209 (C) a residential use.

- 3210 (3) (a) The following state taxes shall be deposited into the General Fund:
- 3211 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 3212 (ii) the tax imposed by Subsection (2)(b)(i); and
- 3213 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 3214 (b) The following local taxes shall be distributed to a county, city, or town as provided
- 3215 in this chapter:
- 3216 (i) the tax imposed by Subsection (2)(a)(ii);
- 3217 (ii) the tax imposed by Subsection (2)(b)(ii);
- 3218 (iii) the tax imposed by Subsection (2)(c); and
- 3219 (iv) the tax imposed by Subsection (2)(f)(i)(B).
- 3220 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.
- 3221 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
- 3222 2003, the lesser of the following amounts shall be expended as provided in
- 3223 Subsections (4)(b) through (g):
- 3224 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 3225 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 3226 (B) for the fiscal year; or
- 3227 (ii) \$17,500,000.
- 3228 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
- 3229 described in Subsection (4)(a) shall be transferred each year as designated sales
- 3230 and use tax revenue to the Department of Natural Resources to:
- 3231 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d)
- 3232 to protect sensitive plant and animal species; or
- 3233 (B) award grants, up to the amount authorized by the Legislature in an
- 3234 appropriations act, to political subdivisions of the state to implement the
- 3235 measures described in Subsections 79-2-303(3)(a) through (d) to protect
- 3236 sensitive plant and animal species.
- 3237 (ii) Money transferred to the Department of Natural Resources under Subsection
- 3238 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or
- 3239 any other person to list or attempt to have listed a species as threatened or
- 3240 endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et
- 3241 seq.
- 3242 (iii) At the end of each fiscal year:
- 3243 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to

- 3244 the Water Resources Conservation and Development Fund created in Section
3245 73-10-24;
- 3246 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
3247 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
3248 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
3249 Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 3250 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
3251 Subsection (4)(a) shall be deposited each year in the Agriculture Resource
3252 Development Fund created in Section 4-18-106.
- 3253 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount
3254 described in Subsection (4)(a) shall be transferred each year as designated sales
3255 and use tax revenue to the Division of Water Rights to cover the costs incurred in
3256 hiring legal and technical staff for the adjudication of water rights.
- 3257 (ii) At the end of each fiscal year:
- 3258 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to
3259 the Water Resources Conservation and Development Fund created in Section
3260 73-10-24;
- 3261 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
3262 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
3263 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
3264 Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 3265 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount
3266 described in Subsection (4)(a) shall be deposited into the Water Resources
3267 Conservation and Development Fund created in Section 73-10-24 for use by the
3268 Division of Water Resources.
- 3269 (ii) In addition to the uses allowed of the Water Resources Conservation and
3270 Development Fund under Section 73-10-24, the Water Resources Conservation
3271 and Development Fund may also be used to:
- 3272 (A) conduct hydrologic and geotechnical investigations by the Division of Water
3273 Resources in a cooperative effort with other state, federal, or local entities, for
3274 the purpose of quantifying surface and ground water resources and describing
3275 the hydrologic systems of an area in sufficient detail so as to enable local and
3276 state resource managers to plan for and accommodate growth in water use
3277 without jeopardizing the resource;

- 3278 (B) fund state required dam safety improvements; and
3279 (C) protect the state's interest in interstate water compact allocations, including the
3280 hiring of technical and legal staff.
- 3281 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in
3282 Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program
3283 Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund
3284 wastewater projects.
- 3285 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
3286 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program
3287 Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:
3288 (i) provide for the installation and repair of collection, treatment, storage, and
3289 distribution facilities for any public water system, as defined in Section 19-4-102;
3290 (ii) develop underground sources of water, including springs and wells; and
3291 (iii) develop surface water sources.
- 3292 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
3293 2006, the difference between the following amounts shall be expended as provided in
3294 this Subsection (5), if that difference is greater than \$1:
3295 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for
3296 the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1);
3297 and
3298 (ii) \$17,500,000.
- 3299 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
3300 (A) transferred each fiscal year to the Department of Natural Resources as
3301 designated sales and use tax revenue; and
3302 (B) expended by the Department of Natural Resources for watershed rehabilitation
3303 or restoration.
- 3304 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
3305 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources
3306 Conservation and Development Fund created in Section 73-10-24.
- 3307 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
3308 remaining difference described in Subsection (5)(a) shall be:
3309 (A) transferred each fiscal year to the Division of Water Resources as designated
3310 sales and use tax revenue; and
3311 (B) expended by the Division of Water Resources for cloud-seeding projects

- 3312 authorized by Title 73, Chapter 15, Modification of Weather.
- 3313 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
3314 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources
3315 Conservation and Development Fund created in Section 73-10-24.
- 3316 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
3317 remaining difference described in Subsection (5)(a) shall be deposited into the Water
3318 Resources Conservation and Development Fund created in Section 73-10-24 for use
3319 by the Division of Water Resources for:
- 3320 (i) preconstruction costs:
- 3321 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,
3322 Chapter 26, Bear River Development Act; and
- 3323 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
3324 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- 3325 (ii) the cost of employing a civil engineer to oversee any project authorized by Title
3326 73, Chapter 26, Bear River Development Act;
- 3327 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline
3328 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development
3329 Act; and
- 3330 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
3331 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i)
3332 through (iii).
- 3333 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the
3334 remaining difference described in Subsection (5)(a) shall be deposited each year into
3335 the Water Rights Restricted Account created by Section 73-2-1.6.
- 3336 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), each
3337 fiscal year, the commission shall deposit into the Water Infrastructure Restricted
3338 Account created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax
3339 rate on the transactions described in Subsection (1) for the fiscal year.
- 3340 (7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal
3341 year beginning on or after July 1, 2023, the commission shall deposit into the
3342 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the
3343 taxes listed under Subsection (3)(a) equal to 17% of the revenue collected from the
3344 following sales and use taxes:
- 3345 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

- 3346 (ii) the tax imposed by Subsection (2)(b)(i); and
3347 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 3348 (b) (i) As used in this Subsection (7)(b):
- 3349 (A) "Additional growth revenue" means the amount of relevant revenue collected
3350 in the current fiscal year that exceeds by more than 3% the relevant revenue
3351 collected in the previous fiscal year.
- 3352 (B) "Combined amount" means the combined total amount of money deposited
3353 into the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii)
3354 in any single fiscal year.
- 3355 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
3356 Investment Fund created in Subsection 72-2-124(10).
- 3357 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a)
3358 that equals 17% of the revenue collected from taxes described in Subsections
3359 (7)(a)(i) through (iii).
- 3360 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall
3361 annually reduce the deposit under Subsection (7)(a) into the Transportation
3362 Investment Fund of 2005 by an amount equal to the amount of the deposit under
3363 this Subsection (7)(b) to the Cottonwood Canyons fund in the previous fiscal year
3364 plus 25% of additional growth revenue, subject to the limit in Subsection
3365 (7)(b)(iii).
- 3366 (iii) The commission shall annually deposit the amount described in Subsection
3367 (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum
3368 combined amount for any single fiscal year of \$20,000,000.
- 3369 (iv) If the amount of relevant revenue declines in a fiscal year compared to the
3370 previous fiscal year, the commission shall decrease the amount of the contribution
3371 to the Cottonwood Canyons fund under this Subsection (7)(b) in the same
3372 proportion as the decline in relevant revenue.
- 3373 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,
3374 2023, the commission shall annually reduce the deposit into the Transportation
3375 Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is
3376 equal to 5% of:
- 3377 (A) the amount of revenue generated in the current fiscal year by the portion of
3378 taxes listed under Subsection (3)(a) that equals 20.68% of the revenue
3379 collected from taxes described in Subsections (7)(a)(i) through (iv);

3380 (B) the amount of revenue generated in the current fiscal year by registration fees
3381 designated under Section 41-1a-1201 to be deposited into the Transportation
3382 Investment Fund of 2005; and

3383 (C) revenues transferred by the Division of Finance to the Transportation
3384 Investment Fund of 2005 in accordance with Section 72-2-106 in the current
3385 fiscal year.

3386 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a
3387 given fiscal year.

3388 (iii) The commission shall annually deposit the amount described in Subsection
3389 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection
3390 72-2-124(11).

3391 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
3392 Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year
3393 beginning on or after July 1, 2018, the commission shall annually deposit into the
3394 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the
3395 taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues
3396 collected from the following taxes:

3397 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
3398 (ii) the tax imposed by Subsection (2)(b)(i); and
3399 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

3400 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
3401 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection
3402 (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the
3403 current fiscal year by the portion of the tax imposed on motor and special fuel that is
3404 sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

3405 (c) The commission shall annually deposit the amount described in Subsection (8)(b)
3406 into the Transit Transportation Investment Fund created in Section 72-2-124.

3407 (d) (i) As used in this Subsection (8)(d):

3408 (A) "Additional growth revenue" means the amount of relevant revenue collected
3409 in the current fiscal year that exceeds by more than 3% the relevant revenue
3410 collected in the previous fiscal year.

3411 (B) "Combined amount" means the combined total amount of money deposited
3412 into the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii)
3413 in any single fiscal year.

- 3414 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
3415 Investment Fund created in Subsection 72-2-124(10).
- 3416 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a)
3417 that equals 3.68% of the revenue collected from taxes described in Subsections
3418 (8)(a)(i) through (iii).
- 3419 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall
3420 annually reduce the deposit under Subsection (8)(a) into the Transportation
3421 Investment Fund of 2005 by an amount equal to the amount of the deposit under
3422 this Subsection (8)(d) to the Cottonwood Canyons fund in the previous fiscal year
3423 plus 25% of additional growth revenue, subject to the limit in Subsection
3424 (8)(d)(iii).
- 3425 (iii) The commission shall annually deposit the amount described in Subsection
3426 (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum
3427 combined amount for any single fiscal year of \$20,000,000.
- 3428 (iv) If the amount of relevant revenue declines in a fiscal year compared to the
3429 previous fiscal year, the commission shall decrease the amount of the contribution
3430 to the Cottonwood Canyons fund under this Subsection (8)(d) in the same
3431 proportion as the decline in relevant revenue.
- 3432 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
3433 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies
3434 Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.
- 3435 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal
3436 year during which the commission receives notice under Section 63N-2-510 that
3437 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the
3438 commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the
3439 revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact
3440 Mitigation Fund, created in Section 63N-2-512.
- 3441 (11) (a) The rate specified in this subsection is 0.15%.
- 3442 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning
3443 on or after July 1, 2019, annually transfer the amount of revenue collected from the
3444 rate described in Subsection (11)(a) on the transactions that are subject to the sales
3445 and use tax under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created
3446 in Section 26B-1-315.
- 3447 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year

- 3448 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated
3449 credit solely for use of the Search and Rescue Financial Assistance Program created in,
3450 and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.
- 3451 (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall
3452 annually transfer \$1,813,400 of the revenue deposited into the Transportation
3453 Investment Fund of 2005 under Subsections (7) and (8) to the General Fund.
- 3454 (b) If the total revenue deposited into the Transportation Investment Fund of 2005 under
3455 Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall
3456 transfer the total revenue deposited into the Transportation Investment Fund of 2005
3457 under Subsections (7) and (8) during the fiscal year to the General Fund.
- 3458 (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610, beginning
3459 the first day of the calendar quarter one year after the sales and use tax boundary for a
3460 housing and transit reinvestment zone is established, the commission, at least annually,
3461 shall transfer an amount equal to 15% of the sales and use tax increment within an
3462 established sales and use tax boundary, as defined in Section 63N-3-602, into the Transit
3463 Transportation Investment Fund created in Section 72-2-124.
- 3464 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning
3465 on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure Restricted
3466 Account, created in Section 51-9-902, a portion of the taxes listed under Subsection
3467 (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:
3468 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
3469 (b) the tax imposed by Subsection (2)(b)(i); and
3470 (c) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 3471 (16) Notwithstanding Subsection (3)(a), beginning October 1, 2024 the commission shall
3472 transfer to the Utah Fairpark Area Investment and Restoration District, created in
3473 Section 11-70-201, the revenue from the sales and use tax imposed by Subsection
3474 (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within the district sales tax area, as
3475 defined in Section 11-70-101.
- 3476 Section 52. Section **59-12-104** is amended to read:
3477 **59-12-104 (Effective 05/01/24). Exemptions.**
- 3478 Exemptions from the taxes imposed by this chapter are as follows:
- 3479 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
3480 under Chapter 13, Motor and Special Fuel Tax Act;
- 3481 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political

- 3482 subdivisions; however, this exemption does not apply to sales of:
- 3483 (a) construction materials except:
- 3484 (i) construction materials purchased by or on behalf of institutions of the public
- 3485 education system as defined in Utah Constitution, Article X, Section 2, provided
- 3486 the construction materials are clearly identified and segregated and installed or
- 3487 converted to real property which is owned by institutions of the public education
- 3488 system; and
- 3489 (ii) construction materials purchased by the state, its institutions, or its political
- 3490 subdivisions which are installed or converted to real property by employees of the
- 3491 state, its institutions, or its political subdivisions; or
- 3492 (b) tangible personal property in connection with the construction, operation,
- 3493 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or
- 3494 facilities providing additional project capacity, as defined in Section 11-13-103;
- 3495 (3) (a) sales of an item described in Subsection (3)(b) from a vending machine if:
- 3496 (i) the proceeds of each sale do not exceed \$1; and
- 3497 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
- 3498 the cost of the item described in Subsection (3)(b) as goods consumed; and
- 3499 (b) Subsection (3)(a) applies to:
- 3500 (i) food and food ingredients; or
- 3501 (ii) prepared food;
- 3502 (4) (a) sales of the following to a commercial airline carrier for in-flight consumption:
- 3503 (i) alcoholic beverages;
- 3504 (ii) food and food ingredients; or
- 3505 (iii) prepared food;
- 3506 (b) sales of tangible personal property or a product transferred electronically:
- 3507 (i) to a passenger;
- 3508 (ii) by a commercial airline carrier; and
- 3509 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 3510 (c) services related to Subsection (4)(a) or (b);
- 3511 (5) sales of parts and equipment for installation in an aircraft operated by a common carrier
- 3512 in interstate or foreign commerce;
- 3513 (6) sales of commercials, motion picture films, prerecorded audio program tapes or records,
- 3514 and prerecorded video tapes by a producer, distributor, or studio to a motion picture
- 3515 exhibitor, distributor, or commercial television or radio broadcaster;

- 3516 (7) (a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of
3517 cleaning or washing of tangible personal property if the cleaning or washing of the
3518 tangible personal property is not assisted cleaning or washing of tangible personal
3519 property;
- 3520 (b) if a seller that sells at the same business location assisted cleaning or washing of
3521 tangible personal property and cleaning or washing of tangible personal property that
3522 is not assisted cleaning or washing of tangible personal property, the exemption
3523 described in Subsection (7)(a) applies if the seller separately accounts for the sales of
3524 the assisted cleaning or washing of the tangible personal property; and
- 3525 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah
3526 Administrative Rulemaking Act, the commission may make rules:
- 3527 (i) governing the circumstances under which sales are at the same business location;
3528 and
- 3529 (ii) establishing the procedures and requirements for a seller to separately account for
3530 sales of assisted cleaning or washing of tangible personal property;
- 3531 (8) sales made to or by religious or charitable institutions in the conduct of their regular
3532 religious or charitable functions and activities, if the requirements of Section 59-12-104.1
3533 are fulfilled;
- 3534 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this
3535 state if:
- 3536 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;
- 3537 (b) the vehicle is not registered in this state; and
- 3538 (c) (i) the vehicle is not used in this state; or
- 3539 (ii) the vehicle is used in this state:
- 3540 (A) if the vehicle is not used to conduct business, for a time period that does not
3541 exceed the longer of:
- 3542 (I) 30 days in any calendar year; or
- 3543 (II) the time period necessary to transport the vehicle to the borders of this
3544 state; or
- 3545 (B) if the vehicle is used to conduct business, for the time period necessary to
3546 transport the vehicle to the borders of this state;
- 3547 (10) (a) amounts paid for an item described in Subsection (10)(b) if:
- 3548 (i) the item is intended for human use; and
- 3549 (ii) (A) a prescription was issued for the item; or

- 3550 (B) the item was purchased by a hospital or other medical facility; and
- 3551 (b) (i) Subsection (10)(a) applies to:
- 3552 (A) a drug;
- 3553 (B) a syringe; or
- 3554 (C) a stoma supply; and
- 3555 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 3556 the commission may by rule define the terms:
- 3557 (A) "syringe"; or
- 3558 (B) "stoma supply";
- 3559 (11) purchases or leases exempt under Section 19-12-201;
- 3560 (12) (a) sales of an item described in Subsection (12)(c) served by:
- 3561 (i) the following if the item described in Subsection (12)(c) is not available to the
- 3562 general public:
- 3563 (A) a church; or
- 3564 (B) a charitable institution; or
- 3565 (ii) an institution of higher education if:
- 3566 (A) the item described in Subsection (12)(c) is not available to the general public;
- 3567 or
- 3568 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal
- 3569 plan offered by the institution of higher education; or
- 3570 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 3571 (i) a medical facility; or
- 3572 (ii) a nursing facility; and
- 3573 (c) Subsections (12)(a) and (b) apply to:
- 3574 (i) food and food ingredients;
- 3575 (ii) prepared food; or
- 3576 (iii) alcoholic beverages;
- 3577 (13) (a) except as provided in Subsection (13)(b), the sale of tangible personal property
- 3578 or a product transferred electronically by a person:
- 3579 (i) regardless of the number of transactions involving the sale of that tangible
- 3580 personal property or product transferred electronically by that person; and
- 3581 (ii) not regularly engaged in the business of selling that type of tangible personal
- 3582 property or product transferred electronically;
- 3583 (b) this Subsection (13) does not apply if:

- 3584 (i) the sale is one of a series of sales of a character to indicate that the person is
3585 regularly engaged in the business of selling that type of tangible personal property
3586 or product transferred electronically;
- 3587 (ii) the person holds that person out as regularly engaged in the business of selling
3588 that type of tangible personal property or product transferred electronically;
- 3589 (iii) the person sells an item of tangible personal property or product transferred
3590 electronically that the person purchased as a sale that is exempt under Subsection
3591 (25); or
- 3592 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws
3593 of this state in which case the tax is based upon:
- 3594 (A) the bill of sale, lease agreement, or other written evidence of value of the
3595 vehicle or vessel being sold; or
- 3596 (B) in the absence of a bill of sale, lease agreement, or other written evidence of
3597 value, the fair market value of the vehicle or vessel being sold at the time of the
3598 sale as determined by the commission; and
- 3599 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3600 commission shall make rules establishing the circumstances under which:
- 3601 (i) a person is regularly engaged in the business of selling a type of tangible personal
3602 property or product transferred electronically;
- 3603 (ii) a sale of tangible personal property or a product transferred electronically is one
3604 of a series of sales of a character to indicate that a person is regularly engaged in
3605 the business of selling that type of tangible personal property or product
3606 transferred electronically; or
- 3607 (iii) a person holds that person out as regularly engaged in the business of selling a
3608 type of tangible personal property or product transferred electronically;
- 3609 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal
3610 operating repair or replacement parts, or materials, except for office equipment or office
3611 supplies, by:
- 3612 (a) a manufacturing facility that:
- 3613 (i) is located in the state; and
- 3614 (ii) uses or consumes the machinery, equipment, normal operating repair or
3615 replacement parts, or materials:
- 3616 (A) in the manufacturing process to manufacture an item sold as tangible personal
3617 property, as the commission may define that phrase in accordance with Title

- 3618 63G, Chapter 3, Utah Administrative Rulemaking Act; or
- 3619 (B) for a scrap recycler, to process an item sold as tangible personal property, as
- 3620 the commission may define that phrase in accordance with Title 63G, Chapter
- 3621 3, Utah Administrative Rulemaking Act;
- 3622 (b) an establishment, as the commission defines that term in accordance with Title 63G,
- 3623 Chapter 3, Utah Administrative Rulemaking Act, that:
- 3624 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
- 3625 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for
- 3626 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except
- 3627 Fuels) Mining, of the 2002 North American Industry Classification System of the
- 3628 federal Executive Office of the President, Office of Management and Budget;
- 3629 (ii) is located in the state; and
- 3630 (iii) uses or consumes the machinery, equipment, normal operating repair or
- 3631 replacement parts, or materials in:
- 3632 (A) the production process to produce an item sold as tangible personal property,
- 3633 as the commission may define that phrase in accordance with Title 63G,
- 3634 Chapter 3, Utah Administrative Rulemaking Act;
- 3635 (B) research and development, as the commission may define that phrase in
- 3636 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 3637 (C) transporting, storing, or managing tailings, overburden, or similar waste
- 3638 materials produced from mining;
- 3639 (D) developing or maintaining a road, tunnel, excavation, or similar feature used
- 3640 in mining; or
- 3641 (E) preventing, controlling, or reducing dust or other pollutants from mining; or
- 3642 (c) an establishment, as the commission defines that term in accordance with Title 63G,
- 3643 Chapter 3, Utah Administrative Rulemaking Act, that:
- 3644 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
- 3645 American Industry Classification System of the federal Executive Office of the
- 3646 President, Office of Management and Budget;
- 3647 (ii) is located in the state; and
- 3648 (iii) uses or consumes the machinery, equipment, normal operating repair or
- 3649 replacement parts, or materials in the operation of the web search portal;
- 3650 (15) (a) sales of the following if the requirements of Subsection (15)(b) are met:
- 3651 (i) tooling;

- 3652 (ii) special tooling;
3653 (iii) support equipment;
3654 (iv) special test equipment; or
3655 (v) parts used in the repairs or renovations of tooling or equipment described in
3656 Subsections (15)(a)(i) through (iv); and
3657 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
3658 (i) the tooling, equipment, or parts are used or consumed exclusively in the
3659 performance of any aerospace or electronics industry contract with the United
3660 States government or any subcontract under that contract; and
3661 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
3662 title to the tooling, equipment, or parts is vested in the United States government
3663 as evidenced by:
3664 (A) a government identification tag placed on the tooling, equipment, or parts; or
3665 (B) listing on a government-approved property record if placing a government
3666 identification tag on the tooling, equipment, or parts is impractical;
3667 (16) sales of newspapers or newspaper subscriptions;
3668 (17) (a) except as provided in Subsection (17)(b), tangible personal property or a product
3669 transferred electronically traded in as full or part payment of the purchase price,
3670 except that for purposes of calculating sales or use tax upon vehicles not sold by a
3671 vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:
3672 (i) the bill of sale or other written evidence of value of the vehicle being sold and the
3673 vehicle being traded in; or
3674 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
3675 fair market value of the vehicle being sold and the vehicle being traded in, as
3676 determined by the commission; and
3677 (b) Subsection (17)(a) does not apply to the following items of tangible personal
3678 property or products transferred electronically traded in as full or part payment of the
3679 purchase price:
3680 (i) money;
3681 (ii) electricity;
3682 (iii) water;
3683 (iv) gas; or
3684 (v) steam;
3685 (18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal

property or a product transferred electronically used or consumed primarily and directly in farming operations, regardless of whether the tangible personal property or product transferred electronically:

(A) becomes part of real estate; or

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

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

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

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

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

(I) hand tools; or

(II) maintenance and janitorial equipment and supplies;

(ii) (A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product transferred electronically if the tangible personal property or product transferred electronically is used in an activity other than farming; and

(B) tangible personal property or a product transferred electronically that is considered to be used in an activity other than farming includes:

(I) office equipment and supplies; or

(II) equipment and supplies used in:

(Aa) the sale or distribution of farm products;

(Bb) research; or

(Cc) transportation; or

(iii) a vehicle required to be registered by the laws of this state during the period ending two years after the date of the vehicle's purchase;

(19) sales of hay;

(20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden, farm, or other agricultural produce if the seasonal crops are, seedling plants are, or garden, farm, or other agricultural produce is sold by:

(a) the producer of the seasonal crops, seedling plants, or garden, farm, or other agricultural produce;

- 3720 (b) an employee of the producer described in Subsection (20)(a); or
3721 (c) a member of the immediate family of the producer described in Subsection (20)(a);
3722 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under
3723 the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
- 3724 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
3725 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
3726 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
3727 manufacturer, processor, wholesaler, or retailer;
- 3728 (23) a product stored in the state for resale;
- 3729 (24) (a) purchases of a product if:
- 3730 (i) the product is:
- 3731 (A) purchased outside of this state;
- 3732 (B) brought into this state:
- 3733 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and
3734 (II) by a nonresident person who is not living or working in this state at the
3735 time of the purchase;
- 3736 (C) used for the personal use or enjoyment of the nonresident person described in
3737 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state;
3738 and
- 3739 (D) not used in conducting business in this state; and
- 3740 (ii) for:
- 3741 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use
3742 of the product for a purpose for which the product is designed occurs outside of
3743 this state;
- 3744 (B) a boat, the boat is registered outside of this state; or
- 3745 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
3746 registered outside of this state;
- 3747 (b) the exemption provided for in Subsection (24)(a) does not apply to:
- 3748 (i) a lease or rental of a product; or
3749 (ii) a sale of a vehicle exempt under Subsection (33); and
- 3750 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
3751 purposes of Subsection (24)(a), the commission may by rule define what constitutes
3752 the following:
- 3753 (i) conducting business in this state if that phrase has the same meaning in this

3754 Subsection (24) as in Subsection (63);
3755 (ii) the first use of a product if that phrase has the same meaning in this Subsection
3756 (24) as in Subsection (63); or
3757 (iii) a purpose for which a product is designed if that phrase has the same meaning in
3758 this Subsection (24) as in Subsection (63);
3759 (25) a product purchased for resale in the regular course of business, either in its original
3760 form or as an ingredient or component part of a manufactured or compounded product;
3761 (26) a product upon which a sales or use tax was paid to some other state, or one of its
3762 subdivisions, except that the state shall be paid any difference between the tax paid and
3763 the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment
3764 is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local
3765 Sales and Use Tax Act;
3766 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person
3767 for use in compounding a service taxable under the subsections;
3768 (28) purchases made in accordance with the special supplemental nutrition program for
3769 women, infants, and children established in 42 U.S.C. Sec. 1786;
3770 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement
3771 parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of
3772 the 1987 Standard Industrial Classification Manual of the federal Executive Office of the
3773 President, Office of Management and Budget;
3774 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
3775 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard
3776 motor is:
3777 (a) not registered in this state; and
3778 (b) (i) not used in this state; or
3779 (ii) used in this state:
3780 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for
3781 a time period that does not exceed the longer of:
3782 (I) 30 days in any calendar year; or
3783 (II) the time period necessary to transport the boat, boat trailer, or outboard
3784 motor to the borders of this state; or
3785 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the
3786 time period necessary to transport the boat, boat trailer, or outboard motor to
3787 the borders of this state;

- 3788 (31) sales of aircraft manufactured in Utah;
- 3789 (32) amounts paid for the purchase of telecommunications service for purposes of
- 3790 providing telecommunications service;
- 3791 (33) sales, leases, or uses of the following:
- 3792 (a) a vehicle by an authorized carrier; or
- 3793 (b) tangible personal property that is installed on a vehicle:
- 3794 (i) sold or leased to or used by an authorized carrier; and
- 3795 (ii) before the vehicle is placed in service for the first time;
- 3796 (34) (a) 45% of the sales price of any new manufactured home; and
- 3797 (b) 100% of the sales price of any used manufactured home;
- 3798 (35) sales relating to schools and fundraising sales;
- 3799 (36) sales or rentals of durable medical equipment if:
- 3800 (a) a person presents a prescription for the durable medical equipment; and
- 3801 (b) the durable medical equipment is used for home use only;
- 3802 (37) (a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
- 3803 Section 72-11-102; and
- 3804 (b) the commission shall by rule determine the method for calculating sales exempt
- 3805 under Subsection (37)(a) that are not separately metered and accounted for in utility
- 3806 billings;
- 3807 (38) sales to a ski resort of:
- 3808 (a) snowmaking equipment;
- 3809 (b) ski slope grooming equipment;
- 3810 (c) passenger ropeways as defined in Section 72-11-102; or
- 3811 (d) parts used in the repairs or renovations of equipment or passenger ropeways
- 3812 described in Subsections (38)(a) through (c);
- 3813 (39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel
- 3814 oil, or other fuels for industrial use;
- 3815 (40) (a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
- 3816 amusement, entertainment, or recreation an unassisted amusement device as defined
- 3817 in Section 59-12-102;
- 3818 (b) if a seller that sells or rents at the same business location the right to use or operate
- 3819 for amusement, entertainment, or recreation one or more unassisted amusement
- 3820 devices and one or more assisted amusement devices, the exemption described in
- 3821 Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of

3822 the right to use or operate for amusement, entertainment, or recreation for the assisted
3823 amusement devices; and

3824 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah
3825 Administrative Rulemaking Act, the commission may make rules:

3826 (i) governing the circumstances under which sales are at the same business location;
3827 and

3828 (ii) establishing the procedures and requirements for a seller to separately account for
3829 the sales or rentals of the right to use or operate for amusement, entertainment, or
3830 recreation for assisted amusement devices;

3831 (41) (a) sales of photocopies by:

3832 (i) a governmental entity; or

3833 (ii) an entity within the state system of public education, including:

3834 (A) a school; or

3835 (B) the State Board of Education; or

3836 (b) sales of publications by a governmental entity;

3837 (42) amounts paid for admission to an athletic event at an institution of higher education
3838 that is subject to the provisions of Title IX of the Education Amendments of 1972, 20
3839 U.S.C. Sec. 1681 et seq.;

3840 (43) (a) sales made to or by:

3841 (i) an area agency on aging; or

3842 (ii) a senior citizen center owned by a county, city, or town; or

3843 (b) sales made by a senior citizen center that contracts with an area agency on aging;

3844 (44) sales or leases of semiconductor fabricating, processing, research, or development
3845 materials regardless of whether the semiconductor fabricating, processing, research, or
3846 development materials:

3847 (a) actually come into contact with a semiconductor; or

3848 (b) ultimately become incorporated into real property;

3849 (45) an amount paid by or charged to a purchaser for accommodations and services
3850 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under
3851 Section 59-12-104.2;

3852 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in
3853 accordance with Section 41-3-306 for the event period specified on the temporary sports
3854 event registration certificate;

3855 (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff

3856 adopted by the Public Service Commission only for purchase of electricity produced
3857 from a new alternative energy source built after January 1, 2016, as designated in the
3858 tariff by the Public Service Commission; and

3859 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
3860 only to the portion of the tariff rate a customer pays under the tariff described in
3861 Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection
3862 (47)(a) that the customer would have paid absent the tariff;

3863 (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for
3864 the mobility enhancing equipment;

3865 (49) sales of water in a:

3866 (a) pipe;
3867 (b) conduit;
3868 (c) ditch; or
3869 (d) reservoir;

3870 (50) sales of currency or coins that constitute legal tender of a state, the United States, or a
3871 foreign nation;

3872 (51) (a) sales of an item described in Subsection (51)(b) if the item:

3873 (i) does not constitute legal tender of a state, the United States, or a foreign nation;
3874 and

3875 (ii) has a gold, silver, or platinum content of 50% or more; and

3876 (b) Subsection (51)(a) applies to a gold, silver, or platinum:

3877 (i) ingot;
3878 (ii) bar;
3879 (iii) medallion; or
3880 (iv) decorative coin;

3881 (52) amounts paid on a sale-leaseback transaction;

3882 (53) sales of a prosthetic device:

3883 (a) for use on or in a human; and
3884 (b) (i) for which a prescription is required; or
3885 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

3886 (54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
3887 machinery or equipment by an establishment described in Subsection (54)(c) if the
3888 machinery or equipment is primarily used in the production or postproduction of the
3889 following media for commercial distribution:

- 3890 (i) a motion picture;
3891 (ii) a television program;
3892 (iii) a movie made for television;
3893 (iv) a music video;
3894 (v) a commercial;
3895 (vi) a documentary; or
3896 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
3897 commission by administrative rule made in accordance with Subsection (54)(d); or
3898 (b) purchases, leases, or rentals of machinery or equipment by an establishment
3899 described in Subsection (54)(c) that is used for the production or postproduction of
3900 the following are subject to the taxes imposed by this chapter:
3901 (i) a live musical performance;
3902 (ii) a live news program; or
3903 (iii) a live sporting event;
3904 (c) the following establishments listed in the 1997 North American Industry
3905 Classification System of the federal Executive Office of the President, Office of
3906 Management and Budget, apply to Subsections (54)(a) and (b):
3907 (i) NAICS Code 512110; or
3908 (ii) NAICS Code 51219; and
3909 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3910 commission may by rule:
3911 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);
3912 or
3913 (ii) define:
3914 (A) "commercial distribution";
3915 (B) "live musical performance";
3916 (C) "live news program"; or
3917 (D) "live sporting event";
3918 (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but on
3919 or before June 30, 2027, of tangible personal property that:
3920 (i) is leased or purchased for or by a facility that:
3921 (A) is an alternative energy electricity production facility;
3922 (B) is located in the state; and
3923 (C) (I) becomes operational on or after July 1, 2004; or

- 3924 (II) has its generation capacity increased by one or more megawatts on or after
3925 July 1, 2004, as a result of the use of the tangible personal property;
- 3926 (ii) has an economic life of five or more years; and
- 3927 (iii) is used to make the facility or the increase in capacity of the facility described in
3928 Subsection (55)(a)(i) operational up to the point of interconnection with an
3929 existing transmission grid including:
- 3930 (A) a wind turbine;
- 3931 (B) generating equipment;
- 3932 (C) a control and monitoring system;
- 3933 (D) a power line;
- 3934 (E) substation equipment;
- 3935 (F) lighting;
- 3936 (G) fencing;
- 3937 (H) pipes; or
- 3938 (I) other equipment used for locating a power line or pole; and
- 3939 (b) this Subsection (55) does not apply to:
- 3940 (i) tangible personal property used in construction of:
- 3941 (A) a new alternative energy electricity production facility; or
- 3942 (B) the increase in the capacity of an alternative energy electricity production
3943 facility;
- 3944 (ii) contracted services required for construction and routine maintenance activities;
3945 and
- 3946 (iii) unless the tangible personal property is used or acquired for an increase in
3947 capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal
3948 property used or acquired after:
- 3949 (A) the alternative energy electricity production facility described in Subsection
3950 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
- 3951 (B) the increased capacity described in Subsection (55)(a)(i) is operational as
3952 described in Subsection (55)(a)(iii);
- 3953 (56) (a) leases of seven or more years or purchases made on or after July 1, 2004, but on
3954 or before June 30, 2027, of tangible personal property that:
- 3955 (i) is leased or purchased for or by a facility that:
- 3956 (A) is a waste energy production facility;
- 3957 (B) is located in the state; and

- 3958 (C) (I) becomes operational on or after July 1, 2004; or
3959 (II) has its generation capacity increased by one or more megawatts on or after
3960 July 1, 2004, as a result of the use of the tangible personal property;
3961 (ii) has an economic life of five or more years; and
3962 (iii) is used to make the facility or the increase in capacity of the facility described in
3963 Subsection (56)(a)(i) operational up to the point of interconnection with an
3964 existing transmission grid including:
3965 (A) generating equipment;
3966 (B) a control and monitoring system;
3967 (C) a power line;
3968 (D) substation equipment;
3969 (E) lighting;
3970 (F) fencing;
3971 (G) pipes; or
3972 (H) other equipment used for locating a power line or pole; and
3973 (b) this Subsection (56) does not apply to:
3974 (i) tangible personal property used in construction of:
3975 (A) a new waste energy facility; or
3976 (B) the increase in the capacity of a waste energy facility;
3977 (ii) contracted services required for construction and routine maintenance activities;
3978 and
3979 (iii) unless the tangible personal property is used or acquired for an increase in
3980 capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used
3981 or acquired after:
3982 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as
3983 described in Subsection (56)(a)(iii); or
3984 (B) the increased capacity described in Subsection (56)(a)(i) is operational as
3985 described in Subsection (56)(a)(iii);
3986 (57) (a) leases of five or more years or purchases made on or after July 1, 2004, but on
3987 or before June 30, 2027, of tangible personal property that:
3988 (i) is leased or purchased for or by a facility that:
3989 (A) is located in the state;
3990 (B) produces fuel from alternative energy, including:
3991 (I) methanol; or

- 3992 (II) ethanol; and
- 3993 (C) (I) becomes operational on or after July 1, 2004; or
- 3994 (II) has its capacity to produce fuel increase by 25% or more on or after July 1,
- 3995 2004, as a result of the installation of the tangible personal property;
- 3996 (ii) has an economic life of five or more years; and
- 3997 (iii) is installed on the facility described in Subsection (57)(a)(i);
- 3998 (b) this Subsection (57) does not apply to:
- 3999 (i) tangible personal property used in construction of:
- 4000 (A) a new facility described in Subsection (57)(a)(i); or
- 4001 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); or
- 4002 (ii) contracted services required for construction and routine maintenance activities;
- 4003 and
- 4004 (iii) unless the tangible personal property is used or acquired for an increase in
- 4005 capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used
- 4006 or acquired after:
- 4007 (A) the facility described in Subsection (57)(a)(i) is operational; or
- 4008 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
- 4009 (58) (a) subject to Subsection (58)(b), sales of tangible personal property or a product
- 4010 transferred electronically to a person within this state if that tangible personal
- 4011 property or product transferred electronically is subsequently shipped outside the
- 4012 state and incorporated pursuant to contract into and becomes a part of real property
- 4013 located outside of this state; and
- 4014 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
- 4015 state or political entity to which the tangible personal property is shipped imposes a
- 4016 sales, use, gross receipts, or other similar transaction excise tax on the transaction
- 4017 against which the other state or political entity allows a credit for sales and use taxes
- 4018 imposed by this chapter;
- 4019 (59) purchases:
- 4020 (a) of one or more of the following items in printed or electronic format:
- 4021 (i) a list containing information that includes one or more:
- 4022 (A) names; or
- 4023 (B) addresses; or
- 4024 (ii) a database containing information that includes one or more:
- 4025 (A) names; or

4026 (B) addresses; and
4027 (b) used to send direct mail;
4028 (60) redemptions or repurchases of a product by a person if that product was:
4029 (a) delivered to a pawnbroker as part of a pawn transaction; and
4030 (b) redeemed or repurchased within the time period established in a written agreement
4031 between the person and the pawnbroker for redeeming or repurchasing the product;
4032 (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item:
4033 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
4034 and
4035 (ii) has a useful economic life of one or more years; and
4036 (b) the following apply to Subsection (61)(a):
4037 (i) telecommunications enabling or facilitating equipment, machinery, or software;
4038 (ii) telecommunications equipment, machinery, or software required for 911 service;
4039 (iii) telecommunications maintenance or repair equipment, machinery, or software;
4040 (iv) telecommunications switching or routing equipment, machinery, or software; or
4041 (v) telecommunications transmission equipment, machinery, or software;
4042 (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
4043 personal property or a product transferred electronically that are used in the research
4044 and development of alternative energy technology; and
4045 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4046 commission may, for purposes of Subsection (62)(a), make rules defining what
4047 constitutes purchases of tangible personal property or a product transferred
4048 electronically that are used in the research and development of alternative energy
4049 technology;
4050 (63) (a) purchases of tangible personal property or a product transferred electronically if:
4051 (i) the tangible personal property or product transferred electronically is:
4052 (A) purchased outside of this state;
4053 (B) brought into this state at any time after the purchase described in Subsection
4054 (63)(a)(i)(A); and
4055 (C) used in conducting business in this state; and
4056 (ii) for:
4057 (A) tangible personal property or a product transferred electronically other than
4058 the tangible personal property described in Subsection (63)(a)(ii)(B), the first
4059 use of the property for a purpose for which the property is designed occurs

- 4060 outside of this state; or
- 4061 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
- 4062 registered outside of this state and not required to be registered in this state
- 4063 under Section 41-1a-202 or 73-18-9 based on residency;
- 4064 (b) the exemption provided for in Subsection (63)(a) does not apply to:
- 4065 (i) a lease or rental of tangible personal property or a product transferred
- 4066 electronically; or
- 4067 (ii) a sale of a vehicle exempt under Subsection (33); and
- 4068 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
- 4069 purposes of Subsection (63)(a), the commission may by rule define what constitutes
- 4070 the following:
- 4071 (i) conducting business in this state if that phrase has the same meaning in this
- 4072 Subsection (63) as in Subsection (24);
- 4073 (ii) the first use of tangible personal property or a product transferred electronically if
- 4074 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or
- 4075 (iii) a purpose for which tangible personal property or a product transferred
- 4076 electronically is designed if that phrase has the same meaning in this Subsection
- 4077 (63) as in Subsection (24);
- 4078 (64) sales of disposable home medical equipment or supplies if:
- 4079 (a) a person presents a prescription for the disposable home medical equipment or
- 4080 supplies;
- 4081 (b) the disposable home medical equipment or supplies are used exclusively by the
- 4082 person to whom the prescription described in Subsection (64)(a) is issued; and
- 4083 (c) the disposable home medical equipment and supplies are listed as eligible for
- 4084 payment under:
- 4085 (i) Title XVIII, federal Social Security Act; or
- 4086 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;
- 4087 (65) sales:
- 4088 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District
- 4089 Act; or
- 4090 (b) of tangible personal property to a subcontractor of a public transit district, if the
- 4091 tangible personal property is:
- 4092 (i) clearly identified; and
- 4093 (ii) installed or converted to real property owned by the public transit district;

- 4094 (66) sales of construction materials:
- 4095 (a) purchased on or after July 1, 2010;
- 4096 (b) purchased by, on behalf of, or for the benefit of an international airport:
- 4097 (i) located within a county of the first class; and
- 4098 (ii) that has a United States customs office on its premises; and
- 4099 (c) if the construction materials are:
- 4100 (i) clearly identified;
- 4101 (ii) segregated; and
- 4102 (iii) installed or converted to real property:
- 4103 (A) owned or operated by the international airport described in Subsection
- 4104 (66)(b); and
- 4105 (B) located at the international airport described in Subsection (66)(b);
- 4106 (67) sales of construction materials:
- 4107 (a) purchased on or after July 1, 2008;
- 4108 (b) purchased by, on behalf of, or for the benefit of a new airport:
- 4109 (i) located within a county of the second class; and
- 4110 (ii) that is owned or operated by a city in which an airline as defined in Section
- 4111 59-2-102 is headquartered; and
- 4112 (c) if the construction materials are:
- 4113 (i) clearly identified;
- 4114 (ii) segregated; and
- 4115 (iii) installed or converted to real property:
- 4116 (A) owned or operated by the new airport described in Subsection (67)(b);
- 4117 (B) located at the new airport described in Subsection (67)(b); and
- 4118 (C) as part of the construction of the new airport described in Subsection (67)(b);
- 4119 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common
- 4120 carrier that is a railroad for use in a locomotive engine;
- 4121 (69) purchases and sales described in Section 63H-4-111;
- 4122 (70) (a) sales of tangible personal property to an aircraft maintenance, repair, and
- 4123 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in
- 4124 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
- 4125 aircraft's registration lists a state or country other than this state as the location of
- 4126 registry of the fixed wing turbine powered aircraft; or
- 4127 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul

- 4128 provider in connection with the maintenance, repair, overhaul, or refurbishment in
4129 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
4130 aircraft's registration lists a state or country other than this state as the location of
4131 registry of the fixed wing turbine powered aircraft;
- 4132 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
- 4133 (a) to a person admitted to an institution of higher education; and
- 4134 (b) by a seller, other than a bookstore owned by an institution of higher education, if
4135 51% or more of that seller's sales revenue for the previous calendar quarter are sales
4136 of a textbook for a higher education course;
- 4137 (72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5)
4138 on a purchaser from a business for which the municipality provides an enhanced level of
4139 municipal services;
- 4140 (73) amounts paid or charged for construction materials used in the construction of a new or
4141 expanding life science research and development facility in the state, if the construction
4142 materials are:
- 4143 (a) clearly identified;
- 4144 (b) segregated; and
- 4145 (c) installed or converted to real property;
- 4146 (74) amounts paid or charged for:
- 4147 (a) a purchase or lease of machinery and equipment that:
- 4148 (i) are used in performing qualified research:
- 4149 (A) as defined in Section 41(d), Internal Revenue Code; and
- 4150 (B) in the state; and
- 4151 (ii) have an economic life of three or more years; and
- 4152 (b) normal operating repair or replacement parts:
- 4153 (i) for the machinery and equipment described in Subsection (74)(a); and
- 4154 (ii) that have an economic life of three or more years;
- 4155 (75) a sale or lease of tangible personal property used in the preparation of prepared food if:
- 4156 (a) for a sale:
- 4157 (i) the ownership of the seller and the ownership of the purchaser are identical; and
- 4158 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
4159 tangible personal property prior to making the sale; or
- 4160 (b) for a lease:
- 4161 (i) the ownership of the lessor and the ownership of the lessee are identical; and

- 4162 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that
4163 tangible personal property prior to making the lease;
- 4164 (76) (a) purchases of machinery or equipment if:
- 4165 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
4166 Gambling, and Recreation Industries, of the 2012 North American Industry
4167 Classification System of the federal Executive Office of the President, Office of
4168 Management and Budget;
- 4169 (ii) the machinery or equipment:
- 4170 (A) has an economic life of three or more years; and
4171 (B) is used by one or more persons who pay admission or user fees described in
4172 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment;
4173 and
- 4174 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
- 4175 (A) amounts paid or charged as admission or user fees described in Subsection
4176 59-12-103(1)(f); and
4177 (B) subject to taxation under this chapter; and
- 4178 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4179 commission may make rules for verifying that 51% of a purchaser's sales revenue for
4180 the previous calendar quarter is:
- 4181 (i) amounts paid or charged as admission or user fees described in Subsection
4182 59-12-103(1)(f); and
4183 (ii) subject to taxation under this chapter;
- 4184 (77) purchases of a short-term lodging consumable by a business that provides
4185 accommodations and services described in Subsection 59-12-103(1)(i);
- 4186 (78) amounts paid or charged to access a database:
- 4187 (a) if the primary purpose for accessing the database is to view or retrieve information
4188 from the database; and
4189 (b) not including amounts paid or charged for a:
- 4190 (i) digital audio work;
4191 (ii) digital audio-visual work; or
4192 (iii) digital book;
- 4193 (79) amounts paid or charged for a purchase or lease made by an electronic financial
4194 payment service, of:
- 4195 (a) machinery and equipment that:

- 4196 (i) are used in the operation of the electronic financial payment service; and
4197 (ii) have an economic life of three or more years; and
4198 (b) normal operating repair or replacement parts that:
4199 (i) are used in the operation of the electronic financial payment service; and
4200 (ii) have an economic life of three or more years;
4201 (80) sales of a fuel cell as defined in Section 54-15-102;
4202 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
4203 product transferred electronically if the tangible personal property or product transferred
4204 electronically:
4205 (a) is stored, used, or consumed in the state; and
4206 (b) is temporarily brought into the state from another state:
4207 (i) during a disaster period as defined in Section 53-2a-1202;
4208 (ii) by an out-of-state business as defined in Section 53-2a-1202;
4209 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
4210 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
4211 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined in
4212 Section 39A-7-102, made pursuant to Title 39A, Chapter 7, Morale, Welfare, and
4213 Recreation Program;
4214 (83) amounts paid or charged for a purchase or lease of molten magnesium;
4215 (84) amounts paid or charged for a purchase or lease made by a qualifying data center or an
4216 occupant of a qualifying data center of machinery, equipment, or normal operating
4217 repair or replacement parts, if the machinery, equipment, or normal operating repair or
4218 replacement parts:
4219 (a) are used in:
4220 (i) the operation of the qualifying data center; or
4221 (ii) the occupant's operations in the qualifying data center; and
4222 (b) have an economic life of one or more years;
4223 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle
4224 that includes cleaning or washing of the interior of the vehicle;
4225 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
4226 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or
4227 supplies used or consumed:
4228 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
4229 in Section 79-6-701 located in the state;

- 4230 (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts,
4231 chemicals, reagents, solutions, or supplies are used or consumed in:
- 4232 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
4233 added to gasoline or diesel fuel;
- 4234 (ii) research and development;
- 4235 (iii) transporting, storing, or managing raw materials, work in process, finished
4236 products, and waste materials produced from refining gasoline or diesel fuel, or
4237 adding blendstock to gasoline or diesel fuel;
- 4238 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
4239 refining; or
- 4240 (v) preventing, controlling, or reducing pollutants from refining; and
- 4241 (c) if the person holds a valid refiner tax exemption certification as defined in Section
4242 79-6-701;
- 4243 (87) amounts paid to or charged by a proprietor for accommodations and services, as
4244 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations
4245 tax imposed under Section 63H-1-205;
- 4246 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal
4247 operating repair or replacement parts, or materials, except for office equipment or office
4248 supplies, by an establishment, as the commission defines that term in accordance with
4249 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 4250 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North
4251 American Industry Classification System of the federal Executive Office of the
4252 President, Office of Management and Budget;
- 4253 (b) is located in this state; and
- 4254 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
4255 materials in the operation of the establishment;
- 4256 (89) amounts paid or charged for an item exempt under Section 59-12-104.10;
- 4257 (90) sales of a note, leaf, foil, or film, if the item:
- 4258 (a) is used as currency;
- 4259 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 4260 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any
4261 transparent polymer holder, coating, or encasement;
- 4262 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or
4263 surfing facility, if a trained instructor:

4264 (a) is present with the participant, in person or by video, for the duration of the activity;
 4265 and

4266 (b) actively instructs the participant, including providing observation or feedback;

4267 (92) amounts paid or charged in connection with the construction, operation, maintenance,
 4268 repair, or replacement of facilities owned by or constructed for:

4269 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or

4270 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;

4271 (93) amounts paid by the service provider for tangible personal property, other than
 4272 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels,
 4273 that:

4274 (a) is consumed in the performance of a service that is subject to tax under Subsection
 4275 59-12-103(1)(b), (f), (g), (h), (i), or (j);

4276 (b) has to be consumed for the service provider to provide the service described in
 4277 Subsection (93)(a); and

4278 (c) will be consumed in the performance of the service described in Subsection (93)(a),
 4279 to one or more customers, to the point that the tangible personal property disappears
 4280 or cannot be used for any other purpose;

4281 (94) sales of rail rolling stock manufactured in Utah; ~~and~~

4282 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or
 4283 construction materials between establishments, as the commission defines that term in
 4284 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:

4285 (a) the establishments are related directly or indirectly through 100% common
 4286 ownership or control; and

4287 (b) each establishment is described in one of the following subsectors of the 2022 North
 4288 American Industry Classification System of the federal Executive Office of the
 4289 President, Office of Management and Budget:

4290 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or

4291 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing[-] ; and

4292 (96) sales of construction materials used for the construction of a qualified stadium, as
 4293 defined in Section 11-70-101.

4294 Section 53. Section **59-12-352** is amended to read:

4295 **59-12-352 (Effective 05/01/24). Authority to impose a transient room tax --**

4296 **Purposes for which revenues may be used.**

4297 (1) (a) Except as provided in Subsection (5), the governing body of a municipality may

- 4298 impose a tax of not to exceed 1% on charges for the accommodations and services
4299 described in Subsection 59-12-103(1)(i).
- 4300 (b) Subject to Section 63H-1-203, the military installation development authority created
4301 in Section 63H-1-201 may impose a tax under this section for accommodations and
4302 services described in Subsection 59-12-103(1)(i) within a project area described in a
4303 project area plan adopted by the authority under Title 63H, Chapter 1, Military
4304 Installation Development Authority Act, as though the authority were a municipality.
- 4305 (c) Beginning October 1, 2024, the Utah Fairpark Area Investment and Restoration
4306 District, created in Section 11-70-201, may impose a tax under this section for
4307 accommodations and services described in Subsection 59-12-103(1)(i) within the
4308 district sales tax area, as defined in Section 11-70-101, to the same extent and in the
4309 same manner as a municipality may impose a tax under this section.
- 4310 (2) Subject to the limitations of Subsection (1), a governing body of a municipality may, by
4311 ordinance, increase or decrease the tax under this part.
- 4312 (3) A governing body of a municipality shall regulate the tax under this part by ordinance.
- 4313 (4) A municipality may use revenues generated by the tax under this part for general fund
4314 purposes.
- 4315 (5) (a) A municipality may not impose a tax under this section for accommodations and
4316 services described in Subsection 59-12-103(1)(i) within a project area described in a
4317 project area plan adopted by :
- 4318 (i) the military installation development authority under Title 63H, Chapter 1,
4319 Military Installation Development Authority Act[-] ; or
- 4320 (ii) the Utah Fairpark Area Investment and Restoration District under Title 11,
4321 Chapter 70, Utah Fairpark Area Investment and Restoration District.
- 4322 (b) Subsection (5)(a) does not apply to the military installation development authority's
4323 imposition of a tax under this section.
- 4324 (6) (a) As used in this Subsection (6):
- 4325 (i) "Authority" means the Point of the Mountain State Land Authority, created in
4326 Section 11-59-201.
- 4327 (ii) "Authority board" means the board referred to in Section 11-59-301.
- 4328 (b) The authority may, by a resolution adopted by the authority board, impose a tax of
4329 not to exceed 5% on charges for the accommodations and services described in
4330 Subsection 59-12-103(1)(i) for transactions that occur on point of the mountain state
4331 land, as defined in Section 11-59-102.

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

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

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

Section 54. Section **59-12-354** is amended to read:

59-12-354 (Effective 05/01/24). Collection of tax -- Administrative charge.

(1) Except as provided in Subsections (2) and (3), the tax authorized under this part shall be administered, collected, and enforced in accordance with:

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

(i) Part 1, Tax Collection; or

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

(b) Chapter 1, General Taxation Policies.

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

(b) ~~[The]~~ Except as provided in Subsection (2)(c), the commission~~[- (i) except as provided in Subsection (2)(b)(ii);]~~ shall distribute the revenue collected from the tax to:

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

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

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

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

(3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections 59-12-205(2) through (5).

Section 55. Section **59-12-401** is amended to read:

59-12-401 (Effective 05/01/24). Resort communities tax authority for cities, towns, and military installation development authority -- Base -- Rate -- Collection

4366 fees.

4367 (1) (a) In addition to other sales and use taxes, a city or town in which the transient room
 4368 capacity as defined in Section 59-12-405 is greater than or equal to 66% of the
 4369 municipality's permanent census population may impose a sales and use tax of up to
 4370 1.1% on the transactions described in Subsection 59-12-103(1) located within the city
 4371 or town.

4372 (b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this
 4373 section on:

4374 (i) (A) the sale of [-] a motor vehicle, an aircraft, a watercraft, a modular home, a
 4375 manufactured home, or a mobile home;

4376 [~~(A) a motor vehicle;~~]

4377 [~~(B) an aircraft;~~]

4378 [~~(C) a watercraft;~~]

4379 [~~(D) a modular home;~~]

4380 [~~(E) a manufactured home; or~~]

4381 [~~(F) a mobile home;~~]

4382 [(ii)] (B) the sales and uses described in Section 59-12-104 to the extent the sales
 4383 and uses are exempt from taxation under Section 59-12-104; and

4384 [(iii)] (C) except as provided in Subsection (1)(d), amounts paid or charged for
 4385 food and food ingredients[-] ; or

4386 (ii) transactions that occur in the district sales tax area, as defined in Subsection (4), if
 4387 the fairpark district, as defined in Subsection (4), has imposed a tax under
 4388 Subsection (4).

4389 (c) For purposes of this Subsection (1), the location of a transaction shall be determined
 4390 in accordance with Sections 59-12-211 through 59-12-215.

4391 (d) A city or town imposing a tax under this section shall impose the tax on the purchase
 4392 price or the sales price for amounts paid or charged for food and food ingredients if
 4393 the food and food ingredients are sold as part of a bundled transaction attributable to
 4394 food and food ingredients and tangible personal property other than food and food
 4395 ingredients.

4396 (2) (a) An amount equal to the total of any costs incurred by the state in connection with
 4397 the implementation of Subsection (1) which exceed, in any year, the revenues
 4398 received by the state from its collection fees received in connection with the
 4399 implementation of Subsection (1) shall be paid over to the state General Fund by the

4400 cities and towns which impose the tax provided for in Subsection (1).

4401 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among those
4402 cities and towns according to the amount of revenue the respective cities and towns
4403 generate in that year through imposition of that tax.

4404 (3) (a) Subject to Section 63H-1-203, the military installation development authority
4405 created in Section 63H-1-201 may impose a tax under this section on the transactions
4406 described in Subsection 59-12-103(1) located within a project area described in a
4407 project area plan adopted by the authority under Title 63H, Chapter 1, Military
4408 Installation Development Authority Act, as though the authority were a city or a town.

4409 (b) For purposes of calculating the permanent census population within a project area,
4410 the board, as defined in Section 63H-1-102, shall:

4411 (i) use the actual number of permanent residents within the project area as determined
4412 by the board;

4413 (ii) include in the calculation of transient room capacity the number, as determined
4414 by the board, of approved high-occupancy lodging units, recreational lodging
4415 units, special lodging units, and standard lodging units, even if the units are not
4416 constructed;

4417 (iii) adopt a resolution verifying the population number; and

4418 (iv) provide the commission any information required in Section 59-12-405.

4419 (c) Notwithstanding Subsection (1)(a), a board as defined in Section 63H-1-102 may
4420 impose the sales and use tax under this section if there are no permanent residents.

4421 (4) (a) As used in this Subsection (4):

4422 (i) "District sales tax area" means the same as that term is defined in Section
4423 11-70-101.

4424 (ii) "Fairpark district" means the Utah Fairpark Area Investment and Restoration
4425 District, created in Section 11-70-201.

4426 (iii) "Fairpark district board" means the board of the fairpark district.

4427 (b) The fairpark district, by resolution of the fairpark district board, may impose a tax
4428 under this section, as though the fairpark district were a city or town, on transactions
4429 described in Subsection 59-12-103(1):

4430 (i) located within the district sales tax area; and

4431 (ii) that occur on or after October 1, 2024.

4432 (c) For purposes of calculating the permanent census population within the district sales
4433 tax area, the fairpark district board shall:

- (i) use the actual number of permanent residents within the district sales tax area as determined by the fairpark district board;
- (ii) include in the calculation of transient room capacity the number, as determined by the fairpark district board, of approved high-occupancy lodging units, recreational lodging units, special lodging units, and standard lodging units, even if the units are not constructed;
- (iii) adopt a resolution verifying the population number; and
- (iv) provide the commission any information required in Section 59-12-405.
- (d) Notwithstanding Subsection (1)(a), the fairpark district may impose the sales and use tax under this section if there are no permanent residents within the district sales tax area.

Section 56. Section **59-12-402** is amended to read:

59-12-402 (Effective 05/01/24). Additional resort communities sales and use tax

-- Base -- Rate -- Collection fees -- Resolution and voter approval requirements

-- Election requirements -- Notice requirements -- Ordinance requirements --

Prohibition of military installation development authority imposition of tax.

(1) (a) Subject to Subsections (2) through (6), the governing body of a municipality in which the transient room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the municipality's permanent census population may, in addition to the sales tax authorized under Section 59-12-401, impose an additional resort communities sales tax in an amount that is less than or equal to .5% on the transactions described in Subsection 59-12-103(1) located within the municipality.

(b) Notwithstanding Subsection (1)(a), the governing body of a municipality may not impose a tax under this section on:

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

~~[(A) a motor vehicle;]~~

~~[(B) an aircraft;]~~

~~[(C) a watercraft;]~~

~~[(D) a modular home;]~~

~~[(E) a manufactured home; or]~~

~~[(F) a mobile home;]~~

- ~~[(ii)]~~ (B) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and

- 4468 ~~[(iii)]~~ (C) except as provided in Subsection (1)(d), amounts paid or charged for
4469 food and food ingredients~~[-]~~ ; or
- 4470 (ii) transactions that occur in the district sales tax area, as defined in Subsection
4471 59-12-401(4), if the Utah Fairpark Area Investment and Restoration District,
4472 created in Section 11-70-201, has imposed a tax under Subsection (8).
- 4473 (c) For purposes of this Subsection (1), the location of a transaction shall be determined
4474 in accordance with Sections 59-12-211 through 59-12-215.
- 4475 (d) A municipality imposing a tax under this section shall impose the tax on the
4476 purchase price or sales price for amounts paid or charged for food and food
4477 ingredients if the food and food ingredients are sold as part of a bundled transaction
4478 attributable to food and food ingredients and tangible personal property other than
4479 food and food ingredients.
- 4480 (2) (a) An amount equal to the total of any costs incurred by the state in connection with
4481 the implementation of Subsection (1) which exceed, in any year, the revenues
4482 received by the state from its collection fees received in connection with the
4483 implementation of Subsection (1) shall be paid over to the state General Fund by the
4484 cities and towns which impose the tax provided for in Subsection (1).
- 4485 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among those
4486 cities and towns according to the amount of revenue the respective cities and towns
4487 generate in that year through imposition of that tax.
- 4488 (3) To impose an additional resort communities sales tax under this section, the governing
4489 body of the municipality shall:
- 4490 (a) pass a resolution approving the tax; and
- 4491 (b) except as provided in Subsection (6), obtain voter approval for the tax as provided in
4492 Subsection (4).
- 4493 (4) To obtain voter approval for an additional resort communities sales tax under
4494 Subsection (3)(b), a municipality shall:
- 4495 (a) hold the additional resort communities sales tax election during:
- 4496 (i) a regular general election; or
- 4497 (ii) a municipal general election; and
- 4498 (b) post notice of the election for the municipality, as a class A notice under Section
4499 63G-30-102, for at least 15 days before the day on which the election is held.
- 4500 (5) An ordinance approving an additional resort communities sales tax under this section
4501 shall provide an effective date for the tax as provided in Section 59-12-403.

- (6) (a) Except as provided in Subsection (6)(b), a municipality is not subject to the voter approval requirements of Subsection (3)(b) if, on or before January 1, 1996, the municipality imposed a license fee or tax on businesses based on gross receipts pursuant to Section 10-1-203.
- (b) The exception from the voter approval requirements in Subsection (6)(a) does not apply to a municipality that, on or before January 1, 1996, imposed a license fee or tax on only one class of businesses based on gross receipts pursuant to Section 10-1-203.
- (7) A military installation development authority authorized to impose a resort communities tax under Section 59-12-401 may not impose an additional resort communities sales tax under this section.
- (8) The Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, may impose an additional resort communities tax under this section on transactions that occur:
- (a) within the district sales tax area, as defined in Subsection 59-12-401(4); and
- (b) that occur on or after October 1, 2024.
- Section 57. Section **59-12-1201** is amended to read:
- 59-12-1201 (Effective 05/01/24). Motor vehicle rental tax -- Rate -- Exemptions -- Administration, collection, and enforcement of tax -- Administrative charge -- Deposits.**
- (1) As used in this section:
- (a) "Fairpark district board" means the board of the fairpark district.
- (b) "Fairpark district" means the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.
- (c) "Franchise agreement date" means the same as that term is defined in Section 11-70-101.
- (d) "Stadium contribution" means the same as that term is defined in Section 11-70-101.
- (e) "Transition date" means the first day of the calendar quarter that begins at least 90 days after the fairpark district board delivers to the commission the certificate described in Subsection (2)(a)(ii)(B).
- ~~[(1)]~~ (2) (a) (i) Except as provided in Subsections ~~[(3) and (4)]~~ (4) and (5), there is imposed a tax of 2.5% on all short-term leases and rentals of motor vehicles not exceeding 30 days.
- (ii) (A) In addition to the tax imposed under Subsection (2)(a)(i) and except as

4536 provided in Subsections (4) and (5), beginning on the transition date there is
4537 imposed a tax of 1.5% on all short-term leases and rentals of motor vehicles
4538 not exceeding 30 days.

4539 (B) After the franchise agreement date, the fairpark district board shall deliver to
4540 the commission a certificate verifying the execution of a franchise agreement,
4541 as defined in Section 11-70-101, and providing the franchise agreement date.

4542 (C) A tax under this Subsection (2)(a)(ii) is imposed only if the franchise
4543 agreement date is on or before June 30, 2032.

4544 (b) The tax imposed in this section is in addition to all other state, county, or municipal
4545 fees and taxes imposed on rentals of motor vehicles.

4546 ~~[(2)]~~ (3) (a) Subject to Subsection ~~[(2)(b)]~~ (3)(b), a tax rate repeal or tax rate change for
4547 the tax imposed under Subsection ~~[(1)]~~ (2) shall take effect on the first day of a
4548 calendar quarter.

4549 (b) (i) For a transaction subject to a tax under Subsection ~~[(1)]~~ (2), a tax rate increase
4550 shall take effect on the first day of the first billing period:

4551 (A) that begins after the effective date of the tax rate increase; and

4552 (B) if the billing period for the transaction begins before the effective date of a tax
4553 rate increase imposed under Subsection ~~[(1)]~~ (2).

4554 (ii) For a transaction subject to a tax under Subsection ~~[(1)]~~ (2), the repeal of a tax or a
4555 tax rate decrease shall take effect on the first day of the last billing period:

4556 (A) that began before the effective date of the repeal of the tax or the tax rate
4557 decrease; and

4558 (B) if the billing period for the transaction begins before the effective date of the
4559 repeal of the tax or the tax rate decrease imposed under Subsection ~~[(1)]~~ (2).

4560 ~~[(3)]~~ (4) Beginning on July 1, 2023, a tax imposed under ~~[Subsection (1)]~~ this section applies
4561 at the same rate to car sharing, except for:

4562 (a) car sharing for the purpose of temporarily replacing a person's motor vehicle that is
4563 being repaired pursuant to a repair or an insurance agreement; and

4564 (b) car sharing for more than 30 days.

4565 ~~[(4)]~~ (5) A motor vehicle is exempt from the tax imposed under ~~[Subsection (1)]~~ this section
4566 if:

4567 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

4568 (b) the motor vehicle is rented as a personal household goods moving van; or

4569 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily

4570 replacing a person's motor vehicle that is being repaired pursuant to a repair
4571 agreement or an insurance agreement.

4572 ~~[(5)]~~ (6) (a) (i) The tax authorized under this section shall be administered, collected,
4573 and enforced in accordance with:

4574 (A) the same procedures used to administer, collect, and enforce the tax under Part
4575 1, Tax Collection; and

4576 (B) Chapter 1, General Taxation Policies.

4577 (ii) Notwithstanding Subsection (5)(a)(i), a tax under this part is not subject to
4578 59-12-103(4) through (9) or Section 59-12-107.1 or 59-12-123.

4579 (b) The commission shall retain and deposit an administrative charge in accordance with
4580 Section 59-1-306 from the revenues the commission collects from a tax under this
4581 part.

4582 (c) Except as provided under [Subsection] ~~[(5)(b)]~~ Subsections (6)(b) and (d), all revenue
4583 received by the commission under this section shall be deposited daily with the state
4584 treasurer and credited monthly to the Marda Dillree Corridor Preservation Fund
4585 under Section 72-2-117.

4586 (d) (i) Subject to Subsection (6)(d)(iii), all revenue received by the commission under
4587 Subsection (2)(a)(ii) shall be paid to the fairpark district.

4588 (ii) Within 10 days after the fairpark district completes payment of the stadium
4589 contribution, the fairpark district board shall deliver to the commission a written
4590 statement verifying that the fairpark district has completed payment of the stadium
4591 contribution.

4592 (iii) Upon receipt of the written statement under Subsection (6)(d)(ii), the
4593 commission shall:

4594 (A) discontinue collecting revenue under Subsection (2)(a)(ii), beginning the first
4595 day of the calendar quarter that is at least 90 days after the commission's
4596 receipt of the written statement;

4597 (B) discontinue distributing revenue under Subsection (2)(a)(ii) to the fairpark
4598 district, beginning the first day of the calendar quarter that is at least 90 days
4599 after the commission's receipt of the written statement; and

4600 (C) notify the Executive Appropriations Committee of the Legislature that the
4601 commission is discontinuing collecting and distributing revenue under
4602 Subsection (2)(a)(ii).

4603 Section 58. Section **63A-3-401.5** is amended to read:

4604 **63A-3-401.5 (Effective 05/01/24). Definitions.**

4605 As used in this part:

4606 (1) "Borrower" means a person who borrows money from an infrastructure fund for an
4607 infrastructure project.4608 (2) "Fairpark district development fund" means the infrastructure fund created in
4609 Subsection 63A-3-402(1)(c).4610 [~~(2)~~] (3) "Independent political subdivision" means:

4611 (a) the Utah Inland Port Authority created in Section 11-58-201;

4612 (b) the Point of the Mountain State Land Authority created in Section 11-59-201; [~~or~~]4613 (c) the Utah Fairpark Area Investment and Restoration District created in Section
4614 11-70-201; or4615 [~~(c)~~] (d) the Military Installation Development Authority created in Section 63H-1-201.4616 [~~(3)~~] (4) "Infrastructure fund" means a fund created in Subsection 63A-3-402(1).4617 [~~(4)~~] (5) "Infrastructure loan" means a loan of infrastructure fund money to finance an
4618 infrastructure project.4619 [~~(5)~~] (6) "Infrastructure project" means a project to acquire, construct, reconstruct,
4620 rehabilitate, equip, or improve public infrastructure and improvements:

4621 (a) within a project area; or

4622 (b) outside a project area, if the respective loan approval body determines by resolution
4623 that the public infrastructure and improvements are of benefit to the project area.4624 [~~(6)~~] (7) "Inland port" means the same as that term is defined in Section 11-58-102.4625 [~~(7)~~] (8) "Inland port fund" means the infrastructure fund created in Subsection 63A-3-402
4626 (1)(a).4627 [~~(8)~~] (9) "Military development fund" means the infrastructure fund created in Subsection [
4628 63A-3-402(1)(e)] 63A-3-402(1)(d).4629 [~~(9)~~] (10) "Point of the mountain fund" means the infrastructure fund created in Subsection
4630 63A-3-402(1)(b).4631 [~~(10)~~] (11) "Project area" means:4632 (a) the same as that term is defined in Section 11-58-102, for purposes of an
4633 infrastructure loan from the inland port fund;4634 (b) the point of the mountain state land, as defined in Section 11-59-102, for purposes of
4635 an infrastructure loan from the point of the mountain fund; [~~and~~]4636 (c) the same as that term is defined in Section 11-70-101, for purposes of an
4637 infrastructure loan from the fairpark district development fund; or

- 4638 ~~[(e)]~~ (d) the same as that term is defined in Section 63H-1-102, for purposes of an
 4639 infrastructure loan from the military development fund.
- 4640 ~~[(11)]~~ (12) "Property tax revenue" means:
- 4641 (a) property tax differential, as defined in Section 11-58-102, for purposes of an
 4642 infrastructure loan from the inland port fund; ~~[or]~~
- 4643 (b) enhanced property tax revenue, as defined in Section 11-70-101, for purposes of an
 4644 infrastructure loan from the fairpark district development fund; or
- 4645 ~~[(b)]~~ (c) property tax allocation, as defined in Section 63H-1-102, for purposes of an
 4646 infrastructure loan from the military development fund.
- 4647 ~~[(12)]~~ (13) "Public infrastructure and improvements" means:
- 4648 (a) ~~[means]~~ the same as that term is defined in Section 11-58-102, for purposes of an
 4649 infrastructure loan from the inland port fund;
- 4650 (b) ~~[means]~~ publicly owned infrastructure and improvements, as defined in Section
 4651 11-59-102, for purposes of an infrastructure loan from the point of the mountain
 4652 fund; ~~[and]~~
- 4653 (c) the same as that term is defined in Section 11-70-101, for purposes of an
 4654 infrastructure loan from the fairpark district development fund; or
- 4655 ~~[(e)]~~ (d) ~~[means]~~ the same as that term is defined in Section 63H-1-102, for purposes of
 4656 an infrastructure loan from the military development fund.
- 4657 ~~[(13)]~~ (14) "Respective loan approval body" means:
- 4658 (a) the board created in Section 11-58-301, for purposes of an infrastructure loan from
 4659 the inland port fund;
- 4660 (b) the board created in Section 11-59-301, for purposes of an infrastructure loan from
 4661 the point of the mountain fund; ~~[and]~~
- 4662 (c) the board created in Section 11-70-301, for purposes of an infrastructure loan from
 4663 the fairpark area development fund; or
- 4664 ~~[(e)]~~ (d) the committee created in Section 63H-1-104, for purposes of an infrastructure
 4665 loan from the military development fund.
- 4666 Section 59. Section **63A-3-402** is amended to read:
- 4667 **63A-3-402 (Effective 05/01/24). Infrastructure funds established -- Purpose of**
 4668 **funds -- Use of money in funds.**
- 4669 (1) There are created, as enterprise revolving loan funds:
- 4670 (a) the inland port infrastructure revolving loan fund;
- 4671 (b) the point of the mountain infrastructure revolving loan fund; ~~[and]~~

- 4672 (c) the fairpark area development revolving loan fund; and
4673 ~~[(e)]~~ (d) the military development infrastructure revolving loan fund.
- 4674 (2) The purpose of each infrastructure fund is to provide funding, through infrastructure
4675 loans, for infrastructure projects undertaken by a borrower.
- 4676 (3) (a) Money in an infrastructure fund may be used only to provide loans for
4677 infrastructure projects.
- 4678 (b) The division may not loan money in an infrastructure fund without the approval of:
4679 (i) the respective loan approval body; and
4680 (ii) the Executive Appropriations Committee of the Legislature, for a loan from the
4681 inland port fund~~[-or]~~ , the point of the mountain fund, or the fairpark area
4682 development fund.

4683 Section 60. Section **63A-5b-902** is amended to read:

4684 **63A-5b-902 (Effective 05/01/24). Application of part.**

- 4685 (1) The provisions of this part, other than this section, do not apply to:
4686 (a) a conveyance, lease, or disposal under Subsection 63A-5b-303(1)(a)(viii);
4687 (b) the division's disposal or lease of division-owned property with a value under
4688 \$500,000, as estimated by the division;
4689 (c) a conveyance, lease, or disposal of division-owned property in connection with:
4690 (i) the establishment of a state store, as defined in Section 32B-1-102; or
4691 (ii) the construction of student housing; ~~[-or]~~
4692 (d) a conveyance, lease, or disposal of any part of the point of the mountain state land, as
4693 defined in Section 11-59-102, by the Point of the Mountain State Land Authority
4694 created in Section 11-59-201~~[-]~~ ; or
4695 (e) a conveyance, lease, or disposal of any state-owned land, as defined in Section
4696 11-70-101, by the Utah Fairpark Area Investment and Restoration District, created in
4697 Section 11-70-201.

- 4698 (2) Nothing in Subsection (1)(b) or (c) may be construed to diminish or eliminate the
4699 division's responsibility to manage division-owned property in the best interests of the
4700 state.

4701 Section 61. Section **63C-25-101** is amended to read:

4702 **63C-25-101 (Effective 05/01/24). Definitions.**

4703 As used in this chapter:

- 4704 (1) "Authority" means the same as that term is defined in Section 63B-1-303.
4705 (2) "Bond" means the same as that term is defined in Section 63B-1-101.

- 4706 (3) (a) "Bonding government entity" means the state or any entity that is authorized to
4707 issue bonds under any provision of state law.
- 4708 (b) "Bonding government entity" includes:
- 4709 (i) a bonding political subdivision; and
- 4710 (ii) a public infrastructure district that is authorized to issue bonds either directly, or
4711 through the authority of a bonding political subdivision or other governmental
4712 entity.
- 4713 (4) "Bonding political subdivision" means:
- 4714 (a) the Utah Inland Port Authority, created in Section 11-58-201;
- 4715 (b) the Military Installation Development Authority, created in Section 63H-1-201;
- 4716 (c) the Point of the Mountain State Land Authority, created in Section 11-59-201;
- 4717 (d) the Utah Lake Authority, created in Section 11-65-201[-]; ~~[or]~~
- 4718 (e) the State Fair Park Authority, created in Section 11-68-201[-] ; or
- 4719 (f) the Utah Fairpark Area Investment and Restoration District, created in Section
4720 11-70-201.
- 4721 (5) "Commission" means the State Finance Review Commission created in Section
4722 63C-25-201.
- 4723 (6) "Concessionaire" means a person who:
- 4724 (a) operates, finances, maintains, or constructs a government facility under a contract
4725 with a bonding political subdivision; and
- 4726 (b) is not a bonding government entity.
- 4727 (7) "Concessionaire contract" means a contract:
- 4728 (a) between a bonding government entity and a concessionaire for the operation, finance,
4729 maintenance, or construction of a government facility;
- 4730 (b) that authorizes the concessionaire to operate the government facility for a term of
4731 five years or longer, including any extension of the contract; and
- 4732 (c) in which all or some of the annual source of payment to the concessionaire comes
4733 from state funds provided to the bonding government entity.
- 4734 (8) "Creating entity" means the same as that term is defined in Section 17D-4-102.
- 4735 (9) "Government facility" means infrastructure, improvements, or a building that:
- 4736 (a) costs more than \$5,000,000 to construct; and
- 4737 (b) has a useful life greater than five years.
- 4738 (10) "Large public transit district" means the same as that term is defined in Section
4739 17B-2a-802.

- 4740 (11) "Loan entity" means the board, person, unit, or agency with legal responsibility for
4741 making a loan from a revolving loan fund.
- 4742 (12) "Obligation" means the same as that term is defined in Section 63B-1-303.
- 4743 (13) "Parameters resolution" means a resolution of a bonding government entity that sets
4744 forth for proposed bonds:
- 4745 (a) the maximum:
- 4746 (i) amount of bonds;
- 4747 (ii) term; and
- 4748 (iii) interest rate; and
- 4749 (b) the expected security for the bonds.
- 4750 (14) "Public infrastructure district" means a public infrastructure district created under Title
4751 17D, Chapter 4, Public Infrastructure District Act.
- 4752 (15) "Revolving loan fund" means:
- 4753 (a) the Water Resources Conservation and Development Fund, created in Section
4754 73-10-24;
- 4755 (b) the Water Resources Construction Fund, created in Section 73-10-8;
- 4756 (c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;
- 4757 (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels
4758 and Emission Reduction Technology Program Act;
- 4759 (e) the Water Development Security Fund and its subaccounts, created in Section
4760 73-10c-5;
- 4761 (f) the Agriculture Resource Development Fund, created in Section 4-18-106;
- 4762 (g) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;
- 4763 (h) the Permanent Community Impact Fund, created in Section 35A-8-303;
- 4764 (i) the Petroleum Storage Tank Fund, created in Section 19-6-409;
- 4765 (j) the School Building Revolving Account, created in Section 53F-9-206;
- 4766 (k) the State Infrastructure Bank Fund, created in Section 72-2-202;
- 4767 (l) the Uintah Basin Revitalization Fund, created in Section 35A-8-1602;
- 4768 (m) the Navajo Revitalization Fund, created in Section 35A-8-1704;
- 4769 (n) the Energy Efficiency Fund, created in Section 11-45-201;
- 4770 (o) the Brownfields Fund, created in Section 19-8-120;
- 4771 (p) ~~[the following]~~ any of the enterprise revolving loan funds created in Section
4772 63A-3-402: and
- 4773 ~~[(i) the inland port infrastructure revolving loan fund;]~~

4774 ~~[(ii) the point of the mountain infrastructure revolving loan fund; or]~~
 4775 ~~[(iii) the military development infrastructure revolving loan fund; and]~~
 4776 (q) any other revolving loan fund created in statute where the borrower from the
 4777 revolving loan fund is a public non-profit entity or political subdivision, including a
 4778 fund listed in Section 63A-3-205, from which a loan entity is authorized to make a
 4779 loan.

4780 (16) (a) "State funds" means an appropriation by the Legislature identified as coming
 4781 from the General Fund or Education Fund.

4782 (b) "State funds" does not include:

- 4783 (i) a revolving loan fund; or
- 4784 (ii) revenues received by a bonding political subdivision from:
 - 4785 (A) a tax levied by the bonding political subdivision;
 - 4786 (B) a fee assessed by the bonding political subdivision; or
 - 4787 (C) operation of the bonding political subdivision's government facility.

4788 Section 62. Section **63C-25-202** is amended to read:

4789 **63C-25-202 (Effective 05/01/24). Powers and duties.**

4790 (1) The commission shall annually review a report provided in accordance with Section
 4791 63B-1-305 or 63B-1a-102.

4792 (2) (a) A loan entity other than a loan entity described in Subsection (2)(b) shall no later
 4793 than January 1 of each year submit information on each revolving loan fund from
 4794 which the loan entity made a loan in the previous fiscal year, including information
 4795 identifying new and ongoing loan recipients, the terms of each loan, loan repayment,
 4796 and any other information regarding a revolving loan fund requested by the
 4797 commission.

4798 (b) If a loan entity is:

- 4799 (i) the Utah Inland Port Authority, the loan entity shall submit the information in
 4800 accordance with Section 11-58-106 and any other information regarding a
 4801 revolving loan fund requested by the commission;
- 4802 (ii) the Point of the Mountain State Land Authority, the loan entity shall submit the
 4803 information in accordance with Section 11-59-104 and any other information
 4804 regarding a revolving loan fund requested by the commission; ~~[or]~~
- 4805 (iii) the Utah Fairpark Area Investment and Restoration District, the loan entity shall
 4806 submit the information in accordance with Section 11-70-104 and any other
 4807 information regarding a revolving loan fund requested by the commission; or

[~~(iii)~~] (iv) the Military Installation Development Authority, the loan entity shall submit the information in accordance with Section 63H-1-104 and any other information regarding a revolving loan fund requested by the commission.

(c) The commission may annually review and provide feedback for the following:

- (i) each loan entity for compliance with state law authorizing and regulating the revolving loan fund, including, as applicable, Title 11, Chapter 14, Local Government Bonding Act;
- (ii) each loan entity's revolving loan fund policies and practices, including policies and practices for approving and setting the terms of a loan; and
- (iii) each borrower of funds from a revolving loan fund for accurate and timely reporting by the borrower to the appropriate debt repository.

(3) (a) The commission shall review and may approve a bond before a large public transit district may issue a bond.

(b) The commission may not approve issuance of a bond described in Subsection (3)(a) unless the execution and terms of the bond comply with state law.

(c) If, after review, the commission approves a bond described in Subsection (3)(a), the large public transit district:

- (i) may not change before issuing the bond the terms of the bond that were reviewed by the commission if the change is outside the approved parameters and intended purposes; and
- (ii) is under no obligation to issue the bond.

(d) A member of the commission who approves a bond under Subsection (3)(a) or reviews a parameters resolution under Subsection (4)(a) is not liable personally on the bond.

(e) The approval of a bond under Subsection (3)(a) or review under Subsection (4)(a) of a parameters resolution by the commission:

- (i) is not an obligation of the state; and
- (ii) is not an act that:
 - (A) lends the state's credit; or
 - (B) constitutes indebtedness within the meaning of any constitutional or statutory debt limitation.

(4) (a) The commission shall review and, at the commission's discretion, may make recommendations regarding a parameters resolution before:

- (i) a bonding political subdivision may issue a bond; or

- 4842 (ii) a public infrastructure district may issue a bond, if the creating entity of the
4843 public infrastructure district is a bonding political subdivision.
- 4844 (b) The commission shall conduct the review under Subsection (4)(a) and forward any
4845 recommendations to the bonding political subdivision or public infrastructure district
4846 no later than 45 days after the day on which the commission receives the bonding
4847 political subdivision's or public infrastructure district's parameters resolution.
- 4848 (c) Notwithstanding Subsection (4)(a), if the commission fails to review a parameters
4849 resolution or forward recommendations, if any, in the timeframe described in
4850 Subsection (4)(b), the bonding political subdivision or public infrastructure district,
4851 respectively, may proceed with the bond without review by the commission.
- 4852 (d) After review by the commission under Subsection (4)(a), the bonding political
4853 subdivision or public infrastructure district:
- 4854 (i) shall consider recommendations by the commission; and
4855 (ii) may proceed with the bond but is under no obligation to issue the bond.
- 4856 (5) The commission shall provide training and other information on debt management,
4857 lending and borrowing best practices, and compliance with state law to the authority, a
4858 bonding political subdivision, a large public transit district, and a loan entity.
- 4859 (6) (a) Before a bonding government entity may enter into a concessionaire contract, the
4860 commission shall review and approve the concessionaire contract.
- 4861 (b) If, after review, the commission approves the concessionaire contract, the bonding
4862 government entity:
- 4863 (i) may not change the terms of the concessionaire contract if the change is outside of:
4864 (A) any applicable approved parameters of the concessionaire contract; or
4865 (B) the intended purposes of the concessionaire contract; and
4866 (ii) is under no obligation to enter into the concessionaire contract.
- 4867 **Section 63. Repealer.**
- 4868 This bill repeals:
- 4869 **Section 11-68-401, (Effective 05/01/24)Distribution of sales tax revenue to authority.**
- 4870 **Section 11-68-402, (Effective 05/01/24)Privilege tax -- Personal property tax revenue --**
- 4871 **Deposit into Utah State Fair Fund.**
- 4872 **Section 59-12-2301, (Effective 05/01/24)Definitions.**
- 4873 **Section 59-12-2302, (Effective 05/01/24)Fair park authority may impose special event**
- 4874 **tax.**
- 4875 **Section 59-12-2303, (Effective 05/01/24)Seller or certified service provider reliance on**

4876 **commission information.**

4877 Section **59-12-2304, (Effective 05/01/24)Certified service provider or model 2 seller**
4878 **reliance on commission certified software.**

4879 Section **59-12-2305, (Effective 05/01/24)Purchaser relief from liability.**

4880 Section 64. **Effective date.**

4881 (1) Except as provided in Subsection (2), this bill takes effect on May 1, 2024.

4882 (2) The actions to Section 59-12-103 (Contingently Effective 01/01/25) contingently take
4883 effect on January 1, 2025.